

Company Registration Number: 07677510 (England and Wales)

**WOODRUSH HIGH SCHOOL AN ACADEMY FOR STUDENTS AGED 11-18
LTD
(A COMPANY LIMITED BY GUARANTEE)**

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

**WOODRUSH HIGH SCHOOL AN ACADEMY FOR STUDENTS AGED 11-18 LTD
(A COMPANY LIMITED BY GUARANTEE)**

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(A COMPANY LIMITED BY GUARANTEE)**

**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2018**

Members

Mr C R Sambrook
Ms N Rancins
Mr J Felton
Mr G Denaro

Trustees

Mr P Amieli, OFSTED Inspector^{1,3}
Mr G Denaro, Chair of Trustees^{1,2,3,4,5}
Ms J Dyer, Retired Teacher^{1,3,4}
Mr J Felton, Director^{1,2,4}
Ms J Francis, Staff Trustee^{1,2,4}
Mr J Howlett, IT Network Manager (resigned 23 February 2018)^{1,3,4}
Ms S Lee, Parent Governor^{1,2}
Mr I MacGregor, Accountant^{1,2,5}
Ms N Rancins, Headteacher^{1,2,3,4,5}
Mrs T Power, Parent Governor^{1,3}
Mr C R Sambrook, Vice Chair of Trustees^{1,2,5}
Mr A Sangha, Civil Servant^{1,3}
Mr B Taylor, Staff Trustee (appointed 17 May 2018)¹

¹ Board of Trustees

² Finance and Resources Committee

³ Standards Committee

⁴ Personnel Committee

⁵ Finance Committee

**Company registered
number**

07677510

Company name

Woodrush High School An Academy For Students Aged 11-18 Ltd

**Principal and registered
office**

Shawhurst Lane
Wythall
Worcester
Worcestershire
B47 5JW

Accounting Officer

Ms N Rancins

**Senior management
team**

Ms N Rancins, Headteacher
Mrs J Jarvis, HR
Mrs E Lawson, AHT
Mr D Monk, AHT
Mr S Baker, DHT
Mr M Sullivan, AHT
Mr J Barber, DHT
Miss F Parker, Business Director
Miss S Taylor, AHT
Miss J Metcalfe Taylor, Head of English
Ms S Bullivant, Lead Practitioner

**WOODRUSH HIGH SCHOOL AN ACADEMY FOR STUDENTS AGED 11-18 LTD
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY TRUST, ITS TRUSTEES AND
ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2018**

Advisers (continued)

Independent auditors Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
16 Queen Square
Bristol
BS1 4NT

Bankers Lloyds Bank
9-11 Poplar Road
Solihull
B91 3AN

Solicitors Stone King LLP
13 Queen Street
Bath
BA1 2HJ

**WOODRUSH HIGH SCHOOL AN ACADEMY FOR STUDENTS AGED 11-18 LTD
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2018**

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2018. The annual report serves the purpose of both a Trustees' report, and a Directors' report under company law.

The Trust operates an academy for pupils aged 11 to 18 in Bromsgrove, Worcestershire. It has a pupil capacity of 1,080 and had a roll of 999 in the school census on 6 October 2017.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust.

The Trustees of Woodrush High School An Academy For Students Aged 11-18 Ltd are also the directors of the charitable company for the purposes of company law.

Details of the Trustees who served throughout the year, except as noted, are included in the Reference and Administrative Details on pages 1 to 2.

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 they ceased to be a member.

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the year	2
Full-time equivalent employee number	2

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	2
1%-50%	-
51%-99%	-
100%	-

Percentage of pay bill spent on facility time

	£	%
Total cost of facility time	-	
Total pay bill	-	
Percentage of total pay bill spent on facility time	-	%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	-	%
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Trustees' Indemnities

Trustees benefit from indemnity insurance purchased at the Academy Trust's expense to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust, provided that any such insurance shall not extend to any claim arising from any act or omission which the Trustees knew to be

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

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 and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Trustees in their capacity as Directors of the Academy Trust. The limit of this indemnity is £3,000,000.

TRUSTEES

Method of Recruitment and Appointment or Election of Trustees

The number of Trustees shall be not less than three but shall not be subject to any maximum. Subject to Articles 48-49 and 64, the Academy Trust shall have the following Trustees:

- (a) up to 1 Trustee appointed under Article 50;
- (b) 3 Parent Trustees appointed under Articles 53-58;
- (c) up to 1 Staff Trustee appointed under Article 58A;
- (d) up to 3 Community Trustees appointed under Article 58B;
- (e) the Headteacher;
- (f) any additional Trustees, if appointed under Article 62, 62A or 68A; and
- (g) any Further Trustees, if appointed under Article 63 or Article 68A.

Policies and Procedures Adopted for the Induction and Training of Trustees

Following their appointment all new Trustees receive an introduction to their role from the Chairman and the Head teacher. The Board of Trustees at Woodrush is committed to providing adequate opportunities for Trustees to undertake and receive suitable training depending on their prior experience and/or knowledge. Trustees are regularly invited to attend in-house training sessions which are appropriate to their role, but external trainers may be brought in, or Trustees may attend external training provision as appropriate. Trustees are provided with copies of all the documents that they will need to undertake their role.

Organisational Structure

The full Board of Trustees meets formally three times a year (once every term). Discussions are held and decisions are made or ratified as appropriate. There are 2 main committees which meet 4 times a year. They are as follows: the Finance and Resources Committee which incorporates the Audit Committee and The Standards Committee, which incorporates the Admissions Committee. These committees provide the opportunity for detailed discussion and policy development for each of their areas of school. Decisions are reached at committee for ratification at full board of trustees meetings as detailed in the terms of reference for each committee.

The Headteacher is the Accounting Officer.

Arrangements for Setting Pay and Remuneration of Key Management Personnel

Key management personnel within the Academy consist of the Trustees and the Senior Management Team. The Trustees review and set key management personnel pay annually with reference to national teachers pay scale rates.

Connected Organisations, including Related Party Relationships

During the period the Academy did not have any connected organisations or related party relationships. The Board of Trustees maintains a register of business interests, and "declarations of interest" is a standard agenda item at all Trustees' meetings.

OBJECTIVES AND ACTIVITIES

Objects and Aims

These include, but are not limited to:

- a belief that all students have various talents that need encouragement to develop
- a recognition that school should be a preparation for life in the fullest possible sense and that students do need a sound basis of knowledge, skill, competence and experience to equip them to cope with the many roles they will have to take on during their lives.
- the need for a working environment which secures effective teaching and learning, and values

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

achievement by all students in their social, moral, spiritual, cultural, mental and physical development.

Objectives, Strategies and Activities

We encourage students to:

- Develop lively, enquiring minds capable of original thought and well-balanced critical argument.
- Become confident, independent learners, well-equipped for lifelong learning.
- Derive enjoyment from their learning which should extend their intellectual capacity, develop their interest and stimulate their curiosity.
- Embrace the many opportunities afforded by developments in information and communication technologies, whilst fully accepting the responsibilities that go with using them properly.
- Engage in a broad programme of experiences which enable them to appreciate their cultural inheritance and to understand more about themselves and the world in which they live.
- Develop the capacities to make informed, rational and responsible decisions and to work in ways which enhance their self-respect and sensitivity to the needs of others, particularly those less advantaged than themselves.
- Show respect for each other and all people working in the school, and to appreciate the diverse talents that contribute to our school community.
- Play a full part in creating a caring, supportive school environment.
- Develop a range of reasoned beliefs and values and a sympathy and respect for those held by others, which will prepare them to become considerate and responsible citizens.
- Display self-discipline and proper regard for authority.
- Foster good behaviour and avoid all forms of bullying.

Public Benefit

The Trustees confirm that they have complied with the duty in Section 17(5) of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Academy Trust's aims and objectives and in planning its future activities.

STRATEGIC REPORT

Achievements and Performance

The Academy has achieved the following:

- Ofsted Outstanding status 11/12 (Subject inspection) 10/11 & 13/14 (Whole school)
- Teaching School Status (2014)
- Inclusion Quality Mark (Centre of Excellence)
- International Schools Status
- Leading Edge Aspect Award
- Healthy School Status
- Leading Parent Partnership Award
- Community Engagement Award
- Princes Trust Award for Science, Geography and History
- Leading Edge Status
- ICE Community Mark
- Eco schools (Silver)
- School Games mark
- NCS Champion School
- Democracy Award
- NQT Quality Mark
- Mandarin Excellence Programme
- Attainment, progress rates, attendance, exclusions and destinations figures are all better than or in line with national averages
- Oversubscribed, with September admission applications for our 180 places increasing year on year

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

(2017/18, 372, 2018/19, 396 and 2019/20, 454)

Key Performance Indicators

The Academy considers the following to be its Key Performance Indicators:

- Academic results above or at least in line with national averages (both attainment and progress).
- Key performance data (behaviour/attendance) better than national averages
- Significant numbers of awards held
- Work with many national organisations such as SSAT as a leading-edge school
- Successful Teaching School achieving the national college key performance indicators

Going Concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Going concern policy. The trustees have produced a 3 year financial forecast plan which has been discussed with the ESFA. The plan aims to eliminate the 'non-deferred' deficit within the next 2 years. This is partly achieved through our non-restricted income generation, which was always intended to support the Academy. Current income exceeds the original budget plan which along with the generation of savings we will be maintaining as it provides the reassurance for us to adopt a going concern basis.

FINANCIAL REVIEW

Financial Review

The accounting period covers from 1 September 2017 to the year end of 31 August 2018. The majority of the Academy Trust's income is obtained from the ESFA in the form of recurrent grants the use of which is restricted to particular purposes. The grants received from the ESFA during the Period Ended 31 August 2018 and the associated expenditure are shown as restricted funds in the statement of financial activities.

The academy receives grants for fixed assets from the DfE via the ESFA and they are shown in the Statement of Financial Activities as restricted income in the Fixed Asset Fund. The Restricted Fixed Asset Fund balance is reduced by annual depreciation charges over the useful life of the assets concerned, as defined in the academy's accounting policies.

During the year ended 31 August 2018, total expenditure of £5,651k (excluding depreciation charge of £343k and pension charges of £189k), was covered by recurrent grant funding from the DfE of £5,041k, together with other incoming resources of £631k (excluding capital grants). The excess of expenditure over income for the year (excluding restricted fixed asset funds and restricted pension funds) was £13k.

The academy received restricted fixed asset funding in the year of £22k. The fund balance stood at £13,817k as at 31 August 2018.

Total funds decreased in the year by £139k. Together with the brought forward funds from the previous financial year of £11,579k this resulted in carry forward funds of £11,440k, all but £10k of which is restricted.

At 31 August 2018 the net book value of fixed assets was £13,817k and movements in tangible fixed assets are shown in note 13 to the financial statements. The assets were used for providing education and the associated support services to the pupils of the academy, as well as augmenting the operation of the Hub.

The academy has taken on the deficit in the Local Government Pension Scheme in respect of its non teaching staff transferred on conversion. The deficit is incorporated within the Statement of Financial Activity with details in note 22 to the financial statements.

Reserves Policy

Under the Woodrush High School Funding Agreement, the Trustees recognise the need to have sufficient

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

reserves to protect against reductions in funding. The reserves will be held in line with the Academies Financial Handbook. The policy is that the Academy will aim to carry forward sufficient funds to meet the Academy Trust's long term aims and objectives, ensuring that this does not affect its current operational activities. We aim to return to a minimum of 1 months equivalent operating cost, which stands at £471k based upon current expenditure levels.

The Academy has an ongoing deficit which in part relates to an advance payment of a lease premium which will reduce the deficit over the 10 year period. The school has a detailed business plan for generating its own income with the newly built Hub and sports facilities of which the extra income will mainly be used to clear the deficit.

The Trust currently has a deficit on free reserves of £369k, which is partly as a result of a decision to invest in the infrastructure of the Trust. As the Hub continues to develop and contribute to the Trust, and the school maintains pupil numbers, the Trustees expect to return to surplus free reserves.

Investment Policy

The Business Director together with the Finance and Premises committee will ensure any surplus funds are deposited to maximise interest whilst maintaining a safe and secure investment strategy.

Principal Risks And Uncertainties

The principal risks for the Academy are:

- The main school admissions are oversubscribed. With increased numbers within the feeder primary school there is a basic need for additional school places and therefore expansion to the school premises needs to be investigated further.
- ESFA income remains limited resulting in surplus money having to be used to balance the budget. The pay award contributions were only committed for one year and therefore any increases will have to be factored in as an increased cost to the Academy alongside pension increases.
- The ESFA is unable to provide budget information for more than 1 year in advance so the school is only able to do a 3/5 year forecast on estimated income.
- Capital investment is needed for the maintenance of the poor quality buildings.
- The large deficit that the Local Government Pension Fund is reporting.

Financial and risk management objectives and policies

The Finance and Premises Committee review the Academy Financial Policy and Procedures annually to bring them in line with the Academy Handbook. A Risk Management Strategy is also reviewed annually and a risk register compiled and approved by the Finance and Premises committee and reported to Full Governing body for ratification.

FUNDRAISING

All business operations will continue to ensure that unrestricted income is generated to support the core Academy education.

PLANS FOR FUTURE PERIODS

All outcomes for disadvantaged students are rapidly improving towards those of 'other' students with the same starting points.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

During the period of 1 September 2017 to 31 August 2018 Woodrush High School did not hold any funds as a custodial trustee on behalf of any other charitable organisations.

AUDITORS

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and

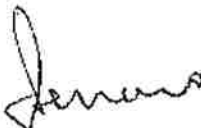
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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

- 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 auditors are aware of that information.

The auditors, Bishop Fleming LLP, are willing to continue in office and a resolution to appoint them will be proposed at the annual general meeting.

Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as company directors, on3/12/18... and signed on the board's behalf by:



**Mr G Denaro
Chair of Trustees**

**WOODRUSH HIGH SCHOOL AN ACADEMY FOR STUDENTS AGED 11-18 LTD
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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As Trustees, we acknowledge we have overall responsibility for ensuring that Woodrush High School An Academy For Students Aged 11-18 Ltd 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 Headteacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Woodrush High School An Academy For Students Aged 11-18 Ltd and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The Board of Trustees has formally met 3 times during the year for a Full Governing Body meeting, 3 times for Finance and Resources committee and 3 times for the Standards committee during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mr P Amieli, OFSTED Inspector	4	6
Mr G Denaro, Chair of Trustees	5	9
Ms J Dyer, Retired Teacher	4	6
Mr J Felton, Director	6	6
Ms J Francis, Staff Trustee	5	6
Ms S Lee, Parent Governor	4	6
Mr I MacGregor, Accountant	3	6
Ms N Rancins, Headteacher	8	9
Mrs T Power, Parent Governor	6	6
Mr C R Sambrook, Vice Chair of Trustees	6	6
Mr A Sangha, Civil Servant	5	6
Mr B Taylor, Staff Trustee	2	2

Mr J Howlett resigned 23 February 2018

Mrs T Power appointed 6 January 2017

Ms S Lee appointed 6 January 2017

Mr A Sangha appointed 15 June 2017

Mr B Taylor appointed 17 May 2018

REVIEW OF VALUE FOR MONEY

As Accounting Officer, the Headteacher 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 Academy Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the Academy Trust has delivered improved value for money during the year by:

- setting the economic, efficient and effective use of all the resources for example to produce better educational results
- the implementation of an Integrated Curriculum Review across all Key Stages
- analyse of SLAs, contracts and licenses to review efficiencies and value for money
- the avoidance of waste and extravagance
- the prudent and economical administration of the organisation

**WOODRUSH HIGH SCHOOL AN ACADEMY FOR STUDENTS AGED 11-18 LTD
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GOVERNANCE STATEMENT (continued)

- the establishment and maintenance of a system of financial governance, including sound internal spending controls, keeping up to date financial records, continuous financial monitoring and timely reporting
- following the school's procurement policy
- benchmarking against similar local and national schools

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 Woodrush High School An Academy For Students Aged 11-18 Ltd for the year 1 September 2017 to 31 August 2018 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 year 1 September 2017 to 31 August 2018 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 Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed DRB Schools and Academies Services Limited, to perform additional checks.

The reviewer's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. In particular the checks carried out in the current period included testing on payroll systems, testing over income and expenditure, and review of IT policies and procedures.

On a quarterly basis, the external auditors report to the Board of Trustees through the finance and resources committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

REVIEW OF EFFECTIVENESS

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

- the work of the external auditors;

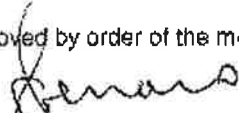
**WOODRUSH HIGH SCHOOL AN ACADEMY FOR STUDENTS AGED 11-18 LTD
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GOVERNANCE STATEMENT (continued)

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

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the 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 3/12/18 and signed on their behalf, by:


Mr G Denaro
Chair of Trustees

Ms N Rancins
Accounting Officer



**WOODRUSH HIGH SCHOOL AN ACADEMY FOR STUDENTS AGED 11-18 LTD
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Woodrush High School An Academy For Students Aged 11-18 Ltd I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

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 2018.

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.



**Ms N Rancins
Accounting Officer**

3rd december 18

**WOODRUSH HIGH SCHOOL AN ACADEMY FOR STUDENTS AGED 11-18 LTD
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**STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2018**

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

Company law requires the 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:

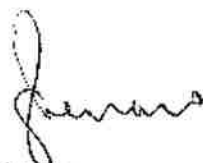
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 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 of Trustees and signed on its behalf by:



**Mr G Denaro
Chair of Trustees**

Date: 19/12/18

**WOODRUSH HIGH SCHOOL AN ACADEMY FOR STUDENTS AGED 11-18 LTD
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
WOODRUSH HIGH SCHOOL AN ACADEMY FOR STUDENTS AGED 11-18 LTD**

OPINION

We have audited the financial statements of Woodrush High School An Academy For Students Aged 11-18 Ltd (the 'Academy Trust') for the year ended 31 August 2018 which comprise the Statement of Financial Activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

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

BASIS FOR OPINION

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

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to note 1.2 in the financial statements, which indicates that the current deficit on free reserves may cast significant doubt on the Academy Trust's ability to continue as a going concern. As stated in note 1.2, these events or conditions, along with the other matters as set forth in the note 1.2 indicate that a material uncertainty exists that may cast significant doubt on the Academy Trust's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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 Auditors' 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.

**WOODRUSH HIGH SCHOOL AN ACADEMY FOR STUDENTS AGED 11-18 LTD
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
WOODRUSH HIGH SCHOOL AN ACADEMY FOR STUDENTS AGED 11-18 LTD**

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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, the Trustees (who are also the directors of the Academy Trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Academy Trust'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 Trust or to cease operations, or have no realistic alternative but to do so.

AUDITORS' 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 Auditors' 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.

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

USE OF OUR REPORT

This report is made solely to the Academy Trust's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Academy Trust's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the

**WOODRUSH HIGH SCHOOL AN ACADEMY FOR STUDENTS AGED 11-18 LTD
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
WOODRUSH HIGH SCHOOL AN ACADEMY FOR STUDENTS AGED 11-18 LTD**

fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy Trust and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



John Talbot FCA (Senior Statutory Auditor)
for and on behalf of
Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
16 Queen Square
Bristol
BS1 4NT
Date: 20.12.18

**WOODRUSH HIGH SCHOOL AN ACADEMY FOR STUDENTS AGED 11-18 LTD
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO WOODRUSH
HIGH SCHOOL AN ACADEMY FOR STUDENTS AGED 11-18 LTD AND THE EDUCATION & SKILLS
FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 16 August 2017 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Woodrush High School An Academy For Students Aged 11-18 Ltd during the year 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Woodrush High School An Academy For Students Aged 11-18 Ltd and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Woodrush High School An Academy For Students Aged 11-18 Ltd 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 Woodrush High School An Academy For Students Aged 11-18 Ltd and the ESFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF WOODRUSH HIGH SCHOOL AN ACADEMY FOR STUDENTS AGED
11-18 LTD'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT**

The Accounting Officer is responsible, under the requirements of Woodrush High School An Academy For Students Aged 11-18 Ltd's funding agreement with the Secretary of State for Education dated 30 November 2011, and the Academies Financial Handbook extant from 1 September 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

APPROACH

We conducted our engagement in accordance with the Academies Accounts Direction 2017 to 2018 issued by the 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.

Our work on regularity included a review of the internal controls policies and procedures that have been implemented and an assessment of their design and effectiveness to understand how the academy complied with the framework of authorities. We also reviewed the reports commissioned by the trustees to assess the internal controls throughout the year.

We performed detailed testing based on our assessment of the risk of material irregularity, impropriety and non-compliance. This work was integrated with our audit on the financial statements where appropriate and included analytical review and detailed substantive testing of transactions.

**WOODRUSH HIGH SCHOOL AN ACADEMY FOR STUDENTS AGED 11-18 LTD
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO WOODRUSH
HIGH SCHOOL AN ACADEMY FOR STUDENTS AGED 11-18 LTD AND THE EDUCATION & SKILLS
FUNDING AGENCY (continued)**

CONCLUSION

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

Bishop Fleming LLP

John Talbot FCA (Reporting Accountant)

Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
16 Queen Square
Bristol
BS1 4NT

Date: 20.12.18

**WOODRUSH HIGH SCHOOL AN ACADEMY FOR STUDENTS AGED 11-18 LTD
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2018**

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
INCOME FROM:						
Donations and capital grants	2	11,125	-	21,668	32,793	63,385
Charitable activities	3	32,353	5,040,491	-	5,072,844	5,001,050
Teaching schools	29	57,252	-	-	57,252	37,916
Other trading activities	4	423,816	106,278	-	530,094	490,893
Investments	5	194	-	-	194	318
TOTAL INCOME		524,740	5,146,769	21,668	5,693,177	5,593,562
EXPENDITURE ON:						
Raising funds		269,131	-	-	269,131	326,239
Charitable activities		245,609	5,325,474	342,712	5,913,795	5,797,301
TOTAL EXPENDITURE	6	514,740	5,325,474	342,712	6,182,926	6,123,540
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS						
Transfers between Funds	18	10,000	(178,705)	(321,044)	(489,749)	(529,978)
		-	(7,029)	7,029	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES						
		10,000	(185,734)	(314,015)	(489,749)	(529,978)
Actuarial gains on defined benefit pension schemes	22	-	351,000	-	351,000	644,000
NET MOVEMENT IN FUNDS		10,000	165,266	(314,015)	(138,749)	114,022
RECONCILIATION OF FUNDS:						
Total funds brought forward		-	(2,552,307)	14,131,354	11,579,047	11,465,025
TOTAL FUNDS CARRIED FORWARD		10,000	(2,387,041)	13,817,339	11,440,298	11,579,047

The notes on pages 22 to 45 form part of these financial statements.

WOODRUSH HIGH SCHOOL AN ACADEMY FOR STUDENTS AGED 11-18 LTD
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER: 07677510

BALANCE SHEET
AS AT 31 AUGUST 2018

	Note	£	2018 £	£	2017 £
FIXED ASSETS					
Tangible assets	13		13,817,339		14,131,354
CURRENT ASSETS					
Debtors	14	252,403		171,102	
Cash at bank and in hand		200,069		479,245	
		<u>452,472</u>		<u>650,347</u>	
CREDITORS: amounts falling due within one year	15	(348,846)		(478,285)	
NET CURRENT ASSETS			<u>103,626</u>		<u>172,062</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>13,920,965</u>		<u>14,303,416</u>
CREDITORS: amounts falling due after more than one year	16	(472,667)		(554,369)	
NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES			<u>13,448,298</u>		<u>13,749,047</u>
Defined benefit pension scheme liability	22	(2,008,000)		(2,170,000)	
NET ASSETS			<u>11,440,298</u>		<u>11,579,047</u>
FUNDS OF THE ACADEMY TRUST					
Restricted funds:					
General funds	18	(379,041)		(382,307)	
Fixed asset funds	18	13,817,339		14,131,354	
Restricted funds excluding pension liability		<u>13,438,298</u>		<u>13,749,047</u>	
Pension reserve		<u>(2,008,000)</u>		<u>(2,170,000)</u>	
Total restricted funds			<u>11,430,298</u>		<u>11,579,047</u>
Unrestricted funds	18		<u>10,000</u>		<u>-</u>
TOTAL FUNDS			<u>11,440,298</u>		<u>11,579,047</u>

The financial statements on pages 19 to 45 were approved by the Trustees, and authorised for issue, on and are signed on their behalf, by:



Mr G Denaro
Chair of Trustees

3/12/18

The notes on pages 22 to 45 form part of these financial statements.

**WOODRUSH HIGH SCHOOL AN ACADEMY FOR STUDENTS AGED 11-18 LTD
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2018**

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	20	(221,139)	104,515
Cash flows from investing activities:			
Interest received		194	318
Purchase of tangible fixed assets		(28,697)	(55,633)
Capital grants from DfE Group		21,668	21,111
Net cash used in investing activities		(6,835)	(34,204)
Cash flows from financing activities:			
Repayments of borrowings		(51,202)	(51,202)
Net cash used in financing activities		(51,202)	(51,202)
Change in cash and cash equivalents in the year		(279,176)	19,109
Cash and cash equivalents brought forward		479,245	460,136
Cash and cash equivalents carried forward	21	200,069	479,245

The notes on pages 22 to 45 form part of these financial statements.

**WOODRUSH HIGH SCHOOL AN ACADEMY FOR STUDENTS AGED 11-18 LTD
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

1. ACCOUNTING POLICIES

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

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

Woodrush High School An Academy For Students Aged 11-18 Ltd constitutes a public benefit entity as defined by FRS 102.

1.2 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 Academy Trust 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.

The Academy has a deficit on free reserves of £369k (2017: £382k), which has arisen partly due to the accounting for the funding and subsequent sub-lease of the Hub. Along with this the Trust has a loan from the ESFA that is being financed out of GAG income, which has an impact on free reserves (notes 15 and 16). Also, there have historically been decisions to apply GAG funding to the purchase of fixed assets.

The Trustees have prepared forecasts that indicate that expenditure in the coming year is anticipated to be met entirely by incoming resources, with a growth in pupil numbers resulting in additional funding and net revenue being generated from The Hub. The Academy is carrying £224k (2017: 254k) of deferred lease premium, which will be released to incoming resources (and therefore increasing free reserves accordingly) over the remaining length of the lease.

The Trustees are currently reviewing the financial position of the Academy to ensure it has a surplus on free reserves in the medium to long term, and the Trustees assume that the Academy will be able to continue to operate as forecast during this period.

The Trustees' assessment that it is appropriate to use the going concern assumption is based on the following:

- a) the Academy has adequate cash to fund its working capital requirements during this period;
- b) there is no significant unbudgeted expenditure or capital expenditure, unless supported by additional funding during this period; and
- c) income is received in line with forecast.

On this basis the Trustees have concluded that the Academy has adequate resources to continue in operational existence for the foreseeable future and thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

**WOODRUSH HIGH SCHOOL AN ACADEMY FOR STUDENTS AGED 11-18 LTD
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

1. ACCOUNTING POLICIES (continued)

1.3 INCOME

All income is recognised once the Academy Trust has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

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 entitlement of receipt, its recognition is deferred and included in creditors as deferred income. 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 unconditional entitlement to the grant. Unspent amounts of capital grant are reflected in the balance 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.

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

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

1.4 EXPENDITURE

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

Expenditure on raising funds 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.

Expenditure on charitable activities are costs incurred on the Academy Trust's educational operations, including support costs and those costs relating to the governance of the Academy Trust appointed to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

**WOODRUSH HIGH SCHOOL AN ACADEMY FOR STUDENTS AGED 11-18 LTD
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

1. ACCOUNTING POLICIES (continued)

1.5 TANGIBLE FIXED ASSETS AND DEPRECIATION

All assets costing more than £1,000 are capitalised 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 these assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	- 2% straight line
Office equipment	- 33.3% straight line

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

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

1.6 OPERATING LEASES

As Lessee:

Rentals under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

As Lessor:

Lease premiums received are amortised over the lease term and charged on a straight line basis, with reference to the repayment terms in the event of early termination.

1.7 DEBTORS

Trade and other debtors with no stated interest rate and due within one year are recorded at the amount of cash or other consideration expected to be received. Prepayments are valued at the amounts paid.

1.8 CASH AT BANK AND IN HAND

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account and cash on deposit that has a notice period of less than 30 days.

**WOODRUSH HIGH SCHOOL AN ACADEMY FOR STUDENTS AGED 11-18 LTD
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

1. ACCOUNTING POLICIES (continued)

1.9 LIABILITIES AND PROVISIONS

Liabilities and provisions 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 are measured at the best estimate of the amounts required to settle the obligation.

1.10 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. Cash at bank is classified as a basic financial instrument and is measured at fair value.

Financial liabilities - trade creditors, accruals, other creditors and loans are financial instruments, and are measured at amortised costs as detailed in notes 15 and 16. 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 instruments.

1.11 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.

**WOODRUSH HIGH SCHOOL AN ACADEMY FOR STUDENTS AGED 11-18 LTD
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

1. ACCOUNTING POLICIES (continued)

1.12 PENSIONS

Retirement benefits to employees of the academy are provided by the Teachers' Pension Scheme ("TPS") and the Local Governments 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 note 22, 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 net income/expenditure 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.

1.13 AGENCY ARRANGEMENTS

The Academy acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the Statement of Financial Activities as the Academy does not have control over the charitable application of the funds. The Academy can use up to 5% of the allocation towards its own administration costs and this is recognised in the Statement of Financial Activities. The funds received, paid and any balances held at period end are disclosed in note 27.

1.14 FUND ACCOUNTING

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

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

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

WOODRUSH HIGH SCHOOL AN ACADEMY FOR STUDENTS AGED 11-18 LTD
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.15 CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGMENT

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

The Academy obtains the use of fixed assets as a lessee. The classification of such leases as operating or finance requires the Academy to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the balance sheet.

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
Donations	11,125	-	-	11,125	42,274
Capital grants	-	-	21,668	21,668	21,111
	<u>11,125</u>	<u>-</u>	<u>21,668</u>	<u>32,793</u>	<u>63,385</u>
Total 2017	<u>14,613</u>	<u>-</u>	<u>48,772</u>	<u>63,385</u>	

WOODRUSH HIGH SCHOOL AN ACADEMY FOR STUDENTS AGED 11-18 LTD
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
DfE/ESFA grants				
General Annual Grant	-	4,712,538	4,712,538	4,616,911
Other DfE/ESFA grants	-	222,204	222,204	245,085
High Needs	-	65,749	65,749	80,101
	-	5,000,491	5,000,491	4,942,097
Other Government grants				
Other non capital government grants	-	40,000	40,000	40,000
	-	40,000	40,000	40,000
Other funding				
Other	32,353	-	32,353	18,953
	32,353	-	32,353	18,953
	32,353	5,040,491	5,072,844	5,001,050
Total 2017	18,953	4,982,097	5,001,050	

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Lettings	99,097	-	99,097	107,423
Other	324,719	-	324,719	210,450
School fund income	-	106,278	106,278	173,020
	423,816	106,278	530,094	490,893
Total 2017	314,040	176,853	490,893	

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5. INVESTMENT INCOME

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Bank interest	194	-	194	318
	<u>194</u>	<u>-</u>	<u>194</u>	<u>318</u>
Total 2017	318	-	318	
	<u>318</u>	<u>-</u>	<u>318</u>	

6. EXPENDITURE

	Staff costs 2018 £	Premises 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Expenditure on fundraising trading					
Direct costs	205,373	-	63,758	269,131	326,239
Support costs	-	-	-	-	-
Education:					
Direct costs	3,683,194	372,720	529,140	4,585,054	4,557,560
Support costs	836,455	233,148	259,138	1,328,741	1,239,741
	<u>4,725,022</u>	<u>605,868</u>	<u>852,036</u>	<u>6,182,926</u>	<u>6,123,540</u>
Total 2017 as restated	4,638,792	491,326	993,422	6,123,540	
	<u>4,638,792</u>	<u>491,326</u>	<u>993,422</u>	<u>6,123,540</u>	

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7. SUPPORT COSTS

	Total 2018 £	Total 2017 £
Other support costs	146,433	116,653
Premises costs	233,148	249,442
Technology costs	88,171	58,618
Governance costs	24,534	159,485
Wages and salaries	619,329	431,973
National insurance	40,532	28,514
Pension cost	176,594	195,056
	1,328,741	1,239,741
	<hr/>	<hr/>
Total 2017	1,239,741	
	<hr/>	

8. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets:		
- owned by the Academy	342,712	354,170
Auditors' remuneration	10,325	10,325
Auditors' remuneration for non audit work	2,825	575
Operating lease rentals	18,335	18,335
	<hr/>	<hr/>

WOODRUSH HIGH SCHOOL AN ACADEMY FOR STUDENTS AGED 11-18 LTD
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

9. STAFF COSTS

a. Staff costs

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	3,625,989	3,558,409
Social security costs	318,836	318,564
Pension costs	708,345	732,401
	<u>4,653,170</u>	<u>4,609,374</u>
Agency staff costs	71,852	29,418
	<u>4,725,022</u>	<u>4,638,792</u>

b. Staff numbers

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

	2018 No.	2017 No.
Teachers	72	75
Administration and support	87	71
Management	9	9
	<u>168</u>	<u>155</u>

Average headcount expressed as a full time equivalent:

	2018 No.	2017 No.
Teachers	67	67
Administration and support	52	41
Management	8	9
	<u>127</u>	<u>117</u>

c. Higher paid staff

The number of employees whose employee benefits (excluding employer's National Insurance contributions and employer pension costs) exceeded £60,000 was:

	2018 No.	2017 No.
In the band £60,001 - £70,000	2	1
In the band £80,001 - £90,000	1	1

d. Key management personnel

The key management personnel of the Academy Trust comprise the Trustees (who do not receive remuneration for their role as Trustees) and the Senior Leadership Team as listed on page 1. The total amount of employee benefits (including employer National Insurance contributions and employer pension contributions) received by key management personnel for their services to the Academy Trust was

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9. STAFF COSTS (continued)

£724,199 (2017: £554,672). The classification of Key Management Personnel has been extended to include the Business Director and Lead Practitioner for the Teaching School for the year ended 31 August 2018.

10. TRUSTEES' REMUNERATION AND EXPENSES

The Headteacher and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff, and not in respect of their services as Trustees. Other Trustees did not receive any payments, other than expenses, from the Academy in respect of their role as Trustees. The value of Trustees' remuneration in the year was: Ms N Rancins: remuneration £80,000-£85,000 (2017: £80,000-£85,000), employer's pension contribution £10,000-£15,000 (2017: £NIL-£5,000), Ms J Francis: remuneration £25,000-£30,000 (2017: £25,000-£30,000), employer's pension contribution £NIL-£5,000 (2016: £NIL-£5,000).

During the year, no Trustees received any benefits in kind (2017: £NIL).

During the year ended 31 August 2018, expenses totalling £292 (2017: £NIL) were reimbursed to 1 Trustee (2017: NIL).

11. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £3,000,000 on any one claim and the cost for the year ended 31 August 2018 was £1,697 (2017: £1,697).

12. OTHER FINANCE INCOME

	2018 £	2017 £
Interest income on pension scheme assets	28,000	20,000
Interest on pension scheme liabilities	(84,000)	(79,000)
	<u>(56,000)</u>	<u>(59,000)</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

13. TANGIBLE FIXED ASSETS

	Freehold property £	Motor vehicles £	Office equipment £	Total £
COST				
At 1 September 2017	5,003,813	15,750	880,970	15,900,533
Additions	-	-	28,697	28,697
At 31 August 2018	5,003,813	15,750	909,667	15,929,230
DEPRECIATION				
At 1 September 2017	1,058,995	11,650	698,534	1,769,179
Charge for the year	234,311	3,188	105,213	342,712
At 31 August 2018	1,293,306	14,838	803,747	2,111,891
NET BOOK VALUE				
At 31 August 2018	3,710,507	912	105,920	13,817,339
At 31 August 2017	3,944,818	4,100	182,436	14,131,354

14. DEBTORS

	2018 £	2017 £
Trade debtors	16,893	26,518
Other debtors	1,357	7,834
Prepayments and accrued income	146,942	103,358
Tax recoverable	87,211	33,392
	252,403	171,102

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £	2017 £
Other loans	39,460	39,460
Trade creditors	60,367	115,650
Other taxation and social security	88,364	94,070
Other creditors	73,663	66,360
Accruals and deferred income	86,992	162,745
	348,846	478,285

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15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR (continued)

	2018 £	2017 £
DEFERRED INCOME		
Deferred income at 1 September 2017	304,987	291,054
Resources deferred during the year	5,151	50,819
Amounts released from previous years	(81,320)	(36,886)
	<u>228,818</u>	<u>304,987</u>
Deferred income at 31 August 2018	<u>228,818</u>	<u>304,987</u>

At the year end, £5,151 (2017: £10,820) has been deferred for gym income, £223,667 (2017: £254,167) being the balance of a lease premium paid in advance, and £NIL (2017: £40,000) in relation to teaching school income.

16. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2018 £	2017 £
ESFA loans	279,500	330,702
Accruals and deferred income	193,167	223,667
	<u>472,667</u>	<u>554,369</u>

Included within the above are amounts falling due as follows:

	2018 £	2017 £
BETWEEN ONE AND TWO YEARS		
ESFA loans	40,793	40,779
BETWEEN TWO AND FIVE YEARS		
ESFA loans	130,736	130,691
OVER FIVE YEARS		
ESFA loans	107,971	159,232

Creditors include amounts not wholly repayable within 5 years as follows:

	2018 £	2017 £
Repayable by instalments	107,971	159,232
Reversal of deferred income	71,167	101,667
	<u>179,138</u>	<u>260,899</u>

Included within creditors due after more than one year is an ESFA loan balance of £279,500 (2017: £330,702). The full value of the outstanding balance on the loan is £318,960 (2017: £370,162), £39,460 (2017: £39,460) of which is shown as due under one year (note 15). The loan is repayable in monthly installments over the remaining 7 years of the loan with an applicable annual interest rate of 2.55%.

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NOTES TO THE FINANCIAL STATEMENTS
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17. FINANCIAL INSTRUMENTS

	2018	2017
	£	£
Financial assets measured at fair value through income and expenditure	200,069	479,245
Financial assets measured at amortised cost	109,127	97,486
	309,196	576,731
Financial liabilities measured at amortised cost	559,793	633,597

Financial assets measured at fair value through income and expenditure comprise cash at bank and in hand.

Financial assets measured at amortised cost comprise trade debtors, other debtors, and accrued income.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors, accruals, other loans and ESFA loans.

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NOTES TO THE FINANCIAL STATEMENTS
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18. STATEMENT OF FUNDS

	Brought forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) / Transfers £	Carried forward £
UNRESTRICTED FUNDS						
General funds	-	524,740	(514,740)	-	-	10,000
RESTRICTED FUNDS						
General Annual Grant (GAG)	(382,307)	4,735,320	(4,711,997)	(20,057)	-	(379,041)
Higher Needs	-	79,102	(79,102)	-	-	-
Other Government grants	-	40,000	(40,000)	-	-	-
Other restricted funds	-	106,278	(119,306)	13,028	-	-
Pupil Premium (PP)	-	186,069	(186,069)	-	-	-
Pension reserve	(2,170,000)	-	(189,000)	-	351,000	(2,008,000)
	<u>(2,552,307)</u>	<u>5,146,769</u>	<u>(5,325,474)</u>	<u>(7,029)</u>	<u>351,000</u>	<u>(2,387,041)</u>
RESTRICTED FIXED ASSET FUNDS						
Fixed assets transferred on conversion	11,219,109	-	(168,200)	-	-	11,050,909
Fixed assets purchased from GAG and other restricted funds	1,568,321	-	(32,297)	7,029	-	1,543,053
DfE/ESFA Capital grants	1,157,387	21,668	(33,814)	-	-	1,145,241
Other capital grants	186,537	-	(108,401)	-	-	78,136
	<u>14,131,354</u>	<u>21,668</u>	<u>(342,712)</u>	<u>7,029</u>	<u>-</u>	<u>13,817,339</u>
Total restricted funds	<u>11,579,047</u>	<u>5,168,437</u>	<u>(5,668,186)</u>	<u>-</u>	<u>351,000</u>	<u>11,430,298</u>
Total of funds	<u>11,579,047</u>	<u>5,693,177</u>	<u>(6,182,926)</u>	<u>-</u>	<u>351,000</u>	<u>11,440,298</u>

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

RESTRICTED FUNDS:

General Annual Grant (GAG) - income from the ESFA which is to be used for the normal running costs of the Academy, including education and support costs. The Academy has a deficit on GAG reserves. It has a plan in place to remedy this in the medium to long term.

Other Government Grants - income from the DfE/ESFA which has been received for specific purposes.

Higher Needs - funding provided by Local Authorities for the academy trust to fund further support for students with additional needs.

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18. STATEMENT OF FUNDS (continued)

Other restricted funds - income which has been received for specific purposes.

Pupil Premium (PP) - represents funding received from the ESFA for children that qualify for free school meals to enable the academy to address the current underlying inequalities between those children and their wealthier peers.

Pension reserve - this represents the Academy's share of the assets and liabilities in the Local Government Pension Scheme. As with most pension schemes this is currently in deficit due to an excess of scheme liabilities over scheme assets which was inherited on conversion to an Academy.

RESTRICTED FIXED ASSET FUNDS:

Fixed Assets Transferred on Conversion - this represents the buildings and equipment donated to the Academy from the Local Authority on conversion to an Academy.

Fixed assets purchased from GAG and other restricted funds - this represents assets purchased from unspent General Annual Grant and other non-capital restricted income.

DfE/ESFA capital grants - restricted capital funding received from the DfE/ESFA to be spent on specific capital projects.

Other capital grants - restricted capital funding received to be spent on specific capital projects.

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) / Transfers £	Balance at 31 August 2017 £
General funds	-	347,924	(347,924)	-	-	-
RESTRICTED FUNDS						
General Annual Grant (GAG)	(395,764)	4,204,305	(4,183,986)	(6,862)	-	(382,307)
Other DfE/ESFA Grants	-	285,085	(285,085)	-	-	-
Higher Needs	-	80,101	(80,101)	-	-	-
Other restricted funds	51,899	421,386	(473,285)	-	-	-
Pupil Premium (PP)	-	205,989	(205,989)	-	-	-
Pension reserve	(2,621,000)	-	(193,000)	-	644,000	(2,170,000)
	<u>(2,964,865)</u>	<u>5,196,866</u>	<u>(5,421,446)</u>	<u>(6,862)</u>	<u>644,000</u>	<u>(2,552,307)</u>

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18. STATEMENT OF FUNDS (continued)

RESTRICTED FIXED ASSET FUNDS

Fixed assets transferred on conversion	12,060,271	-	(168,200)	(672,962)	-	11,219,109
Fixed assets purchased from GAG and other restricted funds	1,613,013	-	(44,692)	-	-	1,568,321
DfE/ESFA Capital grants	608,556	21,111	(16,862)	544,582	-	1,157,387
Other capital grants	135,668	27,661	(112,034)	135,242	-	186,537
Private sector capital sponsorship	12,382	-	(12,382)	-	-	-
	<u>14,429,890</u>	<u>48,772</u>	<u>(354,170)</u>	<u>6,862</u>	<u>-</u>	<u>14,131,354</u>
Total restricted funds	<u>11,465,025</u>	<u>5,245,638</u>	<u>(5,775,616)</u>	<u>-</u>	<u>644,000</u>	<u>11,579,047</u>
Total of funds	<u>11,465,025</u>	<u>5,593,562</u>	<u>(6,123,540)</u>	<u>-</u>	<u>644,000</u>	<u>11,579,047</u>

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	13,817,339	13,817,339
Current assets	233,720	218,752	-	452,472
Creditors due within one year	(30,553)	(318,293)	-	(348,846)
Creditors due in more than one year	(193,167)	(279,500)	-	(472,667)
Pension scheme liability	-	(2,008,000)	-	(2,008,000)
	<u>10,000</u>	<u>(2,387,041)</u>	<u>13,817,339</u>	<u>11,440,298</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	14,131,354	14,131,354
Current assets	-	650,347	-	650,347
Creditors due within one year	223,667	(701,952)	-	(478,285)
Creditors due in more than one year	(223,667)	(330,702)	-	(554,369)
Provisions for liabilities and charges	-	(2,170,000)	-	(2,170,000)
	<u>-</u>	<u>(2,552,307)</u>	<u>14,131,354</u>	<u>11,579,047</u>

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20. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2018 £	2017 £
Net expenditure for the year (as per Statement of Financial Activities)	(489,749)	(529,978)
Adjustment for:		
Depreciation charges	342,712	354,170
Investment income	(194)	(318)
(Increase)/decrease in debtors	(81,301)	5,295
(Decrease)/increase in creditors	(159,939)	103,457
Capital grants from DfE and other capital income	(21,668)	(21,111)
Defined benefit pension scheme cost less contributions payable	133,000	134,000
Defined benefit pension scheme finance cost	56,000	59,000
Net cash (used in)/provided by operating activities	(221,139)	104,515

21. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2018 £	2017 £
Cash at bank and in hand	200,069	479,245
	200,069	479,245

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**NOTES TO THE FINANCIAL STATEMENTS
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22. PENSION COMMITMENTS

The Academy Trust's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Worcestershire Country Council. Both are multi-employer Defined Benefit Pension Schemes.

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

Contributions amounting to £69,032 were payable to the schemes at 31 August 2018 (2017: 59,077) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the period amounted to £405,654 (2017: £472,103).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx).

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The

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22. PENSION COMMITMENTS (continued)

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £250,000 (2017: £232,000), of which employer's contributions totalled £191,000 (2017: £178,000) and employees' contributions totalled £59,000 (2017: £54,000). The agreed contribution rates for future years are 12.9% for employers and 5.5-12.5% for employees.

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

Principal actuarial assumptions:

	2018	2017
Discount rate for scheme liabilities	2.80 %	2.50 %
Rate of increase in salaries	3.60 %	3.70 %
Rate of increase for pensions in payment / inflation	2.20 %	2.20 %
Inflation assumption (CPI)	2.10 %	2.20 %

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

	2018	2017
Retiring today		
Males	22.7 years	22.6 years
Females	25.7 years	25.6 years
Retiring in 20 years		
Males	24.9 years	24.8 years
Females	28.0 years	27.9 years

	At 31 August 2018 £	At 31 August 2017 £
Sensitivity analysis		
Discount rate +0.1%	3,311,000	3,340,000
Mortality assumption - 1 year increase	3,456,000	3,487,000
CPI rate +0.1%	3,483,000	3,515,000

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22. PENSION COMMITMENTS (continued)

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

	Fair value at 31 August 2018 £	Fair value at 31 August 2017 £
Equities	1,069,000	1,082,000
Corporate bonds	175,000	65,000
Property	65,000	48,000
Cash and other liquid assets	29,000	16,000
Other	50,000	45,000
Total market value of assets	1,388,000	1,256,000

The amounts recognised in the Statement of Financial Activities are as follows:

	2018 £	2017 £
Current service cost	(324,000)	(312,000)
Interest income	28,000	20,000
Interest cost	(84,000)	(79,000)
Total	(380,000)	(371,000)
Actual return on scheme assets	84,000	174,000

Movements in the present value of the defined benefit obligation were as follows:

	2018 £	2017 £
Opening defined benefit obligation	3,426,000	3,624,000
Current service cost	324,000	312,000
Interest cost	84,000	79,000
Employee contributions	59,000	54,000
Actuarial gains	(299,000)	(630,000)
Benefits paid	(198,000)	(13,000)
Closing defined benefit obligation	3,396,000	3,426,000

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22. PENSION COMMITMENTS (continued)

Movements in the fair value of the Academy Trust's share of scheme assets:

	2018 £	2017 £
Opening fair value of scheme assets	1,256,000	1,003,000
Interest income	28,000	20,000
Actuarial gains	52,000	14,000
Employer contributions	191,000	178,000
Employee contributions	59,000	54,000
Benefits paid	(198,000)	(13,000)
	<u>1,388,000</u>	<u>1,256,000</u>
Closing fair value of scheme assets	<u>1,388,000</u>	<u>1,256,000</u>

23. OPERATING LEASE COMMITMENTS

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

	2018 £	2017 £
AMOUNTS PAYABLE:		
Within 1 year	4,932	18,335
Between 1 and 5 years	4,950	9,882
	<u>9,882</u>	<u>28,217</u>
Total	<u>9,882</u>	<u>28,217</u>

24. OPERATING LEASES AS LESSOR

The operating leases relates to the hire of library space by Worcester County Council. A 10 year advanced rental of £305,000 was paid by WCC to the academy in relation to the library, consequently, this advanced rental is being released over the lease period. Rent of £30,500 (2017: £30,500) has been recognised as income for the period.

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

	Land and Buildings 2018 £	Land and buildings 2017 £
Within 1 year	30,500	30,500
1 - 2 years	30,500	30,500
2 - 5 years	91,500	91,500
More than 5 years	71,167	101,667
Total	<u>223,667</u>	<u>254,167</u>

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25. MEMBERS' LIABILITY

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

26. RELATED PARTY TRANSACTIONS

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

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 10.

27. AGENCY ARRANGEMENTS

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2018 the trust received £7,992 (2017: £7,127) and disbursed £3,359 (2017: £7,127) from the fund (including a nominal amount for administration costs). An amount of £4,633 (2017: £NIL) is included in other creditors relating to undistributed funds that is repayable to the ESFA.

28. GENERAL INFORMATION

Woodrush High School An Academy For Students Aged 11-18 Ltd is a company limited by guarantee, incorporated in England and Wales. The registered office is Shawhurst Lane, Wythall, Worcestershire, B47 5JW.

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29. TEACHING SCHOOL TRADING ACCOUNT

	2018 £	2018 £	2017 £	2017 £
INCOME				
DIRECT INCOME				
Self generated funds	57,252		37,916	
OTHER INCOME				
Government grants	40,000		40,000	
TOTAL INCOME		97,252		77,916
EXPENDITURE				
DIRECT EXPENDITURE				
Direct staff costs	65,318		52,788	
Supplies and services	19,885		20,057	
TOTAL DIRECT EXPENDITURE	85,203		72,845	
OTHER EXPENDITURE				
Other support costs	2,130		5,071	
TOTAL EXPENDITURE		87,333		77,916
SURPLUS FROM ALL SOURCES		9,919		-
TEACHING SCHOOL BALANCES AT 1 SEPTEMBER 2017		-		-
TEACHING SCHOOL BALANCES AT 31 AUGUST 2018		9,919		-