

Wolds Learning Partnership

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2018

Forrester Boyd Robson Limited
Kingfisher Court
Plaxton Bridge Road
Woodmansey
Beverley
HU17 0RT

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COMPANIES HOUSE

Wolds Learning Partnership

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Wolds Learning Partnership

Reference and Administrative Details

Members	R Hall M Whytock A Shadrack P Lewis Ogden J Carpenter
Chief Executive Officer	J Britton
Governors and Trustees (Directors)	A G Shadrack, Chair S A Burley A G Cook A J Ekers J J Sinclair Reverend L J Slow (resigned 12 March 2018) K J Taylor J K Thomson
Senior Management Team	J Britton, Chief Executive Officer T Bixby, Chief Financial Officer H Walker, Head's Personal Assistant S Hogg, Head of Operations J Brighton, Head of Human Resources
Principal and Registered Office	Woldgate School And Sixth Form College 92 Kilnwick Road Pocklington YO42 2LL
Company Registration Number	10518602
Auditors	Forrester Boyd Robson Limited Kingfisher Court Plaxton Bridge Road Woodmansey Beverley HU17 0RT
Bankers	Lloyds Bank Plc 2 Pavement York YO1 9UP
Solicitors	Wrigleys Solicitors LLP 19 Cookridge Street Leeds LS2 3AG

Wolds Learning Partnership

Trustees' Report for the Year Ended 31 August 2018

The Trustees, who are also Directors of the Academy Trust for the purposes of the Companies Act 2006, present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2018. The annual report serves the purposes of both a trustees' report, (including a strategic report) and a directors' report under company law.

The Trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2015) and the Academies Direction issued by the Education and Skills Funding Agency.

The Trust operates three academies all serving a catchment area in the East Riding of Yorkshire:

- Woldgate School and Sixth Form College for pupils aged 11 to 19. It has a pupil capacity of 1,100 and had a roll of 1,032 in the school October 2017 census.
- Stamford Bridge Primary School for pupils aged 2 to 11. It has a pupil capacity of 333 and had a roll of 245 in the school October 2017 census.
- Pocklington Community Junior School for pupils ages 7 to 11. It has a pupil capacity of 320 had a roll of 254 in the school October 2017 census.

Structure, governance and management

Constitution

The Academy Trust is a private company limited by guarantee and is an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust. The governors act as the trustees for the charitable activities of Wolds Learning Partnership and are also the directors of the charitable company for the purposes of company law. The company registration number is 10518602.

Details of the trustees who served throughout the year except as noted are included in the Reference and Administrative Details on page 1.

The charitable company is known as Wolds Learning Partnership and trades as three academies during the period as follows:

Pocklington Junior School
Stamford Bridge Primary School
Woldgate School and Sixth Form College

Members' liability

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

Trustees' indemnities

During the year the Academy Trust had in place third party indemnity provisions for the benefit of the Academy Trust's Members and Trustees.

Wolds Learning Partnership

Trustees' Report for the Year Ended 31 August 2018 (continued)

Method of recruitment and appointment or election of Trustees

The previous Governing Bodies of the Trust schools identified key areas of experience and skills set that the trustees should have in order to support the development of and continued success of the member schools into the future. These skill areas were:

- Leadership and Management
- Finance
- Education

Full details relating to the appointment and removal of Trustees are contained in the Articles of Association with a brief summary given below.

The Members may appoint up to 4 Directors with their term of office being 4 years. Subject to remaining eligible to be a particular type of Director, any Director may be re-appointed or re-elected. The Diocese of York Educational Trust shall appoint up to 2 Trustees provided that the total number of Trustees appointed under the Articles of Association would not thereby exceed 25% of the total number of Trustees.

A minimum of 2 Parent Trustees shall, if necessary, be appointed according to articles 53-56. The Trustees may appoint Co-opted Trustees including employees of the Academy Trust providing that the number of Staff Trustees does not exceed one third of the total number of Trustees (excluding the CEO).

The Secretary of State may also appoint additional Trustees if he feels it appropriate and ultimately has the power to in effect take over the Governance of the Academy Trust. The Secretary of State has not appointed any addition Trustees.

All Trustees hold an advanced DBS.

During the academic period, at least 3 formal Board meetings are held.

Policies and procedures adopted for the induction and training of Trustees

All new Trustees are inducted into their role by the Chair of the Board of Directors and the CEO along with support of the Trust Head of Personnel to ensure that they understand their Trustee responsibilities and duties as a Director.

Trustee training is provided as required either on request by the Directors or on the recommendation of the CEO, or by agreement of the Chair of the Board of Directors.

Organisational structure

The Trustee Body has established Academy Local Governing Bodies to help it carry out its work effectively. The Local Governing Bodies are delegated responsibility for holding the Heads of School to account and providing support and challenge to improve the educational outcomes for all students at each Trust school. The Trustee Body retains responsibility for monitoring Academy educational and financial performance and ensuring the effective management and government of the Trust.

The Senior Leadership Team members are the Chief Executive Officer, Chief Financial Officer, Head's Personal Assistant, Head of Operations, and Head of Human Resources.

Arrangements for setting pay and remuneration of key management personnel

The Academy Trust's Head of Personnel performs annual remuneration benchmarking and works with the CEO to prepare a report of recommendations for the pay and remuneration of key management personnel.

The Local Governing Body meet annually to review and set the pay and remuneration of key management personnel using the report of recommendations. The Academy Trust also has a pay policy that is regularly reviewed by the Board of Trustees.

Wolds Learning Partnership

Trustees' Report for the Year Ended 31 August 2018 (continued)

Connected organisations, including related party relationships

Governors are drawn from the local community and from time to time it is possible that the Academy will enter into transactions with organisations in which a Trustee or Governor has an interest. All such transactions are reflected in the Trusts' Register of Business Interests. These are duly considered by the Governing Body on a regular basis to ensure all such transactions are in line with the Academies Handbook requirements.

Objectives and activities

Objects and aims

The Academy Trust's objectives are set to reflect the educational aims and ethos of each Trust School. In setting the objectives and planning the activities, the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education and on fee-charging.

The main objects of the Academy Trust are:

- (a) Advancing education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum; and
- (b) Promoting for the benefit of the inhabitants of each Trust school's local and surrounding area the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interest of social welfare and with the object of improving the condition of life of the said inhabitants.

Public benefit

As an all inclusive Academy promoting educational activities the trustees believe this meets the Public Benefit test in Section 4 of the Charities Act 2006.

Wolds Learning Partnership

Trustees' Report for the Year Ended 31 August 2018 (continued)

Strategic Report

Achievements and performance

Key performance indicators

Woldgate School and Sixth Form College

Woldgate School and Sixth Form College - Key Stage Four

	2016	2017	2018	Each year's data calculated by that year's methodology
Roll	211	212	166	
Basics Standard pass	75.8%	71.7%↓	77%↑	
Basics Strong pass	N/A	52.4%	60%↑	
P8	0.21	0.14	TBC	2017 marks the introduction of 9-1 grades in English & Maths. Also the new 'conversion' scores for A* - G
PPG Cohort size	25	25	16	2016 marks the first DfE calculated P8, 2015 an internal estimate

Woldgate School and Sixth Form College - Key Stage Five

	2016	2017	2018
Roll	81	94	91
A*/A	33%	44%↑	55%↑
A* to C	82%	87%↑	97%↑
ALPS	5	3	TBC

Stamford Bridge Primary School and Pocklington Community Junior School

EYFS	SB	PCJS	SB	PCJS	SB	PCJS	SB	PCJS
	2015	2015	2016	2016	2017	2017	2018	2018
GLD	63% (66%)	N/A	70.6% (69.2%)	N/A	63.9%↓ (70.7%)	N/A	76.9%↑	N/A
APS	35.6 (34.3)	N/A	33.6 (34.5)	N/A	32.5↓ (34.5)	N/A	TBC	N/A
Y1 Phonic	75.6% (76.8%)	N/A	95.8% (80.6%)	N/A	97%↑ (81%)	N/A	78%↓	N/A
Y2 Phonic resit	100% (66%)	N/A	95% (66.6%)	N/A	0%↓ (ER 60.6%)	N/A	100%↑	N/A

Year 2 2017 (Cohort size SB = 46, PCJS = N/A)

	SB	PCJS	SB	PCJS	SB	PCJS	SB	PCJS
	Reading	Reading	Writing TA	Writing TA	Maths	Maths	RWM	RWM
KS1 %EX+	69% (76%)	N/A	69% (68%)	N/A	73% (75%)	N/A	65% (64%)	N/A
KS1 GB	31% (24%)	N/A	11.5% (15.6%)	N/A	19% (16%)	N/A	8% (TBC%)	N/A

Wolds Learning Partnership

Trustees' Report for the Year Ended 31 August 2018 (continued)

Strategic Report

Year 2 2018 (Cohort size SB = 40 , PCJS = N/A)

	SB	PCJS	SB	PCJS	SB	PCJS	SB	PCJS
	Reading	Reading	Writing TA	Writing TA	Maths	Maths	RWM	RWM
KS1 %EX+	72.7%↑	N/A	75.7%↑	N/A	72.7%↓	N/A	60.6%↓	N/A
KS1 GB	27%↓	N/A	21%↑	N/A	15%↓	N/A	9%↑	N/A

Year 6 2017 - (Cohort size SB = 46, PCJS = 61)

	SB	PCJS	SB	PCJS	SB	PCJS	SB	PCJS	SB	PCJS
	Reading	Reading	Writing TA	Writing TA	Maths	Maths	SPAG	SPAG	RWM	RWM
2017										
KS2 %EX+	72% (71%)	74% (72%)	76% (76%)	81% (76%)	85% (75%)	82% (75%)	80% (77%)	68% (77%)	61% (61%)	65% (61%)
KS2 GD	26% (25%)	18% (25%)	26% (18%)	24% (18%)	33% (23%)	16% (23%)	22% (31%)	18% (31%)	17.4% (9%)	6% (9%)
Average SS	105 (104)	103	N/A	N/A	105 (104)	103	106 (106)	104	N/A	N/A
Progress Score	0.4	-1.6	0.5	0.4	1.1	-0.8	N/A	N/A	N/A	N/A

Year 6 2018 (Cohort size SB = 31, PCJS = 65)

	SB	PCJS	SB	PCJS	SB	PCJS	SB	PCJS	SB	PCJS
	Reading	Reading	Writing TA	Writing TA	Maths	Maths	SPAG	SPAG	RWM	RWM
2018										
KS2 %EX+	91%↑	76%↑ (75%)	84%↑	76%↑	86%↑	80%↓ (75%)	91%↑	74%↑ (78%)	73%↑	67%↑ (64%)
KS2 GD	27%↑	33%↑	18%↓	22%↑	34↑	22%↑	43%↑	30%↑	9%↓	9%↑ (10%)
Average SS	107↑	105↑	N/A	N/A	106↑	105↑	108↑	105↑	N/A	N/A
Progress Score	0.3↓	-0.46↑	-1.5↓	-0.8↓	-0.2↓	-0.4↑	N/A	N/A	N/A	N/A

Wolds Learning Partnership

Trustees' Report for the Year Ended 31 August 2018 (continued)

Strategic Report

Key financial performance indicators

The Academy Trust understands that its biggest expense is staff costs and that this must be carefully monitored. The Academy Trust expects that staff costs should be less than 80% of income in order to remain efficient. In the year to 31 August 2018 staff costs were 86% of incoming resources (excluding transfers on conversion and capital grants). This percentage is over the expected amount, and therefore needs to be closely monitored.

Going concern

The Trustees recognise that there is a concern over the ability of the Trust to continue as a going concern due to the following:

- the net expenditure incurred during the year of £1,387,698.
- the net current liabilities as at 31 August 2018 of £441,618 suggesting the Trust does not have sufficient working capital to repay its debts.
- the negative combined restricted and un-restricted general fund balances as at 31 August 2018 of £708,585

After making appropriate enquiries, the Trustees have 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.

Financial review

During the period ended 31 August 2018, total expenditure of £7,899,424 (excluding capital expenditure, depreciation and FRS102 pension adjustments) was not covered by the recurrent grant funding from the DfE together with other incoming resources of £7,563,468 (excluding capital grants). The excess of expenditure over income for the period was £335,956 (excluding capital grants, capital expenditure, depreciation and FRS102 pension adjustments).

During the year, income relating to CIF funding obtained by Woldgate School of £644,593 was recognised in the Statement of Financial Activities, alongside related revenue repairs costs of £1,075,715, resulting in a net deficit during the period of £431,122. The net balance of CIF funding received last year of £729,598 partly contributes to covering the deficit incurred during this financial period, alongside funding capital expenditure of £550,250.

At 31 August 2018 the net book value of fixed assets was £20,702,408 and movements in tangible fixed assets are shown in note 12 to the financial statements.

The Academy Trust's associate staff are entitled to membership of the Local Government Pension Scheme. The Academy Trust's share of the Scheme's assets is currently assessed to be less than its liabilities in the Scheme, and consequently the Academy balance sheet shows a net liability of £1,012,000.

Reserves policy

The Trustees review the reserve levels of the Academy Trust annually. The review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The educational obligations that the Academy Trust has on a day-to-day basis are funded from its restricted reserves that were provided for this purpose. The Trustees need to ensure that the Academy Trust has sufficient working capital to cover delays between receipt of grants and spending, and are able to deal with unexpected emergencies that may arise such as emergency maintenance. The Academy Trust's current level of general reserves (Restricted and Unrestricted reserves excluding Fixed Asset and Pension Funds) is a net deficit of £708,585.

A breakdown of the funds at 31 August 2018 is as follows:-

Wolds Learning Partnership

Trustees' Report for the Year Ended 31 August 2018 (continued)

Strategic Report

	£
Restricted general fund	(877,709)
Restricted fixed asset fund	20,722,839
Restricted pension fund	(1,012,000)
Unrestricted general fund	169,124
Total funds	<u>19,002,254</u>

For details on how the Trust plans to return its restricted general funds to a surplus position, see note 16.

Investment policy

The Academy Trust aims to manage its cash balances to provide for the day-to-day working capital requirements of its operations, whilst protecting the real long term value of any surplus cash balances against inflation. In addition, the Academy Trust aims to invest surplus cash funds to optimise returns, but ensuring the investment instruments are such that there is minimal risk to the loss of these cash funds.

The main purpose of the Academy Trust's investment policy is to:

- Ensure adequate cash balances are maintained in the current account to cover day to day working capital requirements
- Ensure there is no risk of loss in the capital value of any cash funds invested
- Protect the capital value of any invested funds against inflation
- Optimise returns on invested funds

Principal risks and uncertainties

The academy Trust has identified principal risks and uncertainties including:

- Income reduction as a result of changes to the national funding
- On-going national curriculum changes and educational reforms
- Future LGPS actuarial losses (beyond 2020)
- Depreciation costs on the land and buildings
- Significant growth in projected pupil numbers across all the Trust Schools due to housing developments within the catchment area and potential effects on education provision
- Continued growth of the Trust

Wolds Learning Partnership

Trustees' Report for the Year Ended 31 August 2018 (continued)

Strategic Report

Risk management

The Trustees are reviewing systems to assess risks that the school faces and they will be introducing systems and internal financial controls in order to minimise risk. Where significant financial risk still remains insurance cover is being sought. The Academy Trust has an effective system of internal financial controls and this is explained in more detail in the following statement.

The Trustees have reviewed current examples of best practice and have:

Set policies on internal controls which cover the following:

- The type of risks the Academy Trust faces
- The level of risks which they regard as acceptable
- The likelihood of the risks materialising
- The Academy Trust's ability to reduce the incidence and impact on the Academy Trust's operations of risks that do materialise
- The cost of operating particular controls relative to the benefits obtained

They have also:

- Built further capacity in leadership teams across the trust
- Further clarified the responsibility of Senior Leadership Teams in academies to implement the Trustees' policies and to identify and evaluate risks for the Trustees' consideration
- Explained to employees that they have responsibility for internal control as part of their accountability for achieving objectives
- Embedded the control system in the Academy Trust's operations so that it becomes part of the culture of the Academy Trust
- Developed systems to respond quickly to evolving risks arising from factors within the Academy Trust and to changes in the external environment; and
- Included procedures for reporting failings immediately to appropriate levels of management and the Trustees together with details of corrective action being undertaken

Fundraising

The Academy does not engage in fundraising activities benefitting the Academy with the public, its students and parents or external bodies as its funding is automatically provided on an annual basis by the Government and the local authority through the application of pupil based formula funding. The only exception to this is when the Academy may apply for a grant for capital or revenue funding and the Academy is then required to comply with the regulations issued by the funding body. During 2017-18 there were no applications to external bodies for fundraising.

Plans for future periods

In order to continue to develop with consistency and coherence, we have agreed the following key themes for school development planning over the next year.

- Distinction and high achievement: Securing outstanding outcomes for all our young people at all stages of their school career and continuing to create a culture that encourages and celebrates achievement of all kinds

Wolds Learning Partnership

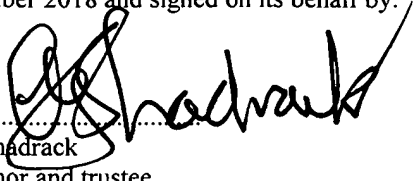
Trustees' Report for the Year Ended 31 August 2018 (continued)

Auditor

In so far as the Trustees are aware:

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

Trustees' Report, incorporating a Strategic Report, was approved by order of the members of the Governing Body on 10 December 2018 and signed on its behalf by:


.....
A G Shadrack
Governor and trustee

Wolds Learning Partnership

Governance Statement

Scope of responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that Wolds Learning Partnership has an effective and appropriate system of control, financial and otherwise. However such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The Governing Body has delegated the day-to-day responsibility to J Britton the CEO, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Wolds Learning Partnership and the Secretary of State for Education. They are also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Governing Body has formally met 3 times during the year. Attendance during the year at meetings of the Governing Body was as follows:

Trustee	Meetings attended	Out of a possible
J Britton	2	3
A G Cook	1	3
A G Shadrack	3	3
A J Ekers	3	3
J J Sinclair	3	3
Reverend L J Slow	2	2
K J Taylor	3	3
J K Thomson	2	3
S A Burley	3	3

There is no separate Finance Committee and therefore all financial oversight of the Trust is through the Board of Directors.

Review of value for money

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

The Accounting Officer considers how the 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:

- Completing a detailed tendering process for the appointment of Professional services connected with premises improvement
- Utilising the OJEU compliant framework for the procurement of its catering services
- Continually reviewing staffing costs and structures and monitoring staff costs as a percentage 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 ongoing process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Wolds Learning Partnership for the year ended 31 August 2018 and up to the date of approval of the annual report and financial statements.

Wolds Learning Partnership

Governance Statement (continued)

Capacity to handle risk

The Governing Body has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governing Body is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the year ending 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

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 Local Governing Body of each Trust school;
- regular reviews by the Finance and General Purposes Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The Governing Body has considered the need for a specific internal audit function and has decided:

- not to appoint an internal auditor. However the Trustees are in the process of appointing someone to perform a peer review

The reviewer's role will include giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems.

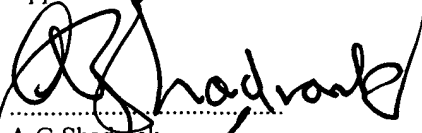
Review of effectiveness

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

- the financial management and governance self assessment process;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the Governing Body on 10 December 2018 and signed on its behalf by:


A G Shadrack
Governor and trustee

.....
J Britton
Accounting officer
Chief Executive Officer

Wolds Learning Partnership

Statement on Regularity, Propriety and Compliance

As Accounting Officer of Wolds Learning Partnership I have considered my responsibility to notify the academy trust Governing Body and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

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

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

.....
J Britton
Accounting officer

10 December 2018

Wolds Learning Partnership

Statement of Trustees' Responsibilities

The Trustees (who act as the governors of Wolds Learning Partnership Academy Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Academies Accounts Direction published by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

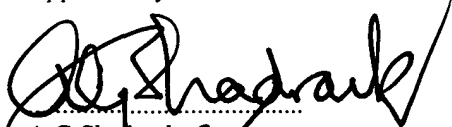
- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

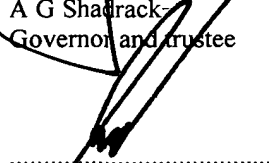
The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements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

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

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

Approved by order of the members of the Board on 10 December 2018 and signed on its behalf by:


.....
A G Shadrack
Governor and trustee


.....
J Britton
Chief Executive Officer

Wolds Learning Partnership

Independent Auditor's Report on the Financial Statements to the Members of Wolds Learning Partnership

Opinion

We have audited the financial statements of Wolds Learning Partnership (the 'Academy') for the year ended 31 August 2018, which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, Balance Sheet, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

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

Basis for opinion

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

Material Uncertainty Related to Going Concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosures made in the Trustees' Report and in note 1 to the financial statements concerning the academy trust's ability to continue as a going concern. The reasons for this modification are the following;

- the net expenditure incurred during the year of £1,387,698.
- the net current liabilities as at 31 August 2018 of £441,618 suggesting the Trust does not have sufficient working capital to repay its debts.
- the negative combined restricted and un-restricted general fund balances as at 31 August 2018 of £708,585.

These conditions indicate the existence of a material uncertainty which may cast significant doubt about the academy trust's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the academy trust was unable to continue as a going concern.

Other information

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

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

We have nothing to report in this regard.

Wolds Learning Partnership

Independent Auditor's Report on the Financial Statements to the Members of Wolds Learning Partnership (continued)

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report (incorporating the Strategic Report and the Trustees' Report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Trustees' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and Trustees' Report.

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

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

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities [set out on page 14], the Trustees (who are also the directors of the academy trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Academy's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Academy's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Academy to cease to continue as a going concern.

Wolds Learning Partnership

Independent Auditor's Report on the Financial Statements to the Members of Wolds Learning Partnership (continued)

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Use of our report

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



Michael Beckett BA FCA (Senior Statutory Auditor)

For and on behalf of Forrester Boyd Robson Limited, Statutory Auditor

Kingfisher Court
Plaxton Bridge Road
Woodmansey
Beverley
HU17 0RT

Date: 2/1/2019

Wolds Learning Partnership

Independent Reporting Accountant's Report on Regularity to Wolds Learning Partnership and the Education & Skills Funding Agency

In accordance with the terms of our engagement letter dated 16 August 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Wolds Learning Partnership during the period 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Wolds Learning Partnership and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we may state to Wolds Learning Partnership and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Wolds Learning Partnership and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of the Governing Body's accounting officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of the Governing Body's funding agreement with the Secretary of State for Education dated and the Academies Financial Handbook extant from 1 September 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

The work undertaken to draw to our conclusion includes:

- Evaluating the systems and control environment;
- Assessing the risk of irregularity, impropriety and non-compliance;
- Confirming that the activities of the Academy trust are in keeping with the Academy's framework and the charitable objectives;
- Obtaining representations from the Accounting Officer and Key Management personnel.

Conclusion

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

Wolds Learning Partnership

**Independent Reporting Accountant's Report on Regularity to Wolds Learning Partnership and the
Education & Skills Funding Agency (continued)**

Forrester Boyd Robson Ltd

Michael Beckett BA FCA

For and on behalf of Forrester Boyd Robson Limited, Chartered Accountants

Kingfisher Court
Plaxton Bridge Road
Woodmansey
Beverley
HU17 0RT

Date: *2/1/2019*

Wolds Learning Partnership

Statement of Financial Activities for the Year Ended 31 August 2018 (including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	2017/18 Total £
Income and endowments from:					
Voluntary income					
Donations and capital grants	2	151,947	-	680,960	832,907
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	-	6,974,489	-	6,974,489
Other trading activities	4	436,572	-	-	436,572
Investments	5	460	-	-	460
Total		588,979	6,974,489	680,960	8,244,428
Expenditure on:					
<i>Charitable activities:</i>					
Academy trust educational operations	7	137,205	8,041,219	1,453,702	9,632,126
Net income/(expenditure)		451,774	(1,066,730)	(772,742)	(1,387,698)
Transfers between funds		(282,650)	26,244	256,406	-
Other recognised gains and losses					
Actuarial gains on defined benefit pension schemes	26	-	402,000	-	402,000
Net movement in funds/(deficit)		169,124	(638,486)	(516,336)	(985,698)
Reconciliation of funds					
Total (deficit)/funds brought forward at 1 September 2017		-	(1,251,223)	21,239,175	19,987,952
Total funds/(deficit) carried forward at 31 August 2018		169,124	(1,889,709)	20,722,839	19,002,254

Wolds Learning Partnership

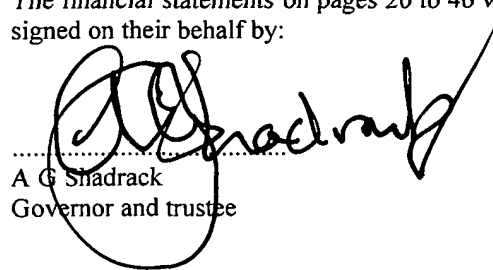
Statement of Financial Activities for the Period from 9 December 2016 to 31 August 2017 (including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	2016/17 Total £
Income and endowments from:					
Voluntary income					
Donations and capital grants	2	148,410	-	1,338,548	1,486,958
Transfer from local authority on conversion		94,976	(1,002,000)	20,629,009	19,721,985
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	-	4,624,597	-	4,624,597
Other trading activities	4	379,505	-	-	379,505
Investments	5	245	-	-	245
Total		623,136	3,622,597	21,967,557	26,213,290
Expenditure on:					
<i>Charitable activities:</i>					
Academy trust educational operations	7	241,702	5,245,254	728,382	6,215,338
Net income/(expenditure)		381,434	(1,622,657)	21,239,175	19,997,952
Transfers between funds		(380,834)	380,834	-	-
Other recognised gains and losses					
Actuarial gains on defined benefit pension schemes	26	-	(10,000)	-	(10,000)
Net movement in funds/(deficit)		600	(1,251,823)	21,239,175	19,987,952
Reconciliation of funds					
Total funds/(deficit) carried forward at 31 August 2017		600	(1,251,823)	21,239,175	19,987,952

Wolds Learning Partnership
(Registration number: 10518602)
Balance Sheet as at 31 August 2018

	Note	31 August 2018 £	31 August 2017 £
Fixed assets			
Tangible assets	12	20,702,408	20,472,522
Current assets			
Debtors	13	232,995	684,536
Cash at bank and in hand		<u>393,272</u>	<u>907,880</u>
		626,267	1,592,416
Creditors: Amounts falling due within one year	14	<u>(1,067,885)</u>	<u>(941,986)</u>
Net current (liabilities)/assets		<u>(441,618)</u>	<u>650,430</u>
Total assets less current liabilities		20,260,790	21,122,952
Creditors: Amounts falling due after more than one year	15	<u>(246,536)</u>	<u>-</u>
Net assets excluding pension liability		20,014,254	21,122,952
Pension scheme liability	26	<u>(1,012,000)</u>	<u>(1,135,000)</u>
Net assets including pension liability		<u>19,002,254</u>	<u>19,987,952</u>
Funds of the Academy:			
Restricted funds			
Restricted general fund		(877,709)	(116,223)
Restricted fixed asset fund		20,722,839	21,239,175
Restricted pension fund		<u>(1,012,000)</u>	<u>(1,135,000)</u>
		18,833,130	19,987,952
Unrestricted funds			
Unrestricted general fund		<u>169,124</u>	<u>-</u>
Total funds		<u>19,002,254</u>	<u>19,987,952</u>

The financial statements on pages 20 to 46 were approved by the Trustees, and authorised for issue on 10 December 2018 and signed on their behalf by:


A G Shadrack
Governor and trustee

Wolds Learning Partnership

Statement of Cash Flows for the Year Ended 31 August 2018

	Note	31 August 2018 £	31 August 2017 £
Net cash (outflow)/inflow from operating activities	20	(588,155)	20,198,096
Returns on investments and servicing of finance	21	460	245
Capital expenditure and financial investment	22	<u>73,087</u>	<u>(19,290,461)</u>
(Decrease)/increase in cash in the year	23	<u>(514,608)</u>	<u>907,880</u>

Wolds Learning Partnership

Notes to the Financial Statements for the Year Ended 31 August 2018

1 Accounting policies

General information

The academy trust is a private company limited by guarantee and incorporated in the United Kingdom.

The address of its registered office is:
Woldgate School and Sixth Form College
92, Kilnwick Road
Pocklington
YO42 2LL

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

Basis of preparation

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The financial statements are prepared in sterling which is the functional currency of the company and have been rounded to the nearest pound.

Wolds Learning Partnership meets the definition of a public benefit entity under FRS 102.

Going concern

The Trustees recognise that there is a concern over the ability of the Academy to continue as a going concern due to the following:

- the net expenditure incurred during the year of £1,387,698.
- the net current liabilities as at 31 August 2018 of £441,618 suggesting the Trust does not have sufficient working capital to repay its debts.
- the negative combined restricted and un-restricted general fund balances as at 31 August 2018 of £708,585

After making appropriate enquiries, the Trustees have 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.

Income

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

Wolds Learning Partnership

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

1 Accounting policies (continued)

Grants

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

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

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

Sponsorship income

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

Donations

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

Other income

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

Donated goods, facilities and services

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

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

Transfer on conversion

Where assets and liabilities are received by the academy trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the academy trust. An equal amount of income is recognised as transfer on conversion within Donations and capital grant income to the net assets received.

Wolds Learning Partnership

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

1 Accounting policies (continued)

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

This includes all expenditure incurred by the academy trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Charitable activities

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

Tangible fixed assets

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

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

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

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

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

Asset class

Leasehold Land

Leasehold Buildings

Improvements to Leasehold Buildings

ICT Equipment

Fixtures and Fittings

Depreciation method and rate

Straight Line over 125 years

Straight Line over 50 years

Straight Line over 25 years

Straight Line over 7 years / 33% straight line basis

20% straight line basis

Liabilities

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

Wolds Learning Partnership

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

1 Accounting policies (continued)

Provisions

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

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

Leased assets

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

Financial Instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 13. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary re held at face value less any impairment.

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

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

Taxation

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by 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.

Wolds Learning Partnership

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

1 Accounting policies (continued)

Pension benefits

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes. The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

Fund accounting

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

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

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

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

The Academy Trust makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 26, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31/08/2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Wolds Learning Partnership

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

2 Donations and capital grants

	Unrestricted funds £	Restricted fixed asset funds £	2017/18 Total £	2016/17 Total £
Other voluntary income				
Educational trips and visits	136,053	-	136,053	133,541
Capital grants	-	680,960	680,960	1,338,548
Other donations	15,894	-	15,894	14,869
	<u>151,947</u>	<u>680,960</u>	<u>832,907</u>	<u>1,486,958</u>

3 Funding for the Academy Trust's educational operations

	Restricted funds £	Total 2018 £	Total 31 August 2017 £
DfE/ESFA revenue grants			
Pupil Premium	216,336	216,336	134,290
Start Up Grant	-	-	50,000
UIFSM	36,118	36,118	14,575
General Annual Grant	6,441,844	6,441,844	4,381,126
Other ESFA Grants	106,221	106,221	12,616
	<u>6,800,519</u>	<u>6,800,519</u>	<u>4,592,607</u>
Other government grants			
SEN & other LA Funding	161,767	161,767	31,990
Non-government grants and other income			
Other Grants	12,203	12,203	-
Total grants	<u>6,974,489</u>	<u>6,974,489</u>	<u>4,624,597</u>

4 Other trading activities

	Unrestricted funds £	2017/18 Total £	2016/17 Total £
Hire of facilities	33,136	33,136	20,107
Catering income	149,353	149,353	178,453
School shop sales	42,437	42,437	64,640
Recharges and reimbursements	47,704	47,704	28,328
Other income	163,942	163,942	87,977
	<u>436,572</u>	<u>436,572</u>	<u>379,505</u>

Wolds Learning Partnership

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

5 Investment income

	Unrestricted funds £	2017/18 Total £	2016/17 Total £
Bank Interest	460	460	245

6 Expenditure

	Non Pay Expenditure			2017/18 Total £	2016/17 Total £
	Staff costs £	Premises £	Other costs £		
Academy's educational operations					
Direct costs	4,599,530	371,952	485,584	5,457,066	3,703,641
Allocated support costs	1,909,453	1,683,738	581,869	4,175,060	2,511,697
	<u>6,508,983</u>	<u>2,055,690</u>	<u>1,067,453</u>	<u>9,632,126</u>	<u>6,215,338</u>

Net income/(expenditure) for the year includes:

	31 August 2018 £	31 August 2017 £
Operating leases - other leases	14,353	9,819
Fees payable to auditor - audit	11,750	16,000
- other audit services	2,700	1,500
Depreciation	<u>377,987</u>	<u>156,487</u>

7 Charitable activities

	2017/18 £	2016/17 £
Direct costs - educational operations	5,457,066	3,703,641
Support costs - educational operations	4,175,060	2,511,697
	<u>9,632,126</u>	<u>6,215,338</u>

	Educational operations £	2017/18 Total £	2016/17 Total £
Analysis of support costs			
Support staff costs	1,909,453	1,909,453	1,231,633
Depreciation	6,035	6,035	2,382
Technology costs	68,673	68,673	75,442
Premises costs	1,677,703	1,677,703	876,876
Other support costs	513,196	513,196	325,364
Total support costs	<u>4,175,060</u>	<u>4,175,060</u>	<u>2,511,697</u>

Wolds Learning Partnership

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

8 Staff

Staff costs

	2018 £	31 August 2017 £
Staff costs during the year were:		
Wages and salaries	4,820,995	3,234,159
Social security costs	442,872	295,898
Operating costs of defined benefit pension schemes	1,038,436	678,637
	<u>6,302,303</u>	<u>4,208,694</u>
Supply staff costs	176,680	62,289
Staff restructuring costs	30,000	-
	<u>6,508,983</u>	<u>4,270,983</u>
		2018 £
Staff restructuring costs comprise:		
Severance payments		<u>30,000</u>

Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £30,000 (2017: £Nil). Individually, the payments were:

Non-contractual payments of £30,000 made on 31 December 2017

Staff numbers

The average number of persons (including senior management team) employed by the Academy during the year was as follows:

	31 August 2018 No	31 August 2017 No
Charitable Activities		
Teachers	93	99
Administration and support	115	110
Management	5	4
	<u>213</u>	<u>213</u>

Higher paid staff

The number of employees whose emoluments exceeded £60,000 was:

	31 August 2018 No	31 August 2017 No
£60,001 - £70,000	2	1
£70,001 - £80,000	-	1
£80,001 - £90,000	1	1

Wolds Learning Partnership

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

8 Staff (continued)

The above disclosure is based on a remuneration for a 12 month period:

Key management personnel

The key management personnel of the Academy Trust comprise the trustees and the senior management team as listed on page 2. The total amount of employee benefits (including employer national contributions and employer pension contributions) received by key management personnel for their services to the Academy Trust was £291,317 (2017: £170,317 for an 8 month period).

9 Central services

The Academy Trust has provided the following central services to its academies during the period:

Finance and administration: £107,376
Educational support services - £30,773
Human resources and payroll services - £52,187
Professional and Legal services - £90,192
Others - £5,791

The trust charges for these services on the following basis:
A charge of 4% of GAG funding, plus £3,500 per school.

The actual amounts charged during the period were as follows:

	31 August 2018 £
Pocklington Junior School	37,800
Stamford Bridge Primary School	38,400
Woldgate School and Sixth Form College	163,000
	<u>239,200</u>

10 Related party transactions - trustees' remuneration and expenses

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

J Britton (Chief Executive Officer/Headteacher):

Remuneration: £80,000 - £85,000 (2017 - £50,000 - £55,000)
Employer's pension contributions: £10,000 - £15,000 (2017 - £5,000 - £10,000)

The above remuneration is for a 12 month period (2017: 8 month period).

During the year ended 31 August 2018, travel and subsistence expenses totalling £Nil (2017 - £Nil) were reimbursed or paid directly to 0 trustees (2017 - 0).

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

Wolds Learning Partnership

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

11 Trustees' and officers' insurance

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

12 Tangible fixed assets

	Leasehold land and buildings £	Furniture and fixtures £	Computer equipment £	Improvements to Leasehold Land and Building £	Total £
Cost					
At 1 September 2017	20,604,000	-	25,009	-	20,629,009
Additions	-	13,610	3,454	590,809	607,873
At 31 August 2018	20,604,000	13,610	28,463	590,809	21,236,882
Depreciation					
At 1 September 2017	154,105	-	2,382	-	156,487
Charge for the year	371,952	1,754	4,084	197	377,987
At 31 August 2018	526,057	1,754	6,466	197	534,474
Net book value					
At 31 August 2018	20,077,943	11,856	21,997	590,612	20,702,408
At 31 August 2017	20,449,895	-	22,627	-	20,472,522

Included within leasehold land and buildings is £20,077,943 (2017: £20,449,895) relating to long leasehold land and buildings.

The leasehold land and buildings at Kirkland Street was donated to the trust at a value of £4,295,000 in the period ended 31 August 2017 per a valuation in April 2015 by the local authority.

The leasehold land and buildings at Church Road was donated to the trust at a value of £3,366,500 in the period ended 31 August 2017 per a valuation in April 2015 by the local authority.

The leasehold land and buildings at Kilnwick Road was donated to the trust at a value of £12,942,500 in the period ended 31 August 2017 per a valuation in April 2012 by the local authority.

There is a formal lease in place with the local authority for 125 years for all of the land and buildings at £nil rental. As the academy holds the risks and rewards of the building, the asset has been included on the basis of substance over legal form.

Wolds Learning Partnership

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

13 Debtors

	31 August 2018 £	31 August 2017 £
Trade debtors	48,416	4,857
VAT recoverable	93,725	111,696
Other debtors	-	45,836
Prepayments	31,678	27,687
Accrued grant and other income	59,176	494,460
	<u>232,995</u>	<u>684,536</u>

14 Creditors: amounts falling due within one year

	31 August 2018 £	31 August 2017 £
Trade creditors	229,254	159,816
Other taxation and social security	113,576	115,176
Loans	21,276	-
Other creditors	384,513	290,250
Accruals	176,890	254,596
Deferred income	41,925	22,061
Pension scheme creditor	100,451	100,087
	<u>1,067,885</u>	<u>941,986</u>
	31 August 2018 £	31 August 2017 £

Deferred income

Deferred income at 1 September 2017	22,061	-
Resources deferred in the period	41,925	22,061
Amounts released from previous periods	<u>(22,061)</u>	<u>-</u>
Deferred income at 31 August 2018	<u>41,925</u>	<u>22,061</u>

Deferred income represents Universal Infant Free School Meal funding for the period September 2018 to March 2019 and rates relief relating to the period September 2018 to March 2019.

Loans of £21,275 from Education & Skills Funding Agency which is provided on the following terms: interest free

15 Creditors: amounts falling due after one year

	31 August 2018 £
Loans	<u>246,536</u>

Loans of £246,536 from Education Skills & Funding Agency which is provided on the following terms: interest free

Wolds Learning Partnership

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

16 Funds

	Balance at 1 September 2017 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2018 £
Restricted general funds					
General Annual Grant	(116,223)	6,441,844	(7,229,574)	26,244	(877,709)
Pupil Premium	-	216,336	(216,336)	-	-
UIFSM	-	36,118	(36,118)	-	-
Other ESFA Grants	-	106,221	(106,221)	-	-
SEN & other LA Funding	-	161,767	(161,767)	-	-
Non Government Grants	-	12,203	(12,203)	-	-
	<u>(116,223)</u>	<u>6,974,489</u>	<u>(7,762,219)</u>	<u>26,244</u>	<u>(877,709)</u>
Restricted fixed asset funds					
Capital grants and expenditure from GAG	766,653	680,960	(1,078,177)	256,406	625,842
Transfer of Assets on Conversion into the Academy Trust	<u>20,472,522</u>	<u>-</u>	<u>(375,525)</u>	<u>-</u>	<u>20,096,997</u>
	21,239,175	680,960	(1,453,702)	256,406	20,722,839
Restricted pension funds					
Pension Liability	<u>(1,135,000)</u>	<u>-</u>	<u>(279,000)</u>	<u>402,000</u>	<u>(1,012,000)</u>
Total restricted funds	19,987,952	7,655,449	(9,494,921)	684,650	18,833,130
Unrestricted funds					
Unrestricted general funds	<u>-</u>	<u>588,979</u>	<u>(137,205)</u>	<u>(282,650)</u>	<u>169,124</u>
Total funds	<u>19,987,952</u>	<u>8,244,428</u>	<u>(9,632,126)</u>	<u>402,000</u>	<u>19,002,254</u>

Wolds Learning Partnership

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

16 Funds (continued)

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

	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2017 £
Restricted general funds				
General Annual Grant	4,381,126	(4,878,183)	380,834	(116,223)
Start up Grant	50,000	(50,000)	-	-
Pupil Premium	134,290	(134,290)	-	-
UFSM	14,575	(14,575)	-	-
Other ESFA Grants	12,616	(12,616)	-	-
SEN & other LA Funding	31,990	(31,990)	-	-
	<u>4,624,597</u>	<u>(5,121,654)</u>	<u>380,834</u>	<u>(116,223)</u>
Restricted fixed asset funds				
Capital grants and expenditure from GAG	1,338,548	(571,895)	-	766,653
Transfer of Assets on Conversion into the Academy Trust	<u>20,629,009</u>	<u>(156,487)</u>	<u>-</u>	<u>20,472,522</u>
	21,967,557	(728,382)	-	21,239,175
Restricted pension funds				
Pension Liability	<u>(1,002,000)</u>	<u>(123,000)</u>	<u>(10,000)</u>	<u>(1,135,000)</u>
Total restricted funds	25,590,154	(5,973,036)	370,834	19,987,952
Unrestricted funds				
Unrestricted general funds	<u>623,136</u>	<u>(242,302)</u>	<u>(380,834)</u>	<u>-</u>
Total funds	<u>26,213,290</u>	<u>(6,215,338)</u>	<u>(10,000)</u>	<u>19,987,952</u>

Wolds Learning Partnership

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

16 Funds (continued)

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

	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2018 £
Restricted general funds				
General Annual Grant	10,822,970	(12,107,757)	407,078	(877,709)
Start up Grant	50,000	(50,000)	-	-
Pupil Premium	350,626	(350,626)	-	-
UFSM	50,693	(50,693)	-	-
Other ESFA Grants	118,837	(118,837)	-	-
SEN & other LA Funding	193,757	(193,757)	-	-
Non Government Grants	12,203	(12,203)	-	-
	<u>11,599,086</u>	<u>(12,883,873)</u>	<u>407,078</u>	<u>(877,709)</u>
Restricted fixed asset funds				
Capital grants and expenditure from GAG	2,019,508	(1,650,072)	256,406	625,842
Transfer of Assets on Conversion into the Academy Trust	<u>20,629,009</u>	<u>(532,012)</u>	<u>-</u>	<u>20,096,997</u>
	22,648,517	(2,182,084)	256,406	20,722,839
Restricted pension funds				
Pension Liability	<u>(1,002,000)</u>	<u>(402,000)</u>	<u>392,000</u>	<u>(1,012,000)</u>
Total restricted funds	33,245,603	(15,467,957)	1,055,484	18,833,130
Unrestricted funds				
Unrestricted general funds	<u>1,212,115</u>	<u>(379,507)</u>	<u>(663,484)</u>	<u>169,124</u>
Total funds	<u>34,457,718</u>	<u>(15,847,464)</u>	<u>392,000</u>	<u>19,002,254</u>

Wolds Learning Partnership

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

16 Funds (continued)

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

General Annual Grant (GAG) must be used for the normal running costs of the Academy.

SEN funding is provided for the provision of services for children with special educational needs.

Pupil Premium Grant, which may be spent for the educational benefit of pupils registered at that school, or for the benefit of pupils registered at other schools; and on community facilities i.e. services whose provision furthers any charitable purpose for the benefit of pupils at the school or their families, or people who live or work in the locality in which the school is situated. The grant does not have to be completely spent by schools in the financial year.

Devolved capital allocated direct by the DfE must be spent on capital purposes.

Capital expenditure from GAG income is made up of any fixed assets purchased during the year and the expense is the depreciation relating to these additions.

Restricted General Funds are made up of various revenue grants which are defrayed throughout the year on specific educational needs. The academy trust was not subject to a limit on GAG carry forward.

Restricted Fixed Asset Funds represent reserves of the charity that are specifically designated for capital. Inherited assets are principally the land and buildings from the former school.

During the year to 31 August 2018 a transfer from Unrestricted General Funds of £26,244 to General Annual Grant is to cover the in year deficit.

During the year to 31 August 2018 a transfer from Unrestricted General Funds of £256,406 to Restricted Fixed Asset Funds is to cover money spent on capital.

During the year to 31 August 2017 a transfer from Unrestricted General Funds of £380,834 to General Annual Grant is to cover the in year deficit.

Analysis of academies by fund balance

Fund balances at 31 August 2018 were allocated as follows:

	31 August 2018 £	31 August 2017 £
Pocklington Junior School	82,371	35,900
Stamford Bridge Primary School	86,753	90,696
Woldgate School and Sixth Form College	(855,009)	(243,059)
Central services	(22,700)	240
Total before fixed assets and pension reserve	(708,585)	(116,223)
Capital grants and expenditure from GAG	20,722,839	21,239,175
Pension Liability	(1,012,000)	(1,135,000)
Total	<u>19,002,254</u>	<u>19,987,952</u>

Wolds Learning Partnership

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

16 Funds (continued)

Woldgate School is carrying a net deficit of £(855,009) on these funds because:

The Trust inherited a debt of £272,124 which was included in the deficit fund balance brought forward into this financial year. During the year, the Trust has incurred costs for various large one-off repair projects including repairs to the roof, as well as repairs to the heating system. This has been partly funded through income received from the Condition Improvement Fund, as well as from the school's own funds. The Trust has also incurred costs during the year relating to school to school support provided to two other schools in the local area, however the funding for this is due to start after the year end.

The trust is taking the following action to return the academy to surplus:

Additional funding is to be received in the next financial year, which will contribute to the costs incurred from providing the school to school support. The Leadership team have already been recognised for making the school one of the 'top 100' most improved schools in the country by the Department of Education and have overseen the re-grading of the school from 'Requires Improvement' Ofsted, to 'Good' in all categories. The fast improvements in educational outcomes and a restructuring of both staffing and the schools curriculum, have alongside a rapid increase in applications for pupils to study at the school, led to the school predicting a swift return to surplus within the next few years. The school expects to be oversubscribed by 2020. The budget and finances for the school are being monitored closely by the CFO and CEO of the Trust. Trustees have already approved a surplus budget to return the school to a positive reserves position.

Central services is carrying a net deficit of £(22,700) on these funds because:

Additional expenditure has been incurred for professional services including legal and bid writing totalling £11,020 and additional software fees. It should be noted that although the bid writing expenditure was an additional cost to the Trust, the Trust was successful in gaining £60,500 in additional funding via this process; of which £25,208 has been recognised in this financial year, with the remaining £35,292 expected to be recognised in the next financial year. Expenditure relating to the Wolds Learning Partnership, incurred as part of the set-up before it was fully formed totalling £8,700.

The trust is taking the following action to return the academy to surplus:

The remainder of the additional funding received is expected to be recognised next year. Expenditure relating to the Wolds Learning Partnership is expected to be reimbursed to the Trust within the next year.

Analysis of academies by cost

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

	Teaching and Educational Support Staff Costs £	Other Support Staff Costs £	Educational Supplies £	Other Costs (excluding Depreciation) £	Total 2018 £	Total 31 August 2017 £
Pocklington Junior School	562,269	373,281	42,587	223,872	1,202,009	747,482
Stamford Bridge Primary School	516,101	454,538	27,542	247,531	1,245,712	755,849
Woldgate School and Sixth Form College	3,503,568	918,686	177,815	2,126,313	6,726,382	4,421,183
Central services	17,592	162,948	833	137,863	319,236	134,337
Academy Trust	<u>4,599,530</u>	<u>1,909,453</u>	<u>248,777</u>	<u>2,735,579</u>	<u>9,493,339</u>	<u>6,058,851</u>

Wolds Learning Partnership

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

17 Analysis of net assets between funds

Fund balances at 31 August 2018 are represented by:

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	20,702,408	20,702,408
Current assets	169,124	411,504	20,431	601,059
Current liabilities	-	(1,067,885)	-	(1,067,885)
Creditors over 1 year	-	(246,536)	-	(246,536)
Pension scheme liability	-	(1,012,000)	-	(1,012,000)
Total net assets	<u>169,124</u>	<u>(1,914,917)</u>	<u>20,722,839</u>	<u>18,977,046</u>

Wolds Learning Partnership

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

17 Analysis of net assets between funds (continued)

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

	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	20,472,522	20,472,522
Current assets	681,464	910,952	1,592,416
Current liabilities	(797,687)	(144,299)	(941,986)
Pension scheme liability	(1,135,000)	-	(1,135,000)
Total net assets	<u>(1,251,223)</u>	<u>21,239,175</u>	<u>19,987,952</u>

18 Capital commitments

	31 August 2018 £	31 August 2017 £
Contracted for, but not provided in the financial statements	<u>-</u>	<u>671,839</u>

19 Commitments under operating leases

Operating leases

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

	31 August 2018 £	31 August 2017 £
Amounts due within one year	18,044	14,708
Amounts due between one and five years	<u>35,709</u>	<u>30,369</u>
	<u>53,753</u>	<u>45,077</u>

Wolds Learning Partnership

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

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

	31 August 2018 £	31 August 2017 £
Net (expenditure)/income	(1,387,698)	19,997,952
Depreciation	377,987	156,487
Capital grants from DfE and other capital income	(680,960)	(1,338,548)
Interest receivable	(460)	(245)
FRS 102 cost less contributions payable on defined benefit pension scheme	247,000	104,000
FRS 102 net interest on defined benefit pension scheme	32,000	19,000
Decrease/(increase) in debtors	451,541	(684,536)
Increase in creditors	372,435	941,986
Inherited pension	-	1,002,000
Net cash (used in)/provided by operating activities	<u>(588,155)</u>	<u>20,198,096</u>

21 Cash flows from financing activities

	31 August 2018 £	31 August 2017 £
Investments	<u>460</u>	<u>245</u>
Net cash provided by financing activities	<u>460</u>	<u>245</u>

22 Cash flows from investing activities

	31 August 2018 £	31 August 2017 £
Purchase of tangible fixed assets	(607,873)	-
Inherited assets	-	(20,629,009)
Capital funding received from sponsors and others	<u>680,960</u>	<u>1,338,548</u>
Net cash provided by/(used in) investing activities	<u>73,087</u>	<u>(19,290,461)</u>

Wolds Learning Partnership

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

23 Analysis of cash and cash equivalents

	31 August 2018	31 August 2017
	£	£
Cash at bank and in hand	393,272	907,880
Total cash and cash equivalents	393,272	907,880

24 Contingent liabilities

During the period 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 Trust is required either to re-invest the proceeds or to repay to the Secretary of State for Education and Skills 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 Trust serving notice, the Academy Trust shall repay to the Secretary of State sums determined by the reference to:

- a) the value at that time of the Academy Trust's site and premises and other assets held for the purpose of the Academy Trust, and
- b) the extent to which expenditure incurred in providing those assets was met by payments from the Secretary of State under the funding agreement.

25 Members' liability

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

26 Pension and similar obligations

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £100,451 (2017 - £100,087) were payable to the schemes at 31 August and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

Wolds Learning Partnership

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

26 Pension and similar obligations (continued)

Valuation of the Teachers' Pension Scheme

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

The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to TPS in the period amounted to £574,934 (2017: £389,378).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Under the definitions set out in Financial Reporting Standard 102 (FRS 102), the TPS is an unfunded multi-employer pension scheme. The academy trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy trust has set out above the information available on the scheme.

Local government pension scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £284,000 (2017 - £231,000), of which employer's contributions totalled £217,000 (2017 - £189,000) and employees' contributions totalled £67,000 (2017 - £42,000). The agreed contribution rates for future years are 18.9 per cent for employers and 5.5 - 12.5 per cent for employees.

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

Principal actuarial assumptions

	31 August 2018 %	31 August 2017 %
Rate of increase in salaries	2.60	2.60
Rate of increase for pensions in payment/inflation	2.40	2.40
Discount rate for scheme liabilities	<u>2.80</u>	<u>2.50</u>

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

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Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

26 Pension and similar obligations (continued)

	31 August 2018	31 August 2017
Retiring today		
Males retiring today	21.70	21.70
Females retiring today	24.20	24.20
Retiring in 20 years		
Males retiring in 20 years	23.70	23.70
Females retiring in 20 years	<u>26.40</u>	<u>26.40</u>
Sensitivity analysis		
	At 31 August 2018	At 31 August 2017
	£	£
Discount rate -0.5%	439,000	393,000
Salary rate +0.5%	99,000	104,000
Pension rate +0.5%	332,000	279,000
Mortality assumption – 1 year increase	<u>133,000</u>	<u>121,000</u>

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

	31 August 2018	31 August 2017
	£	£
Equities	2,107,000	1,354,000
Other bonds	380,000	248,000
Property	351,000	210,000
Cash and other liquid assets	<u>88,000</u>	<u>95,000</u>
Total market value of assets	<u>2,926,000</u>	<u>1,907,000</u>

The actual return on scheme assets was £139,000 (2017 - £902,000).

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Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

26 Pension and similar obligations (continued)

Amounts recognised in the statement of financial activities

	31 August 2018 £	31 August 2017 £
Current service cost (net of employer contributions)	247,000	104,000
Net interest cost	32,000	19,000
Total operating charge	<u>279,000</u>	<u>123,000</u>

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

	2017/18 £	2016/17 £
At start of period	3,042,000	-
Conversion of academy trusts	-	2,540,000
Current service cost	464,000	293,000
Interest cost	83,000	49,000
Employee contributions	67,000	42,000
Actuarial (gain)/loss	<u>(314,000)</u>	<u>118,000</u>
At 31 August	<u>3,342,000</u>	<u>3,042,000</u>

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

	2017/18 £	2016/17 £
At start of period	1,907,000	-
Conversion of academy trusts	-	1,538,000
Interest income	51,000	30,000
Actuarial gain/(loss)	88,000	108,000
Employer contributions	217,000	189,000
Employee contributions	<u>67,000</u>	<u>42,000</u>
At 31 August	<u>2,330,000</u>	<u>1,907,000</u>

27 Related party transactions

Owing to the nature of the academy trust and the composition of the board of governors being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

Expenditure related party transactions

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

E Shadrack, spouse of A Shadrack, a trustee, is employed by the Multi Academy Trust as a Teacher. E Shadrack's appointment was made in open competition and A Shadrack was not involved in the decision making process regarding appointment. E Shadrack is paid within the normal pay scale for her role and receives no special treatment as a result of her relationship to a Trustee.