

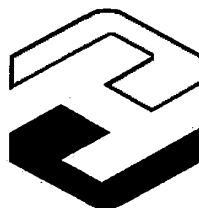
Registration number: 10606569

# The Wings' CE Trust

(A company limited by guarantee)

Annual Report and Financial Statements

for the period from 7 February 2017 to 31 August 2017



**HALLIDAYS**  
MORE THAN JUST ACCOUNTANTS

Hallidays  
Riverside House  
Kings Reach Business Park  
Yew Street  
Stockport  
Cheshire  
SK4 2HD



## **The Wings' CE Trust**

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## **The Wings' CE Trust**

### **Reference and Administrative Details**

<b>Members</b>	Andrea Atherton (appointed 7 February 2017) Sue Sixsmith (appointed 7 February 2017) The Ven. David Sharples (appointed 7 February 2017) Manchester Diocesan Board of Education (appointed 7 February 2017) The Liverpool Diocesan Educational Trust (appointed 7 February 2017)
<b>Trustees (Directors)</b>	Alice Aldred (appointed 7 February 2017) Andrea Atherton (Chairperson) (appointed 7 February 2017) Ann Fairhurst (appointed 7 February 2017 and resigned 30 October 2017) Rev Will Gibbons (appointed 7 February 2017) Catherine Hollins (appointed 7 February 2017) Rosemary Panting (appointed 7 February 2017) Carole Sinclair (appointed 7 February 2017) Rev Reginald Sinclair (appointed 7 February 2017) Rachael Coulthard (CEO and Accounting Officer) (appointed 7 February 2017)
<b>Chief Executive Officer</b>	Rachael Coulthard
<b>Senior Management Team</b>	Sue Kennedy, Chief Finance Officer Rachael Coulthard, Executive Headteacher Lisa Young, Headteachers (St George's) Alison Rice, Headteacher (St Mark's)
<b>Company Name</b>	The Wings' CE Trust
<b>Principal and Registered Office</b>	The Wings' CE Trust Atherston St George's CE Primary School Derby Street Atherton M46 0HJ
<b>Company Registration Number</b>	10606569
<b>Auditors</b>	Hallidays Riverside House Kings Reach Business Park Yew Street Stockport Cheshire SK4 2HD

## **The Wings' CE Trust**

### **Reference and Administrative Details (continued)**

<b>Bankers</b>	Lloyds TSB 2-6 Market Street Wigan WN1 1JN
<b>Solicitors</b>	Brown Jacobson 18-22 Bridge Street Manchester M3 3BZ

## **The Wings' CE Trust**

### **Trustees' Report for the period from 7 February 2017 to 31 August 2017**

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the period ended 31 August 2017. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The Wings' CE Trust currently incorporates Atherton St. George's C.E. Primary School and Little Dragons' Nursery within the Manchester Diocese and St. Mark's C.E. Primary School within the Liverpool Diocese.

#### **Discussion on conversion to academy trust**

On 1 April 2017 Atherton St George's CE Primary School and St Mark's CE Primary School converted to academy trust status under the Academies Act 2010 and all the operations assets and liabilities were transferred to The Wings' CE Trust from the Local Authority for £Nil consideration.

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised in the Statement of Financial Activities as voluntary income.

#### **Structure, governance and management**

##### ***Constitution***

The academy was incorporated on 7th February 2017 as a company limited by guarantee with no share capital, registration number: 10606569. The company commenced operation as an academy on 1st April, 2017. The Articles of Association require the members of the charitable company to be responsible for the statutory and constitutional affairs of the charitable company and the management of the academy.

The trustees of The Wings' CE Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as the The Wings' CE Trust.

Details of the trustees who served throughout the year are included in the reference and administrative details on page 1.

##### ***Members' liability***

Each member of the charitable company undertakes to contribute to the assets of the 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***

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

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

## **The Wings' CE Trust**

### **Trustees' Report for the period from 7 February 2017 to 31 August 2017 (continued)**

#### ***Method of recruitment and appointment or election of Trustees***

Trust board members, who are the directors of the charitable company for the purposes of company law, are nominated by either, The Diocese of Manchester or/and The Diocese of Liverpool and hold office for four years. The Executive Headteacher of The Wings' CE Trust acts as CEO and is an ex-officio member of the board of trustees.

#### ***Policies and procedures adopted for the induction and training of Trustees***

Trustees are appointed based on the skills that they will bring to the board of trustees or based on a proposal to the board of trustees by representative groups. On appointment, trustees receive information relating to the trust and receive an induction pack on the role and responsibilities of trustees. The training and induction provided for new trustees will depend on their existing experience. All new governors are given information about The Wings' CE Trust and the schools forming the Trust and given the opportunity to visit the individual schools and the chance to meet with staff and students. All relevant trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as trustees. As there are normally only a few new trustees a year, induction tends to be done informally and is tailored specifically to the individual.

Due to the academy conversion being recent, the Trust has had a greater emphasis upon this and held a series of 'school familiarisation' events, induction interviews and training sessions where all Members, Trustees and LGB members have been invited.

#### ***Organisational structure***

Trustees are responsible for contributing to the strategic leadership of the schools; setting strategic direction, annual budgets, senior staff appointments, policy changes etc. Collectively, they make decisions on annual spending and set the budget for the year in liaison with the CEO, Heads of School and Senior Leaders. They also offer expertise in curricular subjects, project management and capital bids. Trustees are responsible for the recruitment of staff; in particular, the appointment of the CEO and CFO.

Trustees are supported in their work by Local Governing Body Committees at each school. The Trust has committees which comprise: Atherton St. George's LGB; St. Mark's LGB; Finance and Monitoring Committee; Members Committee.

The CEO, as accounting officer, is responsible for the strategic leadership of the trust and trust schools. The daily management and organisation of each school is led by the individual Heads of School. They are supported by the Assistant Headteachers who are responsible for Key Stage leadership, standards and curriculum provision within the schools; EYFS, Key Stage 1, upper and lower KS2. The CFO has responsibility for School Improvement and all aspects of the financial, business and administrative functions.

The Trustees are responsible for approving general policy, including the vision, aims and ethos of the Trust. Leaders provide information about the standards, curriculum, pupil attainment and attendance for trustee information and monitoring purposes. This is verified by external inspection and monitoring reports. Through the LGB's monitoring of the SIP, governors challenge the senior leadership and hold them to account regarding priorities for improvement set out in the School Improvement Plan. The School Improvement Plan is derived from a rigorous process of monitoring and evaluation and is approved by Trustees annually.

The board of trustees meets three times each term to receive reports and manage its strategic objectives. The Finance Monitoring Committee meet on a monthly basis.

## **The Wings' CE Trust**

### **Trustees' Report for the period from 7 February 2017 to 31 August 2017 (continued)**

#### ***Risk management***

The trustees have assessed the major risks to which the Trust is exposed, in particular those relating to the specific teaching, provision of facilities and finances. The trustees have implemented a number of systems to assess risks that the academy faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. The trustees have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls (see below) in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover. The academy has an effective system of internal financial controls and this is explained in more detail in the following statement.

The board of trustees has considered the need for a specific internal audit function and has decided to appoint an external auditor. However, the trustees have appointed an internal 'Responsible Officer' whose role includes giving advice on financial matters and performing a range of checks on the academy's financial systems. The academy confirms that this function has been fully delivered in line with ESFA's requirements.

#### ***Related Parties and other Connected Charities and Organisations***

The Trust works closely with the Diocese of Manchester and Liverpool, parents, our Foundation Parishes and Wigan LA to further the principal activities of the Trust.

The two schools within our trust were previously part of a 'Hard Federation' brought about by St Mark's being placed into Special Measures. The law changed in April 2016 for schools in special measures resulting in St Mark's receiving an academy order. St George's became an 'academy sponsor' and formally sponsored St Mark's.

The Trust works closely with many school networks to further the principal activities of the Academy. Each school is a member of a locally based Local Authority 'consortia' and through this, engages in school to school support. The CEO is also a LLE and system leader for PPG and so is involved in work on a wider footprint. The Trust also has links with the local teaching school.

St George's is linked to two consortia: LLG (Leigh, Lowton and Golborne), ATHOS (Atherton, Astley & Tyldesely); and St Mark's is linked to WOWs (Wigan, Orrell, Winstanley)

The CEO is also a LA Lead Headteacher a member of the LA Children's Trust Board and a Member of Wigan Educational Partnership Board (WEP) representing HT's Forum.

Our Chair of Trustees is a NLG and actively involved with supporting governance in the wider system. She also represents governors across Wigan LA as a member of the WEP board.

#### **Objectives and activities**

##### **Principle Activities**

To advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum for the children on roll at Atherton St. George's C.E. Primary School and Little Dragons' Nursery and St. Mark's C.E. Primary School.

## **The Wings' CE Trust**

### **Trustees' Report for the period from 7 February 2017 to 31 August 2017 (continued)**

#### ***Objects and aims***

The principle objectives of the trust are to:

- Provide high quality free education and care for pupils of different abilities and needs between the ages of 2-11
- Add value and additional opportunity within the community
- Encourage participation in wider opportunities

Our core purpose is to develop individuals, within our distinctly Christian Trust, that are driven to succeed and who will be able to contribute to a global community that is ever-evolving.

This vision is underpinned by our mission statement which is 'Raising aspirations so every child can spread their wings and fly'

W - Worship

I - Inspire

N - Nurture.

G - Grow

S - Soar

#### ***Objectives, strategies and activities***

Key priorities for the year were contained in our School Improvement Plan (SIP). The main SIP objectives for our Trust were centred upon improving school effectiveness.

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

Financial objectives:

- To complete elements identified within the ESFA self-assessment checklist
- To accrue 1 month salary reserves
- To conduct risk assessment and establish a Trust risk register
- To develop The Wings' CE Trust Financial Handbook

Governance objectives:

- To ensure an effective governance structure is in place
- To ensure high quality appointment of Governors to LGBs
- Skills audit completed and related training programme in place

School Improvement objectives:

- The development of a Nursery at St Mark's
- To build capacity within the MAT via the introduction of our own aspirant leadership training programme
- To review SIP processes and systems
- To improve achievement at KS2
- To improve the subject Knowledge & Understanding for staff

Progress against these objectives:

All objectives were met.



## **The Wings' CE Trust**

### **Trustees' Report for the period from 7 February 2017 to 31 August 2017 (continued)**

#### ***Public benefit***

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

The academy aims to advance for the public benefit, education in The Wings' CE Trust and the surrounding areas. In particular, but without prejudice to the generality of the foregoing by estimating, maintaining, managing and developing schools, offering a broad curriculum. Pupil outcomes, DfE progress measures, pupil voice measures, admission levels show tangible public benefit in the academic journey made by children at the schools.

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

The MAT supports other schools through the delivery of professional development and the sharing of practice and knowledge to ultimately benefit the wider community.

This year the MAT has been in receipt of 'Community Investment Funding' allocated via a bid process by the council and has used this to develop a series of 'U Can' courses for parents.

## The Wings' CE Trust

### Trustees' Report for the period from 7 February 2017 to 31 August 2017 (continued)

#### Strategic Report

##### Achievements and performance

##### Pupil Numbers

Numbers on roll in each school are healthy and have been on a steadily increasing trajectory over several years in both schools:

St George's: 310 (capacity: 315)






St Mark's: 208 (capacity: 210)

##### Atherton St George's CE Primary

Starting points for children are well below average. Significant improvement has been achieved at Foundation stage over time.

Year 1 and 2 phonics have also improved and are now broadly in line with National expectations. Standards of attainment have increased at KS1 and progress exceeds National at KS1.

**KS2 progress in 2017:** Progress in reading, writing and mathematics was significantly\* above average and in the highest 10%.

	Reading	Writing	Maths
<b>School progress score</b>	<b>+5.36</b>	<b>+7.37</b>	<b>+3.37</b>
Confidence interval	+3.30 to +7.42	+5.37 to +9.37	+1.51 to +5.24
 Well above national average (about 10% of schools in England)	●	●	●
 Above national average (about 10% of schools in England)			
 Average (about 60% of schools in England)			
 Below national average (about 10% of schools in England)			
 Well below national average (about 10% of schools in England)			
<b>Number of pupils</b>	<b>35</b>	<b>35</b>	<b>35</b>

**KS2 progress of disadvantaged pupils:** Reading and writing progress was significantly above the national for other pupils for at least two years for the following groups: overall disadvantaged.

**KS2 attainment:** In 2017, reading and writing attainment of the expected standard was at or above national for groups: middle prior attainment and disadvantaged. In 2017, mathematics attainment of the expected standard was at or above national for the middle prior attainment group.

## The Wings' CE Trust

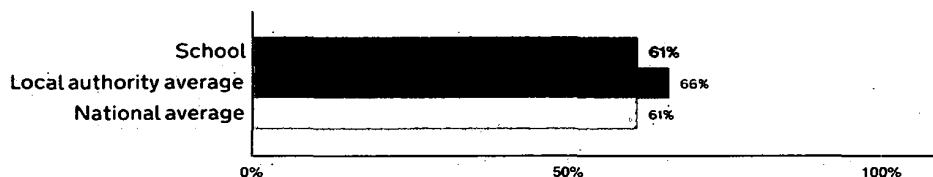
**Trustees' Report for the period from 7 February 2017 to 31 August 2017 (continued)**

### Strategic Report

#### Reading, writing and maths combined

##### Percentage of pupils achieving the expected standard

Number of pupils = 36



#### St Mark's CE Primary

As a sponsored academy, St Mark's has been through a significant period of change and has worked hard to raise standards in all areas of the school.

Starting points for children are well below average. Significant improvement has been achieved at Foundation stage and in Year 1 and 2 phonics. Standards of attainment have increased at KS1 and progress this year exceeds National at KS1.

#### KS2 Progress

##### Progress in reading, writing and maths

	Reading	Writing	Maths
<b>School progress score</b>	<b>+1.13</b>	<b>+0.48</b>	<b>+2.27</b>
Confidence interval	-1.36 to +3.62	-1.94 to +2.90	+0.02 to +4.52
Well above national average (about 10% of schools in England)			
Above national average (about 10% of schools in England)			●
Average (about 60% of schools in England)	●	●	
Below national average (about 10% of schools in England)			
Well below national average (about 10% of schools in England)			
Number of pupils	24	24	24

**KS2 Disadvantaged:** Progress for this group was broadly in line with National average, except in Maths where progress for disadvantaged was in the top 20% of schools. Outcomes for disadvantaged pupils at the end of KS2 has significantly improved this year.

## **The Wings' CE Trust**

### **Trustees' Report for the period from 7 February 2017 to 31 August 2017 (continued)**

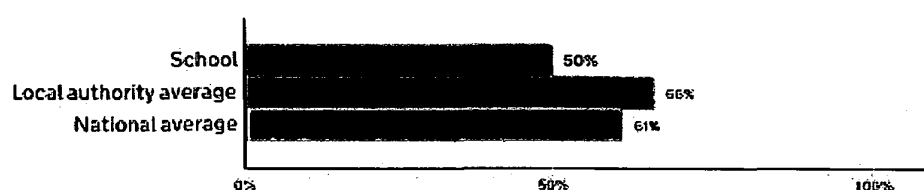
#### **Strategic Report**

**KS2 attainment:** The number of pupils reaching the expected standard was below the National average. Although, mathematics attainment of the expected standard was at or above national for the middle prior attainment group.

#### **Reading, writing and maths combined**

##### **Percentage of pupils achieving the expected standard**

Number of pupils = 26



St Mark's has recently had a very successful SIAMS inspection which graded the school as Outstanding.

#### **Developing Capacity**

Training is in place for the CEO who is currently part way through a year long course for C of E CEOs run by De Loittes.

#### ***Going concern***

The board of trustees has a reasonable expectation that the Trust and the schools have adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies note of the financial statements.

## **The Wings' CE Trust**

### **Trustees' Report for the period from 7 February 2017 to 31 August 2017 (continued)**

#### **Strategic Report**

##### **Financial review**

Most of the trust's income is obtained from the Education Skills Funding Agency (ESFA) in the form of recurrent grants, some of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31st August 2017 and the associated expenditure are shown as restricted funds in the statement of financial activities.

The trust also received grants from the ESFA and other organisations. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2015), such grants are shown in the Statement of Financial Activities as restricted income in the restricted general fund and fixed asset fund. The restricted fixed asset fund balance is reduced by depreciation charges over the expected useful life of the assets concerned.

During the year ended 31st August 2017, total expenditure of £1,275,330 was incurred (which excludes depreciation of £114,277 and FRS 102 service costs of £56,000), which was covered by the recurrent grant income from the ESFA, together with other incoming resources which totalled £1,829,251. This included £452,891 of non-recurrent school budget surplus which was transferred from the Local Authority upon the conversion to academy status. Total funds carried forward amount to £541,380. This is in line with the trust's strategy to build and maintain adequate reserves to fund an ambitious plan of future improvements and development of the organisation and its infrastructure.

Unrestricted income in the year ended 31st August 2017 (inclusive of non-recurrent school budget surplus which was transferred on the conversion) amounted to £517,293. There was no unrestricted expenditure in the year.

At 31st August 2017 the net book value of fixed assets amounted to £7,737,473 and movements in fixed assets are shown in note 12 of the financial statements. The cost of fixed asset additions in the year ended 31st August 2017 amounted to £98,756.

##### ***Financial and risk management objectives and policies***

The academy trust's activities expose it to cash flow risk. The board of trustees continually monitors cash flows to ensure The Wings' CE Trust and subsequently each school has sufficient funds available to meet debts as they fall due. The board of trustees maintains significant cash reserves at all times; see reserves policy below.

The board of trustees acknowledges the defined pension scheme deficit. It considers that the trust is able to meet its known contribution commitments for the foreseeable future.

## **The Wings' CE Trust**

### **Trustees' Report for the period from 7 February 2017 to 31 August 2017 (continued)**

#### **Strategic Report**

##### ***Reserves policy***

The trustees review the reserve levels annually. This review encompasses the nature of income and expenditure stream, the need to match income with commitments and the nature of reserves. The trustees have determined that the minimum level of free reserves should be equivalent of 1 month of salaries. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The trust's current level of free reserves (total reserves less the amounts held in fixed asset reserve and restricted pension fund reserve) is £541,380.

In addition, the net liability due to the trust's participation in the Local Government Pension scheme (Greater Manchester Pension Fund – GMPF) amounts to £460,000. It should be noted, however, that an immediate liability for this amount is not crystallised at the financial year end. Parliament has agreed, at the request of the Secretary of State for Education, to guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department of Education. The guarantee came into force on 18th July 2013. This guarantee provides comfort to the trustees in the unlikely event of an academy closure.

##### ***Investment policy***

In a period of financial uncertainty and low interest rates, The Wings' CE Trust's policy is to maximise liquidity and minimise risk. The academy had no financial investments during the financial year ended 31st August 2017. The policy will be kept under review.

##### ***Principal risks and uncertainties***

The trustees have identified the following principal risks and uncertainties facing The Wings' CE Trust:

- **Financial risk**

The Wings' CE Trust is operating in a period of considerable financial uncertainty with regard to public funding. Financial planning is focused on maintaining the breadth and quality of future work in the context of diminishing budgets. Trustees have also given due consideration to the risks associated with financial mismanagement and/or compliance failures.

- **Failures in governance and/or management**

Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks.

- **Reputational risk**

The continuing success of The Wings' CE Trust depends on maintaining the highest educational standards. Trustees are clearly focused on monitoring and reviewing the achievement and progress of children. Trustees continue to give due consideration to other aspects of each school's activities where there could be a reputational risk, including behaviour management, safeguarding, health and safety etc.

- **Safeguarding and child protection risks**

Trustees continue to ensure that the highest standards are maintained in the selection and monitoring of staff and volunteers, the operation of child protection policies in schools and in training and support, in order to protect the vulnerable young people in its care.

- **Significant changes in staff**

Trustees regularly review and monitor arrangements for recruitment and the development of existing staff to minimise the risk resulting from major changes in key staff.

## **The Wings' CE Trust**

### **Trustees' Report for the period from 7 February 2017 to 31 August 2017 (continued)**

#### **Strategic Report**

##### ***Plans for future periods***

- The Multi Academy Trust is planning to provide continued improvement in developing the best quality of education for all its pupils in developing their talents and opportunities to learn and grow
- Growth of the Trust
- From September 2017 it will also incorporate Little Lions Nursery as part of St Mark's CE Primary.

## **The Wings' CE Trust**

### **Trustees' Report for the period from 7 February 2017 to 31 August 2017 (continued)**


#### **Auditor**

In so far as the Trustees are aware:

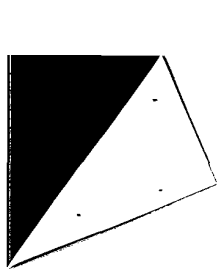
- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Halliday's have been appointed as the company's external auditor.

Trustees' Report, incorporating a Strategic Report, was approved by order of the members of the Board of Trustees on ....05/12/17 and signed on its behalf by:

.....  
Andrea Atherton (Chairperson)  
Trustee





## **The Wings' CE Trust**

### **Governance Statement**

#### **Scope of responsibility**

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

The Board of Trustees has delegated the day-to-day responsibility to the Chief Executive, 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 The Wings' CE Trust and the Secretary of State for Education. The CEO is also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

#### **Governance**

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

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Alice Aldred	3	3
Andrea Atherton (Chairperson)	3	3
Rachael Coulthard	3	3
Ann Fairhurst	0	3
Rev Will Gibbons	3	3
Catherine Hollins	3	3
Rosemary Panting	2	3
Carole Sinclair	3	3
Rev Reginald Sinclair	3	3

#### **Governance reviews**

As stated in the ESFA handbook, all academies should perform an annual review of governance. This will be conducted during Summer term 2018 once we have been 'open' for a full year.

The Finance and General Purposes Committee is a sub-committee of the main Board of Trustees. Attendance at meetings during the period was as follows:

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Alice Aldred	2	3
Andrea Atherton (Chairperson)	3	3
Rachael Coulthard	3	3
Rosemary Panting	3	3

## **The Wings' CE Trust**

### **Governance Statement (continued)**

#### **Review of value for money**

As accounting officer the Chief Executive 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:

- The structural reorganisation and appointment of a number of key positions across the MAT which reduce duplication of task and role (Extended Schools & Marketing Officer, Operational Effectiveness & HR Officer, Finance Officer, Mental Health Counsellor, Site Manager)
- Procurement of goods and services across the MAT which reduces costs
- Capacity Improvement Grant funding from the RSC

#### **Report on meetings**

Trustee and Finance Monitoring Committee meetings included reviewing and agreeing the budget, monitoring financial performance and expenditure, monitoring financial procedures in line with reports from internal audit, authorising expenditure (when required by scheme of delegation), and ensuring all ESFA reporting requirements were met.

There have been no issues arising from any financial reports submitted to the ESFA during this time.

#### **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 The Wings' CE Trust for the period ended 31 August 2017 and up to the date of approval of the annual report and financial statements.

#### **Capacity to handle risk**

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period ending 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

#### **The risk and control framework**

The 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 Board of Trustees;
- regular reviews by the Finance and General Purposes Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;

## The Wings' CE Trust

### Governance Statement (continued)

- identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has decided:

- To appoint Rosemary Panting, a Trustee who is a qualified accountant, as our Responsible Officer to carry out the internal audit functions.

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

On a quarterly basis, the auditor reports to the Board of Trustees on the operation of the systems of control and on the discharge of the Board of Trustees's financial responsibilities.

There were no material control or other issues reported by the Responsible Officer to date.

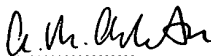
#### Review of effectiveness

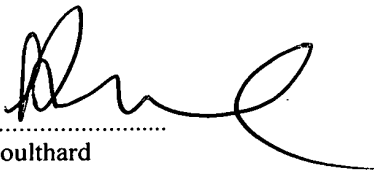
As Accounting Officer, the Chief Executive has responsibility for reviewing the effectiveness of the system of internal control. During the period in question the review has been informed by:

- the internal audit reports from the Responsible Officer ;
- the work of the external auditor;
- the financial management and governance self assessment process;
- the work of the Chief Finance Officer within the trust who has 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 Finance and General Purposes Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on .....06/12/17 and signed on its behalf by:

  
.....  
Andrea Atherton (Chairperson)  
Trustee

  
.....  
Rachael Coulthard  
Chief Executive Officer

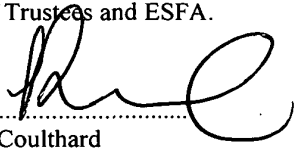
## **The Wings' CE Trust**

### **Statement on Regularity, Propriety and Compliance**

As Accounting Officer of The Wings' CE Trust I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2016.

I confirm that I and the Academy Trust Board of Trustees are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2016.

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

  
.....  
Rachael Coulthard  
Accounting officer

Date: .....

6/12/17

## **The Wings' CE Trust**

### **Statement of Trustees' Responsibilities**

The Trustees (who act as the governors of The Wings' CE Trust 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 Annual Accounts Direction published by the Education and 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:

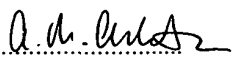
- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards [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 ...06/12/17... and signed on its behalf by:

  
.....  
Andrea Atherton (Chairperson)  
Trustee

## **The Wings' CE Trust**

### **Independent Auditor's Report on the Financial Statements to the Members of The Wings' CE Trust**

#### **Opinion**

We have audited the financial statements of The Wings' CE Trust (the 'Academy') for the period from 7 February 2017 to 31 August 2017, 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'.

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.

#### **Basis for qualified opinion on financial statements**

As detailed in note 12 the land and buildings transferred on conversion have been included in the financial statements at an insurance value and depreciation of these assets has been determined based on this valuation method. The trustees have contracted for a desk top valuation to be provided in line with the recommendations of the academies accounts direction but this will not be available until January 2018. We were unable to obtain sufficient appropriate audit evidence about the carrying amount of the land and buildings transferred on conversion and the associated depreciation charge. Consequently, we are unable to determine whether any adjustments to these amounts were necessary.

#### **Qualified opinion on the financial statements**

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2017 and of its results for the period 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.

#### **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.

## **The Wings' CE Trust**

### **Independent Auditor's Report on the Financial Statements to the Members of The Wings' CE Trust (continued)**

#### **Conclusions relating to going concern**

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

- the Trustees use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Academy's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### **Other information**

The Trustees are responsible for the other information. The other information comprises the information included in the 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.

#### **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 Strategic Report and Trustees' Report for the financial period 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 19], the Trustees 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.

## **The Wings' CE Trust**

### **Independent Auditor's Report on the Financial Statements to the Members of The Wings' CE Trust (continued)**

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.
- 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Academy to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Academy audit. We remain solely responsible for our audit opinion.

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.



**The Wings' CE Trust**

**Independent Auditor's Report on the Financial Statements to the Members of The  
Wings' CE Trust (continued)**



Anna Bennett (Senior Statutory Auditor)  
For and on behalf of Hallidays, Statutory Auditor

Riverside House  
Kings Reach Business Park  
Yew Street  
Stockport  
Cheshire  
SK4 2HD

Date: 11/12/17

## **The Wings' CE Trust**

### **Independent Reporting Accountant's Report on Regularity to The Wings' CE Trust and the Education and Skills Funding Agency**

In accordance with the terms of our engagement letter dated and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Wings' CE Trust during the period 7 February 2017 to 31 August 2017 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 The Wings' CE Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we may state to The Wings' CE Trust and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The Wings' CE Trust 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 Board of Trustees's funding agreement with the Secretary of State for Education dated 31 March 2017 and the Academies Financial Handbook extant from 1 September 2016, 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 2016 to 2017. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period from 7 February 2017 to 31 August 2017 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 2016 to 2017 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:

- We have confirmed that the activities conform to the trust's framework of authorities. As identified by review of minutes, management accounts, discussion with the accounting officer and other key management personnel.
- We have carried out an analytical review as part of the consideration of whether general activities of the trust are within the trust's framework of authorities.
- We have considered the evidence supporting the accounting officer's statement on regularity, propriety and compliance and have evaluated the general control environment of the trust and extended the procedures required for financial statements to include regularity.
- We have assessed and tested a sample of the specific control activities over regularity of a particular activity. In performing sample testing of expenditure, we have considered whether the activity is permissible within the trust's framework of authorities. We confirm that each item tested has been appropriately authorised in accordance with the trust's delegated authorities and that the internal delegations have been approved by the Trust Board and conform to the limits set by the Department for Education.

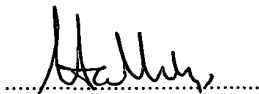
## **The Wings' CE Trust**

### **Independent Reporting Accountant's Report on Regularity to The Wings' CE Trust and the Education and Skills Funding Agency (continued)**

- Formal representations have been obtained from the Trust Board and the accounting officer acknowledging their responsibilities including disclosing all non-compliance with laws and regulations specific to the authorising framework, access to accounting records, provision of information and explanations, and other matters where direct evidence is not available.
- In performing sample testing of expenditure, we have reviewed against specific terms of grant funding within the funding agreement. We have reviewed the list of suppliers and have considered whether supplies are from related parties and have reviewed minutes for evidence of declaration of interest, and whether or not there was involvement in the decision to order from this supplier.
- We have performed sample testing of other income and tested whether activities are permitted within the trust's charitable objects.

#### **Conclusion**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period from 7 February 2017 to 31 August 2017 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



For and on behalf of Hallidays, Chartered Accountants

Riverside House  
Kings Reach Business Park  
Yew Street  
Stockport  
Cheshire  
SK4 2HD

Date:.....11/12/17.....

# The Wings' CE Trust

## Statement of Financial Activities for the Period from 7 February 2017 to 31 August 2017


### (including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Pension Funds £	Restricted Fixed Asset Funds £	Total 2017 £
<b>Income and endowments from:</b>						
Voluntary income						
Donations and capital grants	2	5,349	4,068	-	13,468	22,885
Transfer from local authority on conversion		452,891	-	(353,000)	7,827,735	7,927,626
<i>Charitable activities:</i>						
Funding for the Academy trust's educational operations	3	-	1,307,890	-	-	1,307,890
Other trading activities	4	58,643	-	-	-	58,643
Investments	5	410	-	-	-	410
Total		<u>517,293</u>	<u>1,311,958</u>	<u>(353,000)</u>	<u>7,841,203</u>	<u>9,317,454</u>
<b>Expenditure on:</b>						
Raising funds	6	-	4,294	-	-	4,294
<i>Charitable activities:</i>						
Academy trust educational operations	7	<u>-</u>	<u>1,271,036</u>	<u>56,000</u>	<u>114,277</u>	<u>1,441,313</u>
Total		<u>-</u>	<u>1,275,330</u>	<u>56,000</u>	<u>114,277</u>	<u>1,445,607</u>
Net income/(expenditure)		517,293	36,628	(409,000)	7,726,926	7,871,847
Transfers between funds		-	(12,541)	-	12,541	-
<b>Other recognised gains and losses</b>						
Actuarial gains on defined benefit pension schemes	23	<u>-</u>	<u>-</u>	<u>(51,000)</u>	<u>-</u>	<u>(51,000)</u>
Net movement in funds/(deficit)		<u>517,293</u>	<u>24,087</u>	<u>(460,000)</u>	<u>7,739,467</u>	<u>7,820,847</u>
<b>Reconciliation of funds</b>						
Total funds/(deficit) carried forward at 31 August 2017		<u>517,293</u>	<u>24,087</u>	<u>(460,000)</u>	<u>7,739,467</u>	<u>7,820,847</u>

**The Wings' CE Trust**  
**(Registration number: 10606569)**  
**Balance Sheet as at 31 August 2017**

	Note	31 August 2017 £
<b>Fixed assets</b>		
Tangible assets	12	7,737,473
<b>Current assets</b>		
Stocks	13	7,400
Debtors	14	495,305
Cash at bank and in hand		<u>112,447</u>
		615,152
Creditors: Amounts falling due within one year	15	<u>(71,778)</u>
Net current assets		<u>543,374</u>
Total assets less current liabilities		<u>8,280,847</u>
Net assets excluding pension liability		8,280,847
Pension scheme liability	23	<u>(460,000)</u>
Net assets including pension liability		<u><u>7,820,847</u></u>
<b>Funds of the Academy:</b>		
<b>Restricted funds</b>		
Restricted general fund	16	24,087
Restricted fixed asset fund	16	7,739,467
Restricted pension fund	16	<u>(460,000)</u>
		7,303,554
<b>Unrestricted funds</b>		
Unrestricted general fund	16	<u>517,293</u>
Total funds		<u><u>7,820,847</u></u>

The financial statements on pages 26 to 48 were approved by the Trustees, and authorised for issue on .....06/12/17... and signed on their behalf by:

.....  
Andrea Atherton (Chairperson)  
Trustee

## The Wings' CE Trust

### Statement of Cash Flows for the Period from 7 February 2017 to 31 August 2017

	Note	31 August 2017 £
<b>Cash flows from operating activities</b>		
Net cash used in operating activities	19	(520,307)
Cash transferred on conversion to an academy trust		717,632
Cash flows from investing activities	20	<u>(84,878)</u>
Change in cash and cash equivalents in the period		112,447
Cash and cash equivalents at 7 February		<u>-</u>
Cash and cash equivalents at 31 August	21	<u><u>112,447</u></u>

## **The Wings' CE Trust**

### **Notes to the Financial Statements for the Period from 7 February 2017 to 31 August 2017**

#### **1 Accounting policies**

##### **Statement of accounting policies**

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 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The Wings' CE Trust meets the definition of a public benefit entity under FRS 102.

##### **Conversion to an academy trust**

The conversion from a state maintained school to an Academy Trust involved the transfer of identifiable assets and liabilities and the operation of the school for £Nil consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The assets and liabilities transferred on conversion to a Multi-Academy Trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations - transfer from local authority on conversion in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. Further details of the transaction are set out in the notes.

##### **Going concern**

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

##### **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.

## **The Wings' CE Trust**

### **Notes to the Financial Statements for the Period from 7 February 2017 to 31 August 2017 (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'.

##### ***Transfer on conversion***

Where assets are received by the 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 trust. An equal amount of income is recognised as Transfer on conversion within Donations and capital grant income.

##### ***Donated fixed assets***

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.



## **The Wings' CE Trust**

### **Notes to the Financial Statements for the Period from 7 February 2017 to 31 August 2017 (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 over its expected useful lives, per the table below.

<b>Asset class</b>	<b>Depreciation method and rate</b>
Land and Buildings	0.8 - 2% straight line
Plant and machinery	20% reducing balance
Fixtures, fittings and equipment	20% reducing balance
Computer equipment	33 1/3% straight line
Motor vehicles	25% straight line

## **The Wings' CE Trust**

### **Notes to the Financial Statements for the Period from 7 February 2017 to 31 August 2017 (continued)**

#### **1 Accounting policies (continued)**

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.

#### **Liabilities**

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

#### **Provisions**

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

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

#### **Leased assets**

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

#### **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 14. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are 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 notes 15. 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.

#### **Stock**

Unsold uniforms and catering stocks are valued at the lower of cost or net realisable value.

## **The Wings' CE Trust**

### **Notes to the Financial Statements for the Period from 7 February 2017 to 31 August 2017 (continued)**

#### **1 Accounting policies (continued)**

##### **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.

##### **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. As stated in the notes to the financial statements, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to 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 Education and Skills Funding Agency/Department for Education.

##### **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.

## The Wings' CE Trust

### Notes to the Financial Statements for the Period from 7 February 2017 to 31 August 2017 (continued)

#### 1 Accounting policies (continued)

##### *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 23, 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 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

#### 2 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total 2017 £
<b>Other voluntary income</b>				
Educational trips and visits	-	4,068	-	4,068
Capital grants	-	-	13,468	13,468
Other donations	5,349	-	-	5,349
	<u>5,349</u>	<u>4,068</u>	<u>13,468</u>	<u>22,885</u>

#### 3 Funding for the Academy Trust's educational operations

	Restricted funds £	Total 2017 £
<b>DfE/ESFA revenue grants</b>		
General Annual Grant (GAG)	972,289	972,289
Start up grants	95,000	95,000
Other DfE/ESFA grants	224,300	224,300
	<u>1,291,589</u>	<u>1,291,589</u>
<b>Other government grants</b>		
Local authority grants	16,301	16,301
Total grants	<u>1,307,890</u>	<u>1,307,890</u>

# **The Wings' CE Trust**

## **Notes to the Financial Statements for the Period from 7 February 2017 to 31 August 2017 (continued)**

### **4 Other trading activities**

	Unrestricted funds £	Total 2017 £
Hire of facilities	200	200
Catering income	25,957	25,957
School shop sales	1,554	1,554
Other sales	30,932	30,932
	<u>58,643</u>	<u>58,643</u>

### **5 Investment income**

	Unrestricted funds £	Total 2017 £
Short term deposits	<u>410</u>	<u>410</u>

### **6 Expenditure**

	Non Pay Expenditure			Total 2017 £
	Staff costs £	Premises £	Other costs £	£
Expenditure on raising funds	-	-	4,294	4,294
<b>Academy's educational operations</b>				
Direct costs	850,496	102,071	37,846	990,413
Allocated support costs	<u>223,989</u>	<u>60,640</u>	<u>166,271</u>	<u>450,900</u>
	<u>1,074,485</u>	<u>162,711</u>	<u>208,411</u>	<u>1,445,607</u>

## The Wings' CE Trust

### Notes to the Financial Statements for the Period from 7 February 2017 to 31 August 2017 (continued)

#### 6 Expenditure (continued)

Net income/(expenditure) for the period includes:

	<b>31 August 2017 £</b>
Depreciation	114,287
Fees payable to auditor - audit	4,950
- other audit services	<u>8,225</u>

#### 7 Charitable activities

	<b>Total 2017 £</b>
Direct costs - educational operations	990,413
Support costs - educational operations	<u>450,900</u>
	<u>1,441,313</u>

	<b>Educational operations £</b>	<b>Total 2017 £</b>
<b>Analysis of support costs</b>		
Support staff costs	223,989	223,989
Depreciation	12,206	12,206
Technology costs	33,709	33,709
Premises costs	48,434	48,434
Other support costs	79,154	79,154
Governance costs	<u>53,408</u>	<u>53,408</u>
Total support costs	<u>450,900</u>	<u>450,900</u>

## **The Wings' CE Trust**

### **Notes to the Financial Statements for the Period from 7 February 2017 to 31 August 2017 (continued)**

#### **8 Staff**

##### **Staff costs**

	<b>2017</b>
	<b>£</b>
<b>Staff costs during the period were:</b>	
Wages and salaries	779,476
Social security costs	62,456
Operating costs of defined benefit pension schemes	235,268
	<u>1,077,200</u>
Supply staff costs	6,285
	<u><u>1,083,485</u></u>

##### **Staff numbers**

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

	<b>31 August</b>
	<b>2017</b>
	<b>No</b>
Teachers	21
Administration and support	72
Management	4
	<u><u>97</u></u>

##### **Key management personnel**

The key management personnel of the Academy Trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy Trust was £109,954.

## **The Wings' CE Trust**

### **Notes to the Financial Statements for the Period from 7 February 2017 to 31 August 2017 (continued)**

#### **9 Central services**

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

- Finance
- Admin
- Governance
- Legal and professional

The trust charges for these services on the following basis:

- 7% top slice of GAG income

The actual amounts charged during the year were as follows:

	<b>31 August 2017 £</b>
Atherton St. George's Primary School	40,818
St. Mark's CE Primary School	27,222
	<hr/> <b>68,040</b> <hr/>

#### **10 Related party transactions - trustees' remuneration and expenses**

One or more trustees has been paid remuneration or has received other benefits from an 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.

The value of trustees' remuneration and other benefits was as follows:

Rachael Coulthard (Chief Executive Officer):

Remuneration: £30,000 - £35,000

Employer's pension contributions: £5,000 - £10,000

Other related party transactions involving the trustees are set out in note 24.

#### **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.



## The Wings' CE Trust

### Notes to the Financial Statements for the Period from 7 February 2017 to 31 August 2017 (continued)

#### 12 Tangible fixed assets

	Leasehold land and buildings £	Furniture and equipment £	Total £
<b>Cost</b>			
Additions	98,756	-	98,756
Inherited assets	<u>7,082,976</u>	<u>670,018</u>	<u>7,752,994</u>
At 31 August 2017	<u>7,181,732</u>	<u>670,018</u>	<u>7,851,750</u>
<b>Depreciation</b>			
Charge for the year	<u>58,442</u>	<u>55,835</u>	<u>114,277</u>
At 31 August 2017	<u>58,442</u>	<u>55,835</u>	<u>114,277</u>
<b>Net book value</b>			
At 31 August 2017	<u><u>7,123,290</u></u>	<u><u>614,183</u></u>	<u><u>7,737,473</u></u>

The transfer value on conversion to academy of leasehold buildings and furniture and equipment was based on the replacement insurance value. The land value has been estimated by comparison to a similar school. The Trustees have commissioned a desktop valuation in line with financial handbook guidance. The valuer is unable to provide this until January 2018. The valuation will be reflected in the 2017/18 financial statements.

#### 13 Stock

	31 August 2017 £
Stock of Goods	<u>7,400</u>

#### 14 Debtors

	31 August 2017 £
VAT recoverable	43,013
Other debtors	120
Prepayments	19,288
Accrued grant and other income	<u>432,884</u>
	<u><u>495,305</u></u>

## The Wings' CE Trust

### Notes to the Financial Statements for the Period from 7 February 2017 to 31 August 2017 (continued)

#### 15 Creditors: amounts falling due within one year

	<b>31 August 2017 £</b>
Trade creditors	1,874
Other creditors	365
Accruals	33,467
Deferred income	36,072
	<u>71,778</u>
	<b>31 August 2017 £</b>
<b>Deferred income</b>	
Resources deferred in the period	<u>36,072</u>
Deferred income at 31 August 2017	<u>36,072</u>

At the balance sheet date the trust was holding funds received in advance for Universal Infant Free School Meals from the ESFA for 2017/18.

#### 16 Funds

	<b>Income £</b>	<b>Expenditure £</b>	<b>Gains, losses and transfers £</b>	<b>Balance at 31 August 2017 £</b>
<b>Restricted general funds</b>				
General Annual Grant (GAG)	972,289	(935,661)	(12,541)	24,087
Pupil Premium	128,683	(128,683)	-	-
Other DfE/ESFA grants	95,617	(95,617)	-	-
Start up grant	95,000	(95,000)	-	-
Other restricted income	20,369	(20,369)	-	-
	<u>1,311,958</u>	<u>(1,275,330)</u>	<u>(12,541)</u>	<u>24,087</u>
<b>Restricted fixed asset funds</b>				
Transfer on conversion	-	(114,277)	7,827,735	7,713,458
DfE/ESFA capital grants	13,468	-	-	13,468
Capital expenditure from GAG	-	-	12,541	12,541
	<u>13,468</u>	<u>(114,277)</u>	<u>7,840,276</u>	<u>7,739,467</u>
<b>Restricted pension funds</b>				
Pension reserve	<u>-</u>	<u>(56,000)</u>	<u>(404,000)</u>	<u>(460,000)</u>

## The Wings' CE Trust

### Notes to the Financial Statements for the Period from 7 February 2017 to 31 August 2017 (continued)

#### 16 Funds (continued)

	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2017 £
Total restricted funds	1,325,426	(1,445,607)	7,423,735	7,303,554
<b>Unrestricted funds</b>				
Unrestricted general funds	<u>64,402</u>	<u>-</u>	<u>452,891</u>	<u>517,293</u>
Total funds	<u>1,389,828</u>	<u>(1,445,607)</u>	<u>7,876,626</u>	<u>7,820,847</u>

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

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education and Skills Funding Agency/Department for Education/sponsor/other funders where the asset acquired or created is held for a specific purpose.

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

#### Analysis of academies by fund balance

Fund balances at 31 August 2017 were allocated as follows:

	Total £
Atherton St. George's Primary School	394,313
St. Mark's CE Primary School	117,752
Central services	<u>29,315</u>
Total before fixed assets and pension reserve	541,380
Restricted fixed asset reserve	7,739,467
Pension reserve	<u>(460,000)</u>
Total	<u>7,820,847</u>

#### Analysis of academies by cost

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

## The Wings' CE Trust

### Notes to the Financial Statements for the Period from 7 February 2017 to 31 August 2017 (continued)

#### 16 Funds (continued)

	Teaching and Educational Support Staff Costs £	Other Support Staff Costs £	Educational Supplies £	Other Costs (excluding Depreciation) £	Total 2017 £
Atherton St. George's Primary School	495,923	54,210	18,118	117,906	686,157
St. Mark's CE Primary School	309,714	87,627	7,504	85,555	490,400
Central services	<u>44,859</u>	<u>30,151</u>	<u>500</u>	<u>23,263</u>	<u>98,773</u>
Academy Trust	<u>850,496</u>	<u>171,988</u>	<u>26,122</u>	<u>226,724</u>	<u>1,275,330</u>

#### 17 Analysis of net assets between funds

Fund balances at 31 August 2017 represented by:

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	7,737,473	7,737,473
Current assets	517,293	95,865	1,994	615,152
Current liabilities	-	(71,778)	-	(71,778)
Pension scheme liability	-	<u>(460,000)</u>	-	<u>(460,000)</u>
Total net assets	<u>517,293</u>	<u>(435,913)</u>	<u>7,739,467</u>	<u>7,820,847</u>

#### 18 Capital commitments

	31 August 2017 £
Contracted for, but not provided in the financial statements	<u>15,162</u>

## The Wings' CE Trust

### Notes to the Financial Statements for the Period from 7 February 2017 to 31 August 2017 (continued)

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

	31 August 2017 £
Net income	7,871,847
Depreciation	114,277
Capital grants from DfE and other capital income	(13,468)
Interest receivable	(410)
Defined benefit pension scheme obligation inherited	353,000
Defined benefit pension scheme cost less contributions payable	52,000
Defined benefit pension scheme finance cost	4,000
Increase in stocks	(7,400)
Increase in debtors	(495,305)
Increase in creditors	71,778
Cash transferred on conversion to an academy trust	(717,632)
Inherited assets	<u>(7,752,994)</u>
Net cash used in Operating Activities	<u><u>(520,307)</u></u>

#### 20 Cash flows from investing activities

	31 August 2017 £
Dividends, interest and rents from investments	410
Purchase of tangible fixed assets	(98,756)
Capital funding received from sponsors and others	<u>13,468</u>
Net cash used in investing activities	<u><u>(84,878)</u></u>

#### 21 Analysis of cash and cash equivalents

	At 31 August 2017 £
Cash at bank and in hand	<u>112,447</u>
Total cash and cash equivalents	<u><u>112,447</u></u>

## **The Wings' CE Trust**

### **Notes to the Financial Statements for the Period from 7 February 2017 to 31 August 2017 (continued)**

#### **22 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.

#### **23 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 Tameside Metropolitan Borough 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.

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

#### **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.

##### **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:

## **The Wings' CE Trust**

### **Notes to the Financial Statements for the Period from 7 February 2017 to 31 August 2017 (continued)**

#### **23 Pension and similar obligations (continued)**

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

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS 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 £61,731.

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 a 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 period ended 31 August 2017 was £177,000, of which employer's contributions totalled £137,000 and employees' contributions totalled £40,000. The agreed contribution rates for future years are 19.6 per cent for employers and banded from 5.5 to 12.5 per cent for employees.

As described in the notes the LGPS obligation relates to the employees of the Academy Trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy Trust at the balance sheet date.

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**

	<b>At 31 August 2017 %</b>
Rate of increase in salaries	3.20
Rate of increase for pensions in payment/inflation	2.40
Discount rate for scheme liabilities	<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:

## The Wings' CE Trust

### Notes to the Financial Statements for the Period from 7 February 2017 to 31 August 2017 (continued)

#### 23 Pension and similar obligations (continued)

	<b>At 31 August 2017</b>
<b>Retiring today</b>	
Males retiring today	21.50
Females retiring today	24.10
<b>Retiring in 20 years</b>	
Males retiring in 20 years	23.70
Females retiring in 20 years	<u>26.20</u>
<b>Sensitivity analysis</b>	
	<b>At 31 August 2017</b>
	<b>£</b>
Discount rate -0.5%	224,000.00
Salary increase rate +0.5%	42,000.00
Pension increase rate +0.5%	<u>177,000.00</u>

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

	<b>At 31 August 2017</b>
	<b>£</b>
Equities	708,000
Government bonds	155,000
Property	58,000
Cash and other liquid assets	<u>48,000</u>
<b>Total market value of assets</b>	<u><b>969,000</b></u>

The actual return on scheme assets was £10,000.



## The Wings' CE Trust

### Notes to the Financial Statements for the Period from 7 February 2017 to 31 August 2017 (continued)

#### 23 Pension and similar obligations (continued)

##### Amounts recognised in the statement of financial activities

	31 August 2017 £
Current service cost	52,000
Interest income	10,000
Interest cost	14,000
	<hr/>
Total amount recognized in the SOFA	76,000

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

	31 August 2017 £
Conversion of academy trusts	1,195,000
Current service cost	120,000
Interest cost	14,000
Employee contributions	20,000
Actuarial (gain)/loss	80,000
	<hr/>
At 31 August	1,429,000

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

	31 August 2017 £
Conversion of academy trusts	842,000
Interest income	10,000
Actuarial gain/(loss)	29,000
Employer contributions	68,000
Employee contributions	20,000
	<hr/>
At 31 August	969,000

#### 24 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 Trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Trust's financial regulations and normal procurement procedures. The following related party transactions took place in the period of account.

## The Wings' CE Trust

### Notes to the Financial Statements for the Period from 7 February 2017 to 31 August 2017 (continued)

#### 24 Related party transactions (continued)

##### **Fur Clemt**

(Ann Fairhurst (Trustee) is a director of Fur Clemt. This organisation donates food to the Wings' CE Trust for resale.

During the period the total amount donated and sold was £513)  
At the balance sheet date the amount due to Fur Clemt was £Nil.

#### 25 Conversion to an academy trust

On 1 April 2017 the Atherton St George's CE Primary School and St Mark's CE Primary School converted to academy status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to The Wings' CE Trust from the Wigan Metropolitan Borough Council Local Authority for £Nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as net incoming resources in the Statement of Financial Activities as Donations - transfer from local authority on conversion.

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

	Unrestricted fund £	Restricted general fund £	Restricted fixed asset fund £	Total £
Tangible fixed assets				
Leasehold land and buildings	-	-	7,082,976	7,082,976
Other tangible fixed assets	-	-	670,018	670,018
Budget surplus on LA funds	452,891	-	-	452,891
Budget surplus on other school funds	-	-	74,741	74,741
LGPS pension deficit	-	(353,000)	-	(353,000)
Net assets/(liabilities)	<u>452,891</u>	<u>(353,000)</u>	<u>7,827,735</u>	<u>7,927,626</u>

The above net assets include £522,172 that were transferred as cash.