Registered number: 08319098

WALKWOOD ACADEMY TRUST

(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2016

Bishop Fleming
Chartered Accountants

WALKWOOD ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

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REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2016

Members	Fr Glenn Reading Kenneth Dowie Muir
Trustees	Fr Glenn Reading, Chair of Trustees[1] Amanda Ruth Lawler, Vice Chair[2] Rev Clive Leach, Principal[1,2] Heather Wood[1] Kenneth Dowie Muir[1] Richard Widdop (resigned 14 September 2015)[2] Kevin Purvis[2] David Bush[1] Danielle Timmins (resigned 7 September 2015)[2] Sharon Harvey[1] Jeff Farnes[2] Cassie Philpotts (appointed 14 October 2015)[2] [1] Staffing, Finance & Resources [2] Pupils & Curiculum
Company registered number	08319098
Company name	Walkwood Academy Trust
Principal and registered office	Feckenham Road Headless Cross Redditch Worcestershire B97 5AQ
Accounting Officer	Rev. Clive Leach
Senior management team	Rev. Clive Leach, Principal Caroline Tuddenham, Deputy Principal Louise Pritchard, Assitant Head Simon West, Assistant Head Danielle Timmins, Assistant Head
Independent auditors	Bishop Fleming LLP Chartered Accountants Statutory Auditors 1-3 College Yard Worcester WR1 2LB
Bankers	Lloyds Bank Plc PO Box 1000 BX1 1LT

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2016. 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 9 to 13 in Redditch. It has a pupil capacity of 708 and had a roll of 643 in the school census on 1 September 2016.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy was incorporated on 5 December, 2012 and opened as an Academy on 1 January, 2013 and 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.

The Trustees of Walkwood Academy Trust 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 page 1.

Members' Liability

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

Trustees' Indemnities

Trustees benefit from indemnity insurance purchased at the Academy Trust's expense to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of 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 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 £3m.

TRUSTEES

Method of Recruitment and Appointment or Election of Trustees

On 1 January, 2013 the Trustees appointed all those Trustees that served the predecessor school to be Trustees of the newly formed Academy. These Trustees were appointed for a term of office that would end when their original term at the predecessor school would have ended, thus ensuring a staggered re-election or replacement process.

The Academy's Board of Trustees comprises the Principal, a minimum of 4 Parent Trustees, up to 2 Staff Trustees (providing that the total number of Trustees, including the Principal, who are employees of the Academy Trust, does not exceed one third of the total number of Trustees) and up to 8 other Trustees.

The Academy Trust shall have the following Trustees as set out in its Articles of Association and funding agreement:

- up to 4 Trustees who are appointed by members.
- up to 4 Parent Trustees who are elected by Parents of registered pupils at the Academy
- up to 2 Staff Trustees appointed by Staff at the Academy.
- up to 3 Foundation Trustees who are appointed by the Trustee board and/or Diocese.
- the Principal who is treated for all purposes as being an ex officio Governor.

Trustees are appointed for a one to four year period, except that this time limit does not apply to the Principal. Subject to remaining eligible to be a particular type of Trustee, any Trustee can be re-appointed or re-elected.

When appointing new Trustees, the Board will give consideration to the skills and experience mix of existing Trustees in order to ensure that the Board has the necessary skills to contribute fully to the Academy's development.

Policies and Procedures Adopted for the Induction and Training of Trustees

The training and induction provided for new Trustees will depend upon their existing experience but would always include a tour of the Academy and a chance to meet staff and pupils. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees. As there are normally only two or three new Trustees a year, induction tends to be done informally and is tailored specifically to the individual. Advantage is taken of specific courses offered by the Local Authority and other bodies.

Organisational Structure

The Board of Trustees normally meet once each term. They establish an overall framework for the governance of the Academy. All Trustees normally meet once each term as the Full Board. They determine membership, terms of reference and procedures of Committees and other groups. It receives reports including policies from its Committees for ratification. It monitors the activities of the Committees through the minutes of their meetings. The Trustees may from time to time establish Working Groups to perform specific tasks over a limited timescale.

There are 2 committees as follows;

- Staffing, Finance and Resources Committee - this meets at least three times a year and is responsible for monitoring, evaluating and reviewing policy and performance in relation to financial management, compliance with reporting and regulatory requirements and reporting, receiving reports from the Responsible Officer/internal audit and drafting the annual budget including setting staffing levels, monitoring resources and planning work. It also incorporates the role of an audit committee.
- Pupils and Curriculum Committee - this meets once a term to monitor, evaluate and review Academy policy, practice and performance in relation to curriculum planning, communications, target setting and assessment, examinations and all pastoral issues.

The following decisions are reserved to the Board of Trustees; to consider any proposals for changes to the status or constitution of the Academy and its committee structure, to appoint or remove the Chairman and/or Vice Chairman, to appoint the Principal and Clerk to the Trustees (Governors).

The Trustees are responsible for setting general policy, adopting an annual plan and budget, approving the statutory accounts, monitoring the Academy by the use of budgets and other data, and making major decisions about the direction of the Academy, capital expenditure and staff appointments.

The Trustees and Board of Trustees have devolved responsibility for day to day management of the Academy to the Principal and Senior Leadership Team (SLT). The SLT comprises the Principal, one Deputy Principal and three Assistant Principals. The SLT implement the policies laid down by the Trustees and report back to them on performance.

The Academy has a leadership structure which consists of the Trustees, the Senior Leadership Team and the Business Manager. The aim of the leadership structure is to devolve responsibility and encourage involvement in decision making at all levels

The SLT and Business Manager are responsible for the authorisation of spending within agreed budgets. Some spending control is devolved to Budget Holders which must be authorised in line with the Academy's Finance Policy. The Principal is responsible for the appointment of staff, though appointment panels for teaching posts always include a Trustee (Governor).

The Principal is the Accounting Officer.

Arrangements for Setting Pay and Remuneration of Key Management Personnel
The Trustees consider the Board of Trustees and the senior leadership team comprise the key management personnel of the Academy in charge of directing and controlling, running and operating the Trust on a day to day basis. All Trustees give their time freely and no Trustee received remuneration in the year.

Details of Trustees' expenses and related party transactions are disclosed in the notes to the accounts.

The pay of key management personnel is reviewed annually and normally increased in accordance with average earnings. The pay policy which is constructed by Worcestershire County Council, through the academy's service level agreement, is used to set remuneration levels.

Connected Organisations, including Related Party Relationships
There are no related parties which either control or significantly influence the decisions and operations of Walkwood Academy Trust. There are no sponsors associated with the Academy.

The Academy has collaborative links with its two partner high schools, Trinity High School and St Augustine's Catholic High School. There are growing links with St Bede's Catholic Middle School. Ongoing collaborative conversations take place with The Vaynor First School and Crabbs Cross First School, both of which make up the Redditch West Academy Trust.

OBJECTIVES AND ACTIVITIES

Objects and Aims
The principal object and activity of the Academy is to advance for the public benefit education in the United Kingdom, in particular by establishing, maintaining, carrying on, managing and developing a school, offering a broad range of curriculum for pupils of different abilities, within a context that in inclusive but has a Christian distinctiveness.

As a state-funded academy, it is our vocation, duty and delight to provide the best possible education for each pupil.

We are a very friendly and focused school. We aim to inspire every child – whatever their abilities – to achieve their very best, and make a valuable contribution to the Walkwood community. We want our pupils to love to learn.

Our school is not just about knowledge and skills; it's also about inspiring children to look at the world differently, and about challenging them to be fascinated by lessons and subjects. In this way, we encourage our pupils to learn to live, preparing them for an adult life in a changing world, and as such we seek to equip our children for the future. We want them to excel in school and in later life.

We are a Church of England school which is fully inclusive of all faiths and beliefs. While Christian principles underpin all of the school's values, we know that these morals are shared by many faiths. Consequently, we also work to ensure children develop an understanding of each of the main world religions. We look for our pupils to take into their lives beyond our school an outlook that allows then to learn to love the experiences, people and spirituality that they encounter.
"Remember your Creator in the days of your youth". Ecclesiastes 12:1

Therefore, we want pupils to:
Love to Learn,
Learn to Live,
Live to Love.

Our mission is to provide high quality, balanced education to pupils in an enquiring and supportive environment. Experienced and subject specialist teaching staff are dedicated to developing each individual pupil's well-being, while inspiring them to achieve their goals and excel in lessons.

Objectives, Strategies and Activities
The new National Curriculum for KS2 and KS3 are now in operation across all four years of the school. These have involved changes to previous schemes of work and in some change of emphasis of curricular delivery. The learning skills, known as the Learning Superheroes, has been part of the school's work and develops this year in tune with the assessment wording that has been incorporated. Additionally, the most recent Ofsted report (November 2014) suggested a focus for all lessons to have sufficient challenge to pupils across the ability range. The new SATs require increased focus on spelling, punctuation, along with the opportunity of extending pieces of writing in subjects other than English.

The priorities within this section of work are therefore:

- embedding the new curriculum;
- opportunities for extended writing and literacy;
- drawing out the Walkwood Learning Roots;
- ensuring challenge for all in lessons

Progress and standards
There are many staff who have rich and valuable experiences that can be shared with others, and continuing professional development has been given an even greater focus. There has been a change in the expectation of pupils at the key indicator of the end of KS2, with the new-style SATs being a challenge for pupils. Having reviewed outcomes from the external assessments, a STAs Action Plan is being implemented. To enable consideration of the new assessment challenges, the school is looking to strengthen its internal moderation of standards of work, and to collaborate with other educational providers, from the middle school phase and also with first and high schools.

The priorities for this section of work are therefore:

- using coaching and sharing expertise;
- developing 'progress without levels';
- updating assessment and marking practice;
- establishing consistency both within the school and with partners.

Walkwood distinctiveness
The school is in an area of Redditch where traditional three-tier providers have considered changing to the two-tier system. The distinctive nature of the school has been defined, both as an inclusive educational provider with a strong ethos based on Christian principles, but as a community that looks for high standards. Those Christian elements have been refined and a clarity of purpose shared. Feedback from parents is helping further refining of operations and procedures.

The priorities for this section of work are therefore:

- using the Fruits of faith (the school's shared values);
- bolstering collective worship;
- emboldening the ethos and faith dimension;
- marketing and maintaining numbers.

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's aims and objectives and in planning its future activities.

The Academy provides facilities for recreational and other leisure time occupation for the community at large in the interests of social welfare and with the interest of improving the life of the said community.

STRATEGIC REPORT

Achievements and Performance
Year 5 2015-16
End of year data
In English, 51% of pupils have a standard age score of 100 (National average) or higher in June. This is an increase of 3% from the October GL assessments.
In October the mean English SAS for this cohort was 99.9 compared to the National average of 100. This was classed as not significantly different to the National average. The mean SAS was 99.8 in June. This is also not classed as significantly different to the national average.

In Maths, 49% of pupils have a standard age score of 100 (National average) or higher in June. This is an increase of 11% from October.
In October the mean Maths SAS for this cohort was 95.9 compared to the National average of 100. This was classed as significantly below the National average. This rose to a mean SAS of 99 in June. This is now not classed as significantly different to the national average.

Year 6 2015-16
End of year data
In English, at the end of year 6, 55% of pupils have a standard age score of 100 (National average) or higher.
The mean English SAS for this cohort is 101.6 compared to the National average of 100. This is above the National average.

In Maths, at the end of year 6, 39% of pupils have a standard age score of 100 (National average) or higher.
The mean Maths SAS for this cohort is 95.4 compared to the National average of 100. This is classed as significantly below the National average.

In Science, at the end of year 6, 49% of pupils have a standard age score of 100 (National average) or higher.
The mean Science SAS for this cohort is 99.5 compared to the National average of 100. This is not classed as significantly different from the National average.

Year 7 2015-16
End of year data

In English, at the end of year 7, 36% of pupils have a standard age score of 100 (National average) or higher.
The mean English SAS for this cohort is 94.4 compared to the National average of 100. The mean standard age score for this group is classed as significantly below the national average.

In Maths, at the end of year 7, 51% of pupils have a standard age score of 100 (National average) or higher.
The mean Maths SAS for this cohort is 99.5 compared to the National average of 100. This is not classed as significantly different to the National average.

Year 8 2015-16
End of year data

In English, at the end of year 8, 52% of pupils have a standard age score of 100 (National average) or higher. The mean English SAS for this cohort is 99.3 compared to the National average of 100. This is not classed as significantly different from the National average.

In Maths, at the end of year 8, 56% of pupils have a standard age score of 100 (National average) or higher. The mean Maths SAS for this cohort is 99.5 compared to the National average of 100. This is not classed as significantly different from the National average.

In Science, at the end of year 8, 47% of pupils have a standard age score of 100 (National average) or higher. The mean Science SAS for this cohort is 98.4 compared to the National average of 100. This is not classed as significantly different from the National average.

SATs Results:	**Walkwood**	**Worcs**	**National**
Average scaled score:			
Maths	99.2	101.9	103
Reading	100.4	102.2	103
SPAG	101.2	102.9	104

% of pupils reaching national expectation	**Walkwood**	**Worcs**	**National**
Maths	53%	65%	70%
Reading	60%	65%	66%
Spag	61%	67%	72%
Writing (TA)	66%	71%	74%
Combined	42%	49%	53%

Key Performance Indicators
The main financial performance indicator is the level of reserves held at the Balance Sheet date. In particular, the management of spending against General Annual Grant (GAG) requires special attention - the restriction has been removed in the year. In period under review, £189,005 was carried forward representing 7.8% of GAG.

As funding is based on pupil numbers this is also a key performance indicator. Pupil numbers for 2016 were 635, an increase of 34 over 2015. It is anticipated that this number will continue to rise.

Another key financial performance indicator is staffing costs as a percentage of GAG. For 2016 this was 97.7%, compared to 91.6% in 2015.

The following KPI's were set at the start of the year:

KPI	Target	Actual
Pupil to teacher ratio	19 pupils to 1 teacher	17 pupils to 1 teacher
Teaching to non-teaching staff ratio	37.5 to 42 non teaching	44 to 47 non teaching
Student attendance %	95%	95.62%
Capital spend per pupil in the year	£71	£94
Property repair costs per pupil	£50	£34

Going Concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the Academy 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.

FINANCIAL REVIEW

Financial Review

Most of the Academy's income is obtained from the DfE via the EFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2016 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

The Academy also receives grants for fixed assets from the DfE which 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 2016, the Academy received total income of £2,982,915 and incurred total expenditure of £3,108,515. The excess of income over expenditure for the year was £125,600.

At 31 August 2016 the net book value of fixed assets was £6,754,785 and movements in tangible fixed assets are shown in note 14 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

The land, buildings and other assets were transferred to the Academy upon conversion. Land and buildings were professionally valued in March, 2013 at £6.668m. Other assets have been included in the financial statements at a best estimate, taking into account purchase price and remaining useful lives.

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 23 to the financial statements. The movement in pension liability is greater than anticipated, this is due to a change in actuarial assumptions following the Brexit vote.

Key financial policies adopted or reviewed during the year include the Finance Policy which lays out the framework for financial management, including financial responsibilities of the Board, Principal, managers, budget holders and other staff, as well as delegated authority for spending.

Trustees have adopted a Responsible Officer Policy/internal audit policy and appointed Bishop Fleming Chartered Accountants to undertake a programme of internal checks on the financial controls. During the year, the Trustees received one report from the Responsible Officer which contained no matters of significance.

Reserves Policy
The Trustees review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees take into consideration the future plans of the Academy, the uncertainty over future income streams and other key risks identified during the risk review.

Investment Policy
Due to the nature and timing of receipt of funding, the Academy may at times hold cash balances surplus to its short term requirements. The Trustees have authorised the opening of additional short term bank investment accounts to take advantage of higher interest rates. No other form of investment is authorised.

Principal Risks And Uncertainties
The Board of Trustees has reviewed the major 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 principal risks and uncertainties facing the Academy are as follows:

Financial - the Academy has considerable reliance on continued Government funding through the EFA. In the last year 91.4% of the Academy's incoming resources were ultimately Government funded and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

Failures in governance and/or management - the risk in this area arises from potential failure to effectively manage the Academy's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks.

Reputational - the continuing success of the Academy is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Trustees ensure that student success and achievement are closely monitored and reviewed.

Safeguarding and child protection - the Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline.

Staffing - the success of the Academy is reliant upon the quality of its staff and so the Trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.

Fraud and mismanagement of funds - The Academy has appointed a Responsible Officer/internal audit to carry out checks on financial systems and records as required by the Academy Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area.

A risk register is maintained and reviewed and updated on a regular basis.

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

The defined benefit pension scheme reserve has a negative balance. The effect of the deficit position of the pension scheme is that the Academy Trust is paying higher employers' pension contributions over a period of years. The higher employers' pension contributions will be met from the Academy Trust's budgeted annual income. Whilst the deficit will not be immediately eliminated, there should be no actual cash flow deficit on the fund, nor any direct impact on the free reserves of the academy Trust.

Whilst the Academy is over-subscribed, risks to revenue funding from a falling roll are small. There is the lag in revenue from pupil numbers, so as the school grows it is financing the increased costs from within a budget based on smaller pupil numbers. The delay of the National Funding Formula, the freeze on the Government's overall education budget, changes in funding arrangements for High Needs and increasing employment and premises costs mean that budgets will be increasingly tight in coming years.

At the year end, the Academy had no significant liabilities arising from trade creditors or debtors that would have a significant effect on liquidity.

PLANS FOR FUTURE PERIODS

The Academy will continue to strive to provide outstanding education and improve the levels of performance of its pupils at all levels. The Academy will continue to aim to attract high quality teachers and support staff in order to deliver its objectives.

The Academy will continue to work with partner schools to improve the educational opportunities for students in the wider community.

The Academy will continue to develop the buildings to provide an engaging and stimulating learning environment.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The Academy and its Trustees do not act as the Custodian Trustees of any other Charity.

TRUSTEES INDEMNITIES

As the Trustees are directors, disclosure is required of whether there were any third party indemnity provisions during the year or at the date of approval of the Trustees' report.

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
- 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, approved by order of the board of trustees, as company directors, on ..07/11/2016.. and signed on the board's behalf by:

Fr Glenn Reading **Chair of Trustees** G. T. Reading	**Rev Clive Leach, Principal** **Accounting Officer**

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

The board of trustees has delegated the day-to-day responsibility to the Principal, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Walkwood Academy Trust 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. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Fr Glenn Reading, Chair of Trustees	3	3
Amanda Ruth Lawler, Vice Chair	3	3
Rev Clive Leach, Principal	3	3
Heather Wood	3	3
Kenneth Dowie Muir	3	3
Kevin Purvis	1	3
David Bush	3	3
Sharon Harvey	3	3
Jeff Farnes	2	3
Cassie Philpotts	2	3

Richard Widdop resigned in October 2015 and Danielle Timmins resigned in September 2015.

The Staffing, Finance and Resources Committee is a sub-committee of the main Board of Trustees. Its purpose is to:

Terms of reference:

- In consultation with the Principal, to prepare and approve the annual budget.
- To establish and maintain an up to date 3 year financial plan.
- To consider a budget position statement including virement decisions at least termly and to report significant anomalies from the anticipated position to the Governing Body.
- To annually review charges and remissions policies and expenses policies.
- To make decisions in respect of service agreements.
- To make decisions on additional expenditure following recommendations from other committees, in the light of the projected out turn.
- To ensure that Health and Safety issues are given priority as far as practical.

- To determine whether sufficient funds are available for pay increments as recommended by the Principal.
- In the light of the Principal Performance Management Group's recommendations, to determine whether sufficient funds are available for pay increments.
- To formally consider approval of the end of year finance accounts and if appropriate response to the LA.
- To consider for approval the final audited School Fund Accounts.
- Monitor periodic interim school fund accounts.
- To update Governors annually on the Asset Management Plan.
- To advise the Governing Body on priorities, including Health and Safety, for the maintenance and development of the school's premises.
- To oversee arrangements for repairs and maintenance in consultation with the Premises Manager.
- To oversee arrangements, including Health and Safety, for the use of school premises by outside users,

subject to governing body policy.

- To establish and keep under review an Accessibility plan.
- In consultation with the Principal this Committee to oversee Premises related funding bids
- To draft and keep under review the staffing structure in consultation with the Principal and the Finance Committee.
- To establish a Pay Policy for all categories of staff and to be responsible for its administration and review.
- To establish and review a Performance Management policy for all staff.
- To receive a written report from the Principal on the impact of Performance Management and the needs for staff training and development and to make recommendations to appropriate committees and the governing body.
- To oversee the process leading to any staff reductions.
- To keep under review staff work/life balance, working conditions and well-being, including the monitoring of absence.
- To consider any appeal against a decision on pay grading or pay awards.

Disqualification – Any relevant person employed to work at the school other than as the Principal, when the subject for consideration is the pay or performance review of any person employed to work at the school.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Fr Glenn Reading, Chair of Trustees	2	3
Amanda Ruth Lawler, Vice Chair	3	3
Rev Clive Leach, Principal	3	3
Heather Wood	3	3
Kenneth Dowie Muir	3	3
Kevin Purvis	3	3
David Bush	1	3
Sharon Harvey	2	3
Jeff Farnes	3	3
Cassie Philpotts	3	3

REVIEW OF VALUE FOR MONEY

As Accounting Officer, the Principal has responsibility for ensuring that the Academy 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'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 has delivered improved value for money during the year by:

- Replacing IT equipment in a cost effective manner whilst allowing the academy to manage cash resources.
- Refurbishing the acadmemy's facilities to reduce the long term costs to the Academy.
- Reviewing the IT network management provision to obtain an improved and more effective management solution.

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 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 Walkwood Academy Trust for the year 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The board of trustees has reviewed the key risks to which the Academy 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's significant risks, that has been in place for the year 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

THE RISK AND CONTROL FRAMEWORK

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

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

The board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed Bishop Fleming, the external auditors, to perform additional checks.

The auditors' role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. On a quarterly basis, the auditors report to the board of trustees 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 Principal has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy 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 Responsible Officer and a plan to ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 07/11/2016 and signed on their behalf, by:

Fr Glenn Reading
Chair of Trustees

G T Reading

Rev Clive Leach, Principal
Accounting Officer

WALKWOOD ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

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.

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

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

Rev. Clive Leach
Accounting Officer

**STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2016**

The Trustees (who act as governors of Walkwood Academy Trust and 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 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 2015 to 2016;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

Fr Glenn Reading
Chair of Trustees

Date: 07/11/2016

G. T. Reading

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE BOARD OF TRUSTEES OF WALKWOOD ACADEMY TRUST

We have audited the financial statements of Walkwood Academy Trust for the year ended 31 August 2016 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

This report is made solely to the Academy'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's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

As explained more fully in the Statement of Trustees' responsibilities, the Trustees (who are also the directors of the Academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Academy's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Trustees' report, incorporating the Strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE BOARD OF TRUSTEES OF WALKWOOD ACADEMY TRUST

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

- 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.

Andrew Wood FCCA (Senior Statutory Auditor)
for and on behalf of
Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
1-3 College Yard
Worcester
WR1 2LB
Date: 12th December 2016

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

In accordance with the terms of our engagement letter dated 17 November 2014 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Walkwood Academy Trust during the year 1 September 2015 to 31 August 2016 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

RESPECTIVE RESPONSIBILITIES OF WALKWOOD ACADEMY TRUST'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The accounting officer is responsible, under the requirements of Walkwood Academy Trust's funding agreement with the Secretary of State for Education dated 27 July 2012, and the Academies Financial Handbook extant from 1 September 2014, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2015 to 2016. 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 2015 to 31 August 2016 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

We conducted our engagement in accordance with the Academies Accounts Direction 2015 to 2016 issued by EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the Academy'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.

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO WALKWOOD ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY (continued)

CONCLUSION

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

A Wood

Andrew Wood FCCA (Reporting Accountant)

Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
1-3 College Yard
Worcester
WR1 2LB

Date: 12th December 2016

WALKWOOD ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2016

	Note	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
INCOME FROM:						
Donations and capital grants	2	111	94,756	-	94,867	143,494
Charitable activities	5	133,821	2,718,521	12,325	2,864,667	3,038,612
Other trading activities	3	22,728	-	-	22,728	18,074
Investments	4	653	-	-	653	522
TOTAL INCOME		157,313	2,813,277	12,325	2,982,915	3,200,702
EXPENDITURE ON:						
Charitable activities		147,259	2,868,556	92,700	3,108,515	2,907,576
TOTAL EXPENDITURE	8	147,259	2,868,556	92,700	3,108,515	2,907,576
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS		10,054	(55,279)	(80,375)	(125,600)	293,126
Transfers between Funds	18	-	(19,438)	19,438	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER GAINS AND LOSSES		10,054	(74,717)	(60,937)	(125,600)	293,126
Actuarial losses on defined benefit pension schemes	23	-	(446,000)	-	(446,000)	(56,000)
NET MOVEMENT IN FUNDS		10,054	(520,717)	(60,937)	(571,600)	237,126
RECONCILIATION OF FUNDS:						
Total funds brought forward		222,891	(551,440)	6,786,157	6,457,608	6,220,482
TOTAL FUNDS CARRIED FORWARD		232,945	(1,072,157)	6,725,220	5,886,008	6,457,608

The notes on pages 24 to 44 form part of these financial statements.

WALKWOOD ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER: 08319098

BALANCE SHEET
AS AT 31 AUGUST 2016

	Note	£	2016 £	£	2015 £
FIXED ASSETS					
Tangible assets	13		**6,754,785**		6,802,223
CURRENT ASSETS					
Debtors	14	**56,962**		45,346	
Cash at bank and in hand		**516,351**		653,133	
		573,313		698,479	
CREDITORS: amounts falling due within one year	15	**(140,215)**		(201,969)	
NET CURRENT ASSETS			**433,098**		496,510
TOTAL ASSETS LESS CURRENT LIABILITIES			**7,187,883**		7,298,733
CREDITORS: amounts falling due after more than one year	16		**(17,875)**		(21,125)
NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES			**7,170,008**		7,277,608
Defined benefit pension scheme liability	23		**(1,284,000)**		(820,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			**5,886,008**		6,457,608
FUNDS OF THE ACADEMY TRUST					
Restricted funds:					
General funds	18	**211,843**		268,560	
Fixed asset funds	18	**6,725,220**		6,786,157	
Restricted funds excluding pension liability		**6,937,063**		7,054,717	
Pension reserve		**(1,284,000)**		(820,000)	
Total restricted funds			**5,653,063**		6,234,717
Unrestricted funds	18		**232,945**		222,891
TOTAL FUNDS			**5,886,008**		6,457,608

The financial statements were approved by the Trustees, and authorised for issue, on 07/11/2016 and are signed on their behalf, by:

G. T. Reading

Fr Glenn Reading
Chair of Trustees

The notes on pages 24 to 44 form part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2016

	Note	2016 £	2015 £
Cash flows from operating activities			
Net cash provided by operating activities	20	**1,656**	297,442
Cash flows from investing activities:			
Interest received		**653**	522
Purchase of tangible fixed assets		**(148,166)**	(67,178)
Capital grants from DfE/EFA		**12,325**	171,734
Net cash (used in)/provided by investing activities		**(135,188)**	105,078
Change in cash and cash equivalents in the year		**(133,532)**	402,520
Cash and cash equivalents brought forward		**628,758**	226,238
Cash and cash equivalents carried forward		**495,226**	628,758

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 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

Walkwood Academy Trust constitutes a public benefit entity as defined by FRS 102.

First time adoption of FRS 102

These financial statements are the first financial statements of Walkwood Academy Trust prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Charities SORP 2015 (SORP 2015). The financial statements of Walkwood Academy Trust for the year ended 31 August 2015 were prepared in accordance with previous Generally Accepted Accounting Practice ('UK GAAP') and SORP 2005.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the Trustees have amended certain accounting policies to comply with FRS 102 and SORP 2015. The Trustees have also taken advantage of certain exemptions from the requirements of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.

Reconciliations to previous UK GAAP for the comparative figures are included in note 28.

1. ACCOUNTING POLICIES (continued)

1.2 INCOME

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

Sponsorship income provided to the Academy which amounts to a donation is recognised in the Statement of financial activities in the period in which it is receivable, where there is certainty of receipt and it is measurable.

Donations are recognised on a receivable basis where there is certainty of receipt 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 goods have been provided or on completion of the service.

1.3 EXPENDITURE

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

Expenditure on raising funds includes all expenditure incurred by Walkwood Academy Trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Charitable Activities are costs incurred on Walkwood Academy Trust's educational operations, including support costs and costs relating to the governance of the Walkwood Academy Trust apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

1. ACCOUNTING POLICIES (continued)

1.4 FUND ACCOUNTING

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the Academy 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 and include grants from the Department for Education.

Transfers are made between restricted funds and restricted fixed asset funds where restricted funds are used to purchase fixed assets.

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

1.6 TANGIBLE FIXED ASSETS AND DEPRECIATION

All assets costing more than £2,000 are capitalised.

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.

On conversion the academy trust was granted a 125 year lease from the Local Authority for the land and buildings previously occupied by the local authority school. On conversion the long term leasehold property was recognised as a donation from the Local Authority and was valued using the depreciated replacement cost method.

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. ACCOUNTING POLICIES (continued)

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Long term leasehold property	-	Leasehold land is depreciated on a straight line basis over 125 years on a straight line basis. Leasehold buildings are depreciated over 50 years on a straight line basis.
Office equipment	-	25% straight line basis
Computer equipment	-	33% straight line basis

1.7 OPERATING LEASES

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

1.8 INTEREST RECEIVABLE

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Academy; this is normally upon notification of the interest paid or payable by the Bank.

1.9 TAXATION

The Academy 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 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.

1.10 DEBTORS

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

1.11 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.

1.12 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 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. ACCOUNTING POLICIES (continued)

1.13 FINANCIAL INSTRUMENTS

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Financial instruments includes cash at bank, trade debtors, accrued income from financial instruments (comprising dividends and interest due from investments), trade creditors and accrued expenditure.

1.14 PENSIONS

Retirement benefits to employees of the Academy are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes and the assets are held separately from those of the Academy.

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

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

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

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 23, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

The Academy trust obtains use of fixed assets as a lessee. The classification of such leases as operating or finance leases requires the Academy trust 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 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Donations	111	-	-	111	42,216
Educational trip income	-	94,756	-	94,756	101,278
	111	94,756	-	94,867	143,494

In 2015, of the total income from donations and capital grants, £42,216 was unrestricted and £101,278 was restricted.

3. OTHER TRADING ACTIVITIES

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Lettings	8,591	-	8,591	8,181
Catering	4,595	-	4,595	5,873
Other	9,542	-	9,542	4,020
	22,728	-	22,728	18,074

In 2015, of the total income from other trading activities, £18,074 was unrestricted.

4. INVESTMENT INCOME

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Bank interest	653	-	653	522

In 2015, of the total investment income, £522 was unrestricted.

5. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
DfE/EFA grants				
Capital Grants	-	12,325	12,325	171,734
General Annual Grant	-	2,404,721	2,404,721	2,416,328
Other DfE/EFA grants	-	169,601	169,601	177,359
	-	2,586,647	2,586,647	2,765,421
Other government grants				
High Needs	-	141,299	141,299	141,773
Other Government grants non capital	-	2,900	2,900	900
	-	144,199	144,199	142,673
Other funding				
Internal catering income	103,601	-	103,601	100,184
Music fees	23,551	-	23,551	17,987
Reimbursed charges	5,609	-	5,609	11,422
Other	1,060	-	1,060	925
	133,821	-	133,821	130,518
	133,821	2,730,846	2,864,667	3,038,612

In 2015, of the total income from charitable activities, £130,518 was unrestricted and £2,908,094 was restricted.

6. DIRECT COSTS

	Total 2016	Total 2015
Pension finance costs	-	19,000
Educational supplies	55,014	44,351
Examination fees	-	3,465
Staff development	9,976	5,847
Other costs	142,612	142,955
Supply teachers	53,607	40,201
Technology costs	39,257	12,733
Wages and salaries	1,298,151	1,240,554
National insurance	118,097	103,828
Pension cost	182,628	150,363
Depreciation	75,378	71,747
	1,974,720	1,835,044

7. SUPPORT COSTS

	Total 2016 £	Total 2015 £
Pension finance costs	**30,000**	2,000
Other costs	**22,337**	12,898
Agency costs	**13,988**	6,174
Recruitment and support	**2,367**	2,747
Maintenance of premises and equipment	**49,754**	81,813
Cleaning	**4,312**	7,236
Rent and rates	**20,302**	21,972
Energy costs	**22,734**	30,494
Insurance	**22,501**	28,998
Security and transport	**5,718**	3,136
Catering	**59,707**	59,013
Technology costs	**14,313**	10,572
Office overheads	**121,351**	75,637
Legal and professional	**24,949**	8,849
Bank interest and charges	**-**	95
Governance	**13,192**	15,799
Wages and salaries	**550,502**	536,380
National insurance	**27,555**	25,155
Pension cost	**95,908**	112,816
Depreciation	**32,305**	30,748
	1,133,795	1,072,532

8. EXPENDITURE

	Staff costs 2016 £	Premises 2016 £	Other costs 2016 £	Total 2016 £	Total 2015 £
Education:					
Direct costs	**1,652,483**	**54,951**	**267,286**	**1,974,720**	1,835,044
Support costs	**687,953**	**123,174**	**322,668**	**1,133,795**	1,072,532
	2,340,436	**178,125**	**589,954**	**3,108,515**	2,907,576

In 2015, of the total expenditure, £122,342 was from unrestricted funds, £2,698,832 was from restricted funds and £86,402 was in relation to the restricted fixed asset fund.

9. NET INCOME/(EXPENDITURE) FOR THE PERIOD

This is stated after charging:

	2016	2015
	£	£
Depreciation of tangible fixed assets:		
- owned by the charity	**107,684**	102,495
Auditors' remuneration - audit	**8,000**	8,000
Auditors' remuneration - other services	**3,265**	2,380
Operating lease rentals	**82,760**	59,663

10. STAFF COSTS

Staff costs were as follows:

	2016	2015
	£	£
Wages and salaries	**1,848,653**	1,776,934
Social security costs	**145,652**	128,983
Operating costs of defined benefit pension schemes	**278,536**	263,179
	2,272,841	2,169,096
Supply teacher and agency costs	**67,595**	46,375
	2,340,436	2,215,471

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

	2016	2015
	No.	No.
Teachers	**39**	33
Administration and Support including Teaching Assistants	**47**	45
Management	**5**	4
	91	82

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

	2016	2015
	No.	No.
In the band £60,001 - £70,000	**1**	2

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £329,864 (2015: £301,692).

As staff trustees are not remunerated in respect of their role as a trustee, where staff trustees do not form part of the key management personnel other than in their role as trustee, their remuneration as set out in note 12 has not been included in the total benefits received by key management personnel above.

11. 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, including pension contributions in the year was: C Leach: Remuneration £60,000 - £65,000 (2015: £40,000 - £45,000 for the 8 month period), Employer's pension contribution £10,000 - £15,000 (2015: £5,000 - £10,000), C Philpotts £30,000 - £35,000 (2015: £NIL - £5,000) Employers pension contribution £NIL - £5,000 (2015: £NIL - £5,000), J Vater: Remuneration £NIL - £5,000 (2015: £20,000 - £25,000 for the 4 month period), Employer's pension contribution £NIL - £5,000 (2015: £NIL - £5,000) and D Croft: Remuneration £NIL - £5,000 (2015: £35,000 - £40,000), Employer's pension contribution £NIL - £5,000 (2015: £5,000 - £10,000). Other related party transactions involving the trustees are set out in note 25.

During the year, no Trustees received any benefits in kind (2015: £NIL).
During the year, no Trustees received any reimbursement of expenses. In 2015 1 trustee received reimbursed expenses of £63.

12. 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 £5,000,000 on any one claim and the cost for the year ended 31 August 2016 was £1,193 (2015: £1,590).

13. TANGIBLE FIXED ASSETS

	Long term leasehold property £	Office equipment £	Computer equipment £	Total £
COST				
At 1 September 2015	**7,027,192**	**51,862**	**44,112**	**7,123,166**
Additions	**42,710**	**-**	**17,536**	**60,246**
At 31 August 2016	**7,069,902**	**51,862**	**61,648**	**7,183,412**
DEPRECIATION				
At 1 September 2015	**268,893**	**23,857**	**28,193**	**320,943**
Charge for the year	**78,359**	**12,966**	**16,359**	**107,684**
At 31 August 2016	**347,252**	**36,823**	**44,552**	**428,627**
NET BOOK VALUE				
At 31 August 2016	**6,722,650**	**15,039**	**17,096**	**6,754,785**
At 31 August 2015	6,758,299	28,005	15,919	6,802,223

14. DEBTORS

	2016 £	2015 £
Trade debtors	**1,404**	-
Other debtors	**-**	110
Prepayments and accrued income	**31,479**	26,380
VAT recoverable	**24,079**	18,856
	56,962	45,346

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £	2015 £
EFA loans	**3,250**	3,250
Trade creditors	**29,905**	14,630
Other taxation and social security	**40,907**	37,230
Other creditors	**34,626**	29,239
Accruals and deferred income	**31,527**	117,620
	140,215	201,969

DEFERRED INCOME	2016 £	2015 £
Deferred income at 1 September 2015	**14,590**	-
Resources deferred during the year	**4,527**	14,590
Amounts released from previous years	**(14,590)**	-
Deferred income at 31 August 2016	**4,527**	14,590

Included within deferred income are amounts of £4,527 (2015: £14,590) received in advance for school trips due to take place in the following academic year.

Included within EFA loans due in less than one year is a Condition Improvement Fund (CIF) loan of £3,250 repayable in six-monthly instalments over 7 years with an applicable annual interest rate of 0%.

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

	2016 £	2015 £
EFA loans	**17,875**	21,125

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

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

	2016 £	2015 £
Repayable by instalments	**4,875**	8,125

Included within EFA loans due in more than one year is a Condition Improvement Fund (CIF) loan of £17,875 repayable in six-monthly instalments over 7 years with an applicable annual interest rate of 0%.

17. FINANCIAL INSTRUMENTS

	2016 £	2015 £
Financial assets measured at fair value through income and expenditure	**653,133**	516,351
Financial assets measured at amortised cost	**56,962**	45,346
	710,095	561,697
Financial liabilities measured at fair value through income and expenditure	**(21,125)**	(24,375)
Financial liabilities measured at amortised cost	**(134,063)**	(198,719)
	(155,188)	(223,094)

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

Financial assets measured at amortised cost comprise of trade debtors and other debtors.

Financial liabilities measured at fair value through income and expenditure comprise of other loans.

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

18. STATEMENT OF FUNDS

	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
UNRESTRICTED FUNDS						
General funds	199,468	157,313	(132,276)	-	-	224,505
Unrestricted fixed assets	23,423	-	(14,983)	-	-	8,440
	222,891	157,313	(147,259)	-	-	232,945
RESTRICTED FUNDS						
General Annual Grant (GAG)	253,970	2,403,933	(2,426,622)	(19,438)	-	211,843
Higher Needs funding	-	111,294	(111,294)	-	-	-
Pupil premium	-	142,304	(142,304)	-	-	-
PE Grant	-	9,585	(9,585)	-	-	-
Other grants	-	51,405	(51,405)	-	-	-
Trip income	14,590	94,756	(109,346)	-	-	-
Pension reserve	(820,000)	-	(18,000)	-	(446,000)	(1,284,000)
	(551,440)	2,813,277	(2,868,556)	(19,438)	(446,000)	(1,072,157)
RESTRICTED FIXED ASSET FUNDS						
Assets transferred on conversion	6,437,410	-	(71,548)	-	-	6,365,862
Devolved Formula Capital	28,330	12,325	(12,774)	-	-	27,881
ACMF Funding	146,780	-	(2,845)	-	-	143,935
Fixed Assets purchased from GAG	24,391	-	(2,517)	19,438	-	41,312
Condition Improvement Fund	149,246	-	(3,016)	-	-	146,230
	6,786,157	12,325	(92,700)	19,438	-	6,725,220
Total restricted funds	6,234,717	2,825,602	(2,961,256)	-	(446,000)	5,653,063
Total of funds	6,457,608	2,982,915	(3,108,515)	-	(446,000)	5,886,008

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

General Annual Grant (GAG) - Income from the EFA which is to be used for the normal running costs of the Academy, including education and support costs.

Higher Needs funding - Funding received from the Local Authority to fund further support for students with additional needs.

18. STATEMENT OF FUNDS (continued)

Pupil Premium - Pupil premium represents funding received from the EFA 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.

PE Grant - This represents funding received from the EFA and must be used to fund improvements to the provision of PE and sport, for the benefit of primary-aged pupils, so that they develop healthy lifestyles.

Other grants - Income which has been received for specific reasons.

Pension reserve - This represents the academy's share of the assets and liabilities in the Local Government Pension Scheme (LGPS). As with most pnesion scehmes this is currently in deficit due to an excess of scheme assets over scheme assets which was inherited on conversion to the Academy. The Academy is following the recommendations of the actuary to reduce the deficit by makin additional contributions over a number of years.

Assets transferred on conversion - This represents the buildings and equipment donated to the school from the Local Authority on conversion to an academy.

Devolved formula capital - This represents funding from the EFA to cover the maintenance and purchase of the Academy's assets.

Capital grants - These funds were received for direct expenditure on fixed asset projects. The balance at the year end represents the NBV of assets and any unspent grant amounts.

Transfers between funds - The transfer between funds in the year relates to tangible fixed assets purchased using restricted GAG funding.

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2016.

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2016 £	**Restricted funds 2016 £**	**Restricted fixed asset funds 2016 £**	**Total funds 2016 £**	Total funds 2015 £
	-	-	-	-	6,802,223
Tangible fixed assets	**8,440**	-	**6,746,345**	**6,754,785**	-
Current assets	**224,505**	**348,808**	-	**573,313**	698,479
Creditors due within one year	-	**(136,965)**	**(3,250)**	**(140,215)**	(201,969)
Creditors due in more than one year	-	-	**(17,875)**	**(17,875)**	(21,125)
Pension scheme liability	-	**(1,284,000)**	-	**(1,284,000)**	(820,000)
	232,945	**(1,072,157)**	**6,725,220**	**5,886,008**	6,457,608

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

	2016 £	2015 £
Net (expenditure)/income for the year (as per Statement of financial activities)	**(125,600)**	293,126
Adjustment for:		
Depreciation charges	**107,684**	102,495
Interest received	**(653)**	(522)
(Increase)/decrease in debtors	**(11,616)**	117,181
Increase/(decrease) in creditors	**26,166**	(66,104)
Capital grants from DfE and other capital income	**(12,325)**	(171,734)
Defined benefit pension scheme cost less contributions payable	**(12,000)**	2,000
Defined benefit pension scheme finance cost	**30,000**	21,000
Net cash provided by operating activities	**1,656**	297,442

21. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2016 £	2015 £
Cash in hand	**516,351**	653,133
EFA loans	**(21,125)**	(24,375)
Total	**495,226**	628,758

22. CAPITAL COMMITMENTS

At 31 August 2016 the Academy had capital commitments as follows:

	2016 £	2015 £
Contracted for but not provided in these financial statements	**-**	44,549

23. PENSION COMMITMENTS

The Academy'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 County 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 2013.

Contributions amounting to £27,231 were payable to the schemes at 31 August 2016 (2015: 27,741) 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

Not less than every four years 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 (currently 14.1%)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

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

The employer's pension costs paid to TPS in the period amounted to £284,470 (2015: *£146,467*).

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).

23. PENSION COMMITMENTS (continued)

Under the definitions set out in FRS 102, the TPS is a multi-employer pension scheme. The 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 2016 was £231,000 (2015: *£125,654*), of which employer's contributions totalled £187,000 (2015: *£100,809*) and employees' contributions totalled £44,000 (2015: *£24,845*). The agreed contribution rates for future years are 13% for employers and 5.5% - 9.9%% 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:

	2016	2015
Discount rate for scheme liabilities	**2.10 %**	4.00 %
Rate of increase in salaries	**3.30 %**	3.80 %
Rate of increase for pensions in payment / inflation	**1.90 %**	2.30 %
Inflation assumption (CPI)	**1.80 %**	2.30 %

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

	2016	2015
Retiring today		
Males	**23.5**	23.4
Females	**25.9**	25.8
Retiring in 20 years		
Males	**25.8**	25.6
Females	**28.2**	28.1

23. PENSION COMMITMENTS (continued)

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

	Fair value at 31 August 2016 £	Fair value at 31 August 2015 £
Equities	**561,000**	424,000
Other bonds	**42,000**	29,000
Property	**30,000**	-
Cash	**15,000**	5,000
Other	**23,000**	17,000
Total market value of assets	**671,000**	475,000

The actual return on scheme assets was £104,000 (2015: £2,000).

The amounts recognised in the Statement of financial activities are as follows:

	2016 £	2015 £
Current service cost (net of employee contributions)	**(106,000)**	(100,000)
Net interest cost	**(30,000)**	(21,000)
Administration expenses	**(2,000)**	-
Total	**(138,000)**	(121,000)
Actual return on scheme assets	**104,000**	2,000

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

	2016 £	2015 £
Opening defined benefit obligation	**1,295,000**	1,125,000
Current service cost	**106,000**	100,000
Interest cost	**51,000**	47,000
Contributions by employees	**26,000**	26,000
Actuarial losses	**530,000**	28,000
Benefits paid	**(51,000)**	(31,000)
Closing defined benefit obligation	**1,957,000**	1,295,000

23. PENSION COMMITMENTS (continued)

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

	2016 £	2015 £
Opening fair value of scheme assets	**475,000**	384,000
Interest income	**21,000**	26,000
Actuarial gains and (losses)	**84,000**	(28,000)
Contributions by employer	**118,000**	98,000
Contributions by employees	**26,000**	26,000
Benefits paid	**(51,000)**	(31,000)
Administration expenses	**(2,000)**	-
Closing fair value of scheme assets	**671,000**	475,000

24. OPERATING LEASE COMMITMENTS

At 31 August 2016 the total of the Academy trust's future minimum lease payments under non-cancellable operating leases was:

	2016 £	2015 £
AMOUNTS PAYABLE:		
Within 1 year	**30,345**	18,318
Between 1 and 5 years	**52,415**	41,345
Total	**82,760**	59,663

25. RELATED PARTY TRANSACTIONS

Owing to the nature of the Academy's operations 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 the trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procurement procedures.

The following related party transactions took place in the year:

During the year the Academy made sales of £3,613 for the letting of the school to Funzone, of which Amanda Lawler, Trustee is a director.

Mrs G Purvis, wife of Mr K Purvis, Trustee is employed as a teaching assistant. Mrs Purvis' appointment was made in open competition and Mr Purvis was not involved in the decision making process. Mrs Purvis is paid within the normal pay scales for her role and receives no special treatment as a result of her relationship with Mr Purvis.

26. 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.

27. GENERAL INFORMATION

Walkwood Academy Trust trading as Walkwood Church of England Middle School is a company limited by guarantee, incorporated in England and Wales. The registered office is Feckenham Road, Headless Cross, Redditch, Worcestershire, B97 5AQ.

28. FIRST TIME ADOPTION OF FRS 102

It is the first year that the Academy Trust has presented its financial statements under SORP 2015 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 31 August 2015 and the date of transition to FRS 102 and SORP 2015 was therefore 1 September 2014. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

The policies applied under the Academy's previous accounting framework are not materially different to FRS 102 and have not impacted on funds or net income/expenditure.