

Company Registration Number: 08319098 (England & Wales)

**WALKWOOD ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2017

**WALKWOOD ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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WALKWOOD ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2017

Members	Fr Glenn Reading Kenneth Dowie Muir Jeff Farnes
Trustees	Fr Glenn Reading, Chair of Trustees ¹ Amanda Ruth Lawler, Vice Chair ² Reverend Clive Leach, Principal ^{1,2} Heather Wood ^{1,2} Kenneth Dowie Muir ¹ Kevin Purvis (resigned 30 November 2016) ² David Bush (resigned 28 November 2016) ¹ Sharon Harvey ¹ Jeff Farnes ² Cassie Philpotts (resigned 31 August 2017) ² Scott Beverley (appointed 22 November 2016) ² Dean Hall (appointed 22 November 2016) ² Jacek Glemza (appointed 22 November 2017) ² ¹ Staffing, Finance & Resources ² Pupils & Curriculum
Company registered number	08319098
Company name	Walkwood Academy Trust (Walkwood Church of England Middle School)
Principal and registered office	Feckenham Road Headless Cross Redditch Worcestershire B97 5AQ
Accounting Officer	Reverend Clive Leach
Senior management team	Reverend Clive Leach, Principal Rachel Perks, Deputy Principal Louise Pritchard, Assistant Head Simon West, Assistant Head Danielle Timmins, Assistant Head
Independent auditors	Bishop Fleming LLP Chartered Accountants Statutory Auditors 16 Queen Square Bristol BS1 4NT
Bankers	Lloyds Bank Plc PO Box 1000 BX1 1LT

**WALKWOOD ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2017**

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2017. 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 706 and had a roll of 671 in the school census on 1 September 2017.

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 £5m.

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.

**WALKWOOD ACADEMY TRUST
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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

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.

**WALKWOOD ACADEMY TRUST
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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

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 is 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 them to learn to love the experiences, people and spirituality that they encounter.

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

"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 National Curriculum for KS2 and KS3 is in operation across all four years of the school. The learning skills, known as the Learning Superheroes, has been part of the school's work and develops in tune with the Fruits of Faith (the school values), both these aspects being part of lesson planning.

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.

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

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

KS2 SATs

On entry to Walkwood, in maths, 37% of pupils were working at national expectation. Over the two years pupils have at Walkwood before their KS2 SATs we have increased this by 20% to achieve 57%.

On entry to Walkwood, in reading, 47% of pupils were working at national expectation. Over the two years pupils have at Walkwood before their KS2 SATs we have increased this by 22% to achieve 69%.

On entry to Walkwood, in writing, 47% of pupils were working at national expectation. Over the two years pupils have at Walkwood before their KS2 SATs we have increased this by 24% to achieve 71%.

% of pupils reaching National Expectation	Walkwood SATs 2016/17	Worcs SATs 2016/17	National SATs 2016/17
Maths	57% (53%)	70% (65%)	75% (70%)
Reading	69% (60%)	70% (65%)	71% (66%)
SPAG	69% (61%)	73% (67%)	77% (72%)
Writing (TA)	71% (66%)	73% (71%)	76% (74%)
Combined	46% (42%)	57% (49%)	61% (53%)

Year 8 End of year data

In maths, 83% of pupils had made expected progress and 65% had exceeded this by the end of their time at Walkwood.

In reading, 90% of pupils made expected progress and 85% made greater than expected progress.

In writing, 95% of pupils made expected progress and 87% made greater than expected progress.

Across all three of these areas, 89% of pupils made expected progress and 79% exceeded.

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). In the period under review, £222,994 was carried forward representing 8.9% of GAG.

As funding is based on pupil numbers this is also a key performance indicator. Pupil numbers for 2017 were 671, an increase of 28 over 2016. It is anticipated that this number will continue to rise.

Another key financial performance indicator is staffing costs as a percentage of GAG. For 2017 this was 89.4%, compared to 86.1% in 2016.

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

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

KPI	Target	Actual
Pupil to teacher ratio	19 pupils to 1 teacher	20 pupils to 1 teacher
Teaching to non-teaching staff ratio	37.6 to 42 non teaching	37 to 38 non teaching
Student attendance %	95.2%	95.91%
Capital spend per pupil in the year	£71	£135
Property repair costs per pupil	£50	£63

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 ESFA 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 2017, the Academy received total income of £3,409,582 and incurred total expenditure of £3,198,125. The excess of income over expenditure for the year was £211,457.

At 31 August 2017 the net book value of fixed assets was £6,813,667 and movements in tangible fixed assets are shown in note 13 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 £6.7m. 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.

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

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. The current level of free reserves is £460,764, which is equivalent to 1.9 months operational expenditure.

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 ESFA. In the last year 92.8% (excluding capital) 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.

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017**

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, there are none.

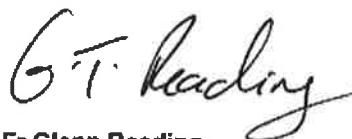
AUDITORS

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.

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as company directors, on 21/12/17 and signed on the board's behalf by:



**Fr Glenn Reading
Chair of Trustees**



**Rev Clive Leach, Principal
Accounting Officer**

WALKWOOD ACADEMY TRUST
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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 5 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	5	5
Amanda Ruth Lawler, Vice Chair	4	5
Reverend Clive Leach, Principal	5	5
Heather Wood	5	5
Kenneth Dowle Muir	5	5
Kevin Purvis	1	2
David Bush	0	2
Sharon Harvey	5	5
Jeff Farnes	3	5
Cassie Philpotts	4	5
Scott Beverley	4	4
Dean Hall	4	4
Jacek Gienza	1	4

Kevin Purvis' term of office as a Parent Governor ended on 30 November 2016, David Bush ceased to be a governor on 28 November 2016 and Cassie Philpotts resigned her position on 31 August 2017.

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 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.
- To consider for approval the final audited accounts.
- Monitor school accounts termly.
- To update Governors annually on the Asset Management Plan.
- To review the Asset Management Plan, which includes a strategy for developing, adapting and eventually replacing buildings.

**WALKWOOD ACADEMY TRUST
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GOVERNANCE STATEMENT (continued)

- To annually consider the Maintenance Plan, including service contracts for installations and plant, maintenance projects and the system of managing day-to-day repairs.
- To advise the Governing Body on priorities, including Health and Safety, for the maintenance and development of the school's premises.
- To oversee arrangements, including health & safety, for the use of school premises by outside users, subject to governing body policy.
- To establish and keep under review an Accessibility plan.
- To draft and keep under review the staffing structure in consultation with the Principal.
- To establish and review a Performance Appraisal policy for all staff.
- To keep under review staff work/life balance, working conditions and well-being, including the monitoring of absence.

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	6	7
Amanda Ruth Lawler, Vice Chair	2	4
Rev Clive Leach, Principal	7	7
Heather Wood	4	4
Kenneth Dowie Muir	3	3
Kevin Purvis	1	1
David Bush	0	1
Sharon Harvey	4	4
Jeff Farnes	3	4
Cassie Philpotts	2	3
Scott Beverley (appointed 22 November 2016)	3	3
Dean Hall (appointed 22 November 2016)	2	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 Academy'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.

GOVERNANCE STATEMENT (continued)

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 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The Board of Trustees has reviewed the key risks to which the Academy 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 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

THE RISK AND CONTROL FRAMEWORK

The Academy'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 termly basis, the auditors report to the Board of Trustees through the Staffing, Finance & Resources committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

REVIEW OF EFFECTIVENESS

As Accounting Officer, the 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.

**WALKWOOD ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

GOVERNANCE STATEMENT (continued)

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 21/12/17 and signed on their behalf, by:



**Fr Glenn Reading
Chair of Trustees**



**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 and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2016.

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

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 ESFA.



**Rev. Clive Leach
Accounting Officer**

21/12/17

**WALKWOOD ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2017**

The Trustees (who act as governors of Walkwood Academy Trust (Walkwood Church of England Middle School) 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 and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of Trustees and signed on its behalf by:



Fr Glenn Reading
Chair of Trustees

Date: 21/12/17

**WALKWOOD ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
WALKWOOD ACADEMY TRUST**

OPINION

We have audited the financial statements of Walkwood Academy Trust for the year ended 31 August 2017 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills 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 Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2017 and of its 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 2016 to 2017 issued by the Education and Skills Funding Agency.

BASIS OF OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

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

OTHER INFORMATION

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

**WALKWOOD ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
WALKWOOD ACADEMY TRUST**

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

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

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

RESPONSIBILITIES OF TRUSTEES

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

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

WALKWOOD ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
WALKWOOD ACADEMY TRUST**

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

David Butler FCA DChA

David Butler FCA DChA (Senior Statutory Auditor)

for and on behalf of

Bishop Fleming LLP

Chartered Accountants

Statutory Auditors

16 Queen Square

Bristol

BS1 4NT

Date:

21 December 2017

**WALKWOOD ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

In accordance with the terms of our engagement letter dated 6 December 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Walkwood Academy Trust during the year 1 September 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Walkwood Academy Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Walkwood Academy Trust and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Walkwood Academy Trust and the ESFA, 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 2016, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2016 to 2017. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

We conducted our engagement in accordance with the Academies Accounts Direction 2016 to 2017 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

**WALKWOOD ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



David Butler FCA DChA (Reporting Accountant)

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

Date: 21 December 2017

WALKWOOD ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2017

	Note	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
INCOME FROM:						
Donations and capital grants	2	9,603	-	368,024	377,627	12,436
Charitable activities	5	221,106	2,793,455	-	3,014,561	2,947,098
Other trading activities	3	17,005	-	-	17,005	22,728
Investments	4	389	-	-	389	653
TOTAL INCOME		248,103	2,793,455	368,024	3,409,582	2,982,915
EXPENDITURE ON:						
Charitable activities		243,278	2,864,304	90,543	3,198,125	3,108,515
TOTAL EXPENDITURE	8	243,278	2,864,304	90,543	3,198,125	3,108,515
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES						
		4,825	(70,849)	277,481	211,457	(125,600)
Actuarial gains/(losses) on defined benefit pension schemes	23	-	471,000	-	471,000	(446,000)
NET MOVEMENT IN FUNDS		4,825	400,151	277,481	682,457	(571,600)
RECONCILIATION OF FUNDS:						
Total funds brought forward		232,945	(1,072,157)	6,725,220	5,886,008	6,457,608
TOTAL FUNDS CARRIED FORWARD		237,770	(672,006)	7,002,701	6,568,466	5,886,008

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 2017

	Note	£	2017 £	£	2016 £
FIXED ASSETS					
Tangible assets	13		6,813,667		6,754,785
CURRENT ASSETS					
Debtors	14	289,377		56,962	
Cash at bank and in hand		669,107		516,351	
		<u>958,484</u>		<u>573,313</u>	
CREDITORS: amounts falling due within one year	15	<u>(294,061)</u>		<u>(140,215)</u>	
NET CURRENT ASSETS			664,423		433,098
TOTAL ASSETS LESS CURRENT LIABILITIES			7,478,090		7,187,883
CREDITORS: amounts falling due after more than one year	16		<u>(14,625)</u>		<u>(17,875)</u>
NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES			7,463,465		7,170,008
Defined benefit pension scheme liability	23		<u>(895,000)</u>		<u>(1,284,000)</u>
NET ASSETS			<u>6,568,465</u>		<u>5,886,008</u>
FUNDS OF THE ACADEMY TRUST					
Restricted funds:					
General funds	18	222,994		211,843	
Fixed asset funds	18	7,002,701		6,725,220	
Restricted funds excluding pension liability		<u>7,225,695</u>		<u>6,937,063</u>	
Pension reserve		<u>(895,000)</u>		<u>(1,284,000)</u>	
Total restricted funds			6,330,695		5,653,063
Unrestricted funds	18		237,770		232,945
TOTAL FUNDS			<u>6,568,465</u>		<u>5,886,008</u>

The financial statements on pages 21 to 44 were approved by the Trustees, and authorised for issue, on 21/12/17 and are signed on their behalf, by:



Fr Glenn Reading
Chair of Trustees

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

WALKWOOD ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2017

	Note	2017 £	2016 £
Cash flows from operating activities			
Net cash provided by operating activities	20	41,436	26,031
Cash flows from investing activities:			
Interest received		389	653
Purchase of tangible fixed assets		(157,865)	(148,166)
Capital grants from DfE/ESFA		272,046	12,325
Net cash provided by/(used in) investing activities		114,570	(135,188)
Cash flows from financing activities:			
Repayments of borrowings		(3,250)	(3,250)
Net cash used in financing activities		(3,250)	(3,250)
Change in cash and cash equivalents in the year		152,756	(112,407)
Cash and cash equivalents brought forward		516,351	628,758
Cash and cash equivalents carried forward	21	669,107	516,351

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

WALKWOOD ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

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

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

1.2 INCOME

All income is recognised once the Academy has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

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

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

Donations are recognised on a receivable basis where receipt is probable and the amount can be reliably measured.

Other income, including the hire of facilities, is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

1. ACCOUNTING POLICIES (continued)

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

All expenditure is inclusive of irrecoverable VAT.

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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

1. ACCOUNTING POLICIES (continued)

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.

The Academy has been granted use of the school buildings from the Diocese of Worcester under a Supplemental Agreement. The Academies Financial Handbook 2016-17 prescribes that under this agreement the risks and rewards of ownership can be considered to remain with the Academy. Therefore the land and buildings have been included within the long-term leasehold property of the Academy.

The Supplemental Agreement includes the right for the Diocese of Worcester Trustees to give not less than 2 years written notice to the Academy and Secretary of State for Education to terminate the agreement. No such written notice has been received as at the date of the approval of the financial statements.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

Long-term leasehold property	-	Leasehold land is depreciated over 125 years on a straight line basis. Leasehold buildings are depreciated over 50 years on a straight line basis. Roofing is depreciated over 20 years on a straight line basis.
Office equipment	-	25% straight line basis
Computer equipment	-	33% straight line basis

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.

1.7 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 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

1. ACCOUNTING POLICIES (continued)

1.9 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.

1.10 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.

1.11 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.

1.12 PENSIONS

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Governments Pension Scheme ("LGPS"). These are defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy 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.

**WALKWOOD ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

1. ACCOUNTING POLICIES (continued)

1.13 FINANCIAL INSTRUMENTS

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments. Amounts due to the Academy's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in notes 15 and 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments. Amounts due to the Academy's wholly owned subsidiary are held at face value less any impairment.

1.14 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 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

The Academy Trust obtains use of fixed assets as a lessee. The classification of such leases as operating or finance lease requires the Academy Trust to determine, based on an evaluation of 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.

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2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
Donations	9,603	-	-	9,603	111
Capital grants	-	-	368,024	368,024	12,325
	<u>9,603</u>	<u>-</u>	<u>368,024</u>	<u>377,627</u>	<u>12,436</u>
<i>Total 2016</i>	<u>111</u>	<u>-</u>	<u>12,325</u>	<u>12,436</u>	

3. OTHER TRADING ACTIVITIES

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Lettings	16,456	-	16,456	8,591
Catering	549	-	549	4,595
Other	-	-	-	9,542
	<u>17,005</u>	<u>-</u>	<u>17,005</u>	<u>22,728</u>
<i>Total 2016</i>	<u>22,728</u>	<u>-</u>	<u>22,728</u>	

4. INVESTMENT INCOME

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Bank interest	389	-	389	653
	<u>389</u>	<u>-</u>	<u>389</u>	
<i>Total 2016</i>	<u>653</u>	<u>-</u>	<u>653</u>	

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5. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
DfE/ESFA grants				
General Annual Grant	-	2,510,666	2,510,666	2,404,721
Other DfE/ESFA grants	-	141,592	141,592	169,601
	-	2,652,258	2,652,258	2,574,322
Other Government grants				
High Needs	-	119,710	119,710	141,299
Other Government grants non capital	-	21,487	21,487	2,900
	-	141,197	141,197	144,199
Other funding				
Internal catering income	106,018	-	106,018	103,601
Music fees	26,407	-	26,407	23,551
Reimbursed charges	2,979	-	2,979	5,609
Other	8	-	8	1,060
Educational trip income	85,694	-	85,694	94,756
	221,106	-	221,106	228,577
	221,106	2,793,455	3,014,561	2,947,098
Total 2016	228,577	2,718,521	2,947,098	

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6. DIRECT COSTS

	Total 2017 £	Total 2016 £
Educational supplies	39,022	55,014
Staff development	10,388	9,976
Other costs	106,844	128,087
Supply teachers	69,869	53,607
Technology costs	34,654	39,257
Consultancy fees	9,724	-
Wages and salaries	1,323,915	1,298,151
National insurance	126,024	118,097
Pension cost	199,762	182,628
Depreciation	69,288	75,378
	1,989,490	1,960,195
<i>Total 2016</i>	1,960,195	

7. SUPPORT COSTS

	Total 2017 £	Total 2016 £
Pension finance costs	32,000	30,000
Other costs	17,379	22,337
Agency costs	8,114	13,988
Recruitment and support	9,462	2,367
Maintenance of premises and equipment	42,028	49,754
Cleaning	8,425	4,312
Rent and rates	21,212	20,302
Energy costs	33,417	22,734
Insurance	25,589	22,501
Security and transport	2,064	5,718
Catering	62,900	59,707
Technology costs	31,889	14,313
Office overheads	29,506	50,395
Legal and professional	71,872	110,430
Bank interest and charges	1,953	-
Governance	11,445	13,192
Wages and salaries	574,348	550,502
National insurance	31,710	27,555
Pension cost	163,627	95,908
Depreciation	29,695	32,305
	1,208,635	1,148,320
<i>Total 2016</i>	1,148,320	

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

8. EXPENDITURE

	Staff costs 2017 £	Premises 2017 £	Other costs 2017 £	Total 2017 £	Total 2016 £
Direct costs	1,719,570	55,227	214,693	1,989,490	1,974,720
Support costs	777,799	128,963	301,873	1,208,635	1,133,795
	<u>2,497,369</u>	<u>184,190</u>	<u>516,566</u>	<u>3,198,125</u>	<u>3,108,515</u>
<i>Total 2016</i>	<u>2,340,436</u>	<u>178,125</u>	<u>589,954</u>	<u>3,108,515</u>	

9. NET INCOME/(EXPENDITURE) FOR THE PERIOD

This is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets: - owned by the charity	98,983	107,684
Auditors' remuneration - audit	8,240	8,000
Auditors' remuneration - other services	2,510	3,265
Operating lease rentals	<u>30,345</u>	<u>18,318</u>

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10. STAFF COSTS

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries	1,898,263	1,848,653
Social security costs	157,734	145,652
Operating costs of defined benefit pension schemes	363,389	278,536
	<u>2,419,386</u>	<u>2,272,841</u>
Supply teacher and agency costs	77,983	67,595
	<u>2,497,369</u>	<u>2,340,436</u>

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

	2017 No.	2016 No.
Teachers	37	39
Administration and Support including Teaching Assistants	50	47
Management	5	5
	<u>92</u>	<u>91</u>

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

	2017 No.	2016 No.
In the band £60,001 - £70,000	1	1

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 £335,236 (2016: £359,067).

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 11 has not been included in the total benefits received by key management personnel above.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

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 £65,000 - £70,000 (2016: £60,000 - £65,000), Employer's pension contribution £10,000 - £15,000 (2016: £10,000 - £15,000), C Philpotts: Remuneration £40,000 - £45,000 (2016: £30,000 - £35,000), Employer's pension contribution £NIL - £5,000 (2016: £NIL - £5,000), H Wood: Remuneration £20,000 - £25,000, Employer's pension contribution £NIL - £5,000.

Other related party transactions involving the Trustees are set out in note 25.

During the year, no Trustees received any benefits in kind (2016: £NIL).

During the year, no Trustees received any reimbursement of expenses (2016: £NIL).

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 2017 was £1,541 (2016: £1,193).

13. TANGIBLE FIXED ASSETS

	Long-term leasehold property £	Office equipment £	Computer equipment £	Total £
COST				
At 1 September 2016	7,069,902	51,862	61,648	7,183,412
Additions	157,865	-	-	157,865
At 31 August 2017	7,227,767	51,862	61,648	7,341,277
DEPRECIATION				
At 1 September 2016	347,252	36,823	44,552	428,627
Charge for the year	76,896	12,966	7,121	96,983
At 31 August 2017	426,148	49,789	51,673	527,610
NET BOOK VALUE				
At 31 August 2017	6,801,619	2,073	9,975	6,813,667
At 31 August 2016	6,722,650	15,039	17,096	6,754,785

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14. DEBTORS

	2017 £	2016 £
Trade debtors	7,618	1,404
Other debtors	6,911	-
Prepayments and accrued income	172,699	31,479
VAT recoverable	102,249	24,079
	<u>289,377</u>	<u>56,962</u>

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 £	2016 £
ESFA loans	3,250	3,250
Trade creditors	71,772	29,905
Other taxation and social security	42,020	40,907
Other creditors	42,716	34,626
Accruals and deferred income	134,303	31,527
	<u>294,061</u>	<u>140,215</u>

	2017 £	2016 £
DEFERRED INCOME		
Deferred income at 1 September 2016	4,527	14,590
Resources deferred during the year	33,398	4,527
Amounts released from previous years	-	(14,590)
Deferred income at 31 August 2017	<u>37,925</u>	<u>4,527</u>

Included within deferred income are amounts of £37,925 (2016: £4,527) received in advance for school trips due to take place in the following academic year.

Included within ESFA loans due in less than one year is a Condition Improvement Fund (CIF) loan of £3,250. The full value of the loan outstanding is £17,875, £14,625 of which is shown as due over one year (note 16). The loan is repayable in six-monthly instalments over 7 years with an applicable annual interest rate of 0%.

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

	2017 £	2016 £
ESFA loans	14,625	17,875

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

	2017 £	2016 £
Repayable by instalments	1,625	4,875

Included within ESFA loans due in more than one year is a Condition Improvement Fund (CIF) loan of £14,625. The full value of the loan outstanding in £17,875, £3,250 of which is shown as due under one year (note 15). The loan is repayable in six-monthly instalments over 7 years with an applicable annual interest rate of 0%.

17. FINANCIAL INSTRUMENTS

	2017 £	2016 £
Financial assets measured at fair value through income and expenditure	669,107	516,351
Financial assets measured at amortised cost	130,705	23,211
	799,812	539,562
Financial liabilities measured at amortised cost	228,741	85,656

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, other debtors and accrued income.

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

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NOTES TO THE FINANCIAL STATEMENTS
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18. STATEMENT OF FUNDS

	Brought forward £	Income £	Expenditure £	Gains/ (Losses) and Transfers £	Carried forward £
UNRESTRICTED FUNDS					
General funds	224,505	248,103	(234,838)	-	237,770
Unrestricted fixed assets	8,440	-	(8,440)	-	-
	<u>232,945</u>	<u>248,103</u>	<u>(243,278)</u>	<u>-</u>	<u>237,770</u>
RESTRICTED FUNDS					
General Annual Grant (GAG)	211,843	2,510,666	(2,499,515)	-	222,994
Higher Needs funding (SEN)	-	119,710	(119,710)	-	-
Pupil Premium (PP)	-	141,592	(141,592)	-	-
PE Grant	-	9,755	(9,755)	-	-
Other grants	-	11,732	(11,732)	-	-
Pension reserve	(1,284,000)	-	(82,000)	471,000	(895,000)
	<u>(1,072,157)</u>	<u>2,793,455</u>	<u>(2,864,304)</u>	<u>471,000</u>	<u>(672,006)</u>
RESTRICTED FIXED ASSET FUNDS					
Assets transferred on conversion	6,365,862	-	(71,548)	-	6,294,314
Devolved Formula Capital (DFC)	27,881	12,826	(8,354)	-	32,353
Academies Capital Maintenance Funding (ACMF)	143,936	-	(2,845)	-	141,090
Fixed Assets purchased from GAG	41,312	-	(4,780)	-	36,532
Condition Improvement Fund (CIF)	146,230	355,198	(3,016)	-	498,412
	<u>6,725,220</u>	<u>368,024</u>	<u>(90,543)</u>	<u>-</u>	<u>7,002,701</u>
Total restricted funds	<u>5,653,063</u>	<u>3,161,479</u>	<u>(2,954,847)</u>	<u>471,000</u>	<u>6,330,695</u>
Total of funds	<u>5,886,008</u>	<u>3,409,582</u>	<u>(3,198,125)</u>	<u>471,000</u>	<u>6,568,465</u>

STATEMENT OF FUNDS - PRIOR YEAR

	Brought forward £	Income £	Expenditure £	Gains/ (Losses) and Transfers £	Balance at 31 August 2016 £
UNRESTRICTED FUNDS					
General funds	214,058	252,069	(241,622)	-	224,505
Unrestricted fixed assets	23,423	-	(14,983)	-	8,440
	<u>237,481</u>	<u>252,069</u>	<u>(256,605)</u>	<u>-</u>	<u>232,945</u>

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18. STATEMENT OF FUNDS (continued)

RESTRICTED FUNDS

General Annual Grant (GAG)	253,970	2,403,933	(2,426,622)	(19,438)	211,843
Higher Needs funding (SEN)	-	111,294	(111,294)	-	-
Pupil Premium (PP)	-	142,304	(142,304)	-	-
PE Grant	-	9,585	(9,585)	-	-
Other grants	-	51,405	(51,405)	-	-
Pension reserve	(820,000)	-	(18,000)	(446,000)	(1,284,000)
	<u>(566,030)</u>	<u>2,718,521</u>	<u>(2,759,210)</u>	<u>(465,438)</u>	<u>(1,072,157)</u>

RESTRICTED FIXED ASSET FUNDS

Assets transferred on conversion	6,437,410	-	(71,548)	-	6,365,862
Devolved Formula Capital (DFC)	28,330	12,325	(12,774)	-	27,881
Academies Capital Maintenance Funding (ACMF)	146,780	-	(2,845)	-	143,935
Fixed Assets purchased from GAG	24,391	-	(2,517)	19,438	41,312
Condition Improvement Fund (CIF)	149,246	-	(3,016)	-	146,230
	<u>6,786,157</u>	<u>12,325</u>	<u>(92,700)</u>	<u>19,438</u>	<u>6,725,220</u>
Total restricted funds	<u>6,220,127</u>	<u>2,730,846</u>	<u>(2,851,910)</u>	<u>(446,000)</u>	<u>5,653,063</u>
Total of funds	<u>6,457,608</u>	<u>2,982,915</u>	<u>(3,108,515)</u>	<u>(446,000)</u>	<u>5,886,008</u>

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

Restricted Funds

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

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

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

PE Grant - This represents funding received from the ESFA 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 pension schemes this is currently in deficit due to an excess of scheme liabilities 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 making additional contributions over a number of years.

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18. STATEMENT OF FUNDS (continued)

Restricted Fixed Asset Funds

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 (DFC) - This represents funding from the ESFA to cover the maintenance and purchase of the Academy's assets.

Academies Capital Maintenance Funding (ACMF) - 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.

Fixed assets purchased from GAG - This represents capital assets that have been purchased out of restricted GAG funding.

Condition Improvement Fund (CIF) - 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 prior year relates to tangible fixed assets purchased using restricted GAG funding.

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	6,813,667	6,813,667
Current assets	237,770	433,024	287,690	958,484
Creditors due within one year	-	(210,030)	(84,031)	(294,061)
Creditors due in more than one year	-	-	(14,625)	(14,625)
Pension scheme liability	-	(895,000)	-	(895,000)
	<u>237,770</u>	<u>(672,006)</u>	<u>7,002,701</u>	<u>6,568,465</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £
Tangible fixed assets	8,440	-	6,746,345	6,754,785
Current assets	224,505	348,808	-	573,313
Creditors due within one year	-	(136,965)	(3,250)	(140,215)
Creditors due in more than one year	-	-	(17,875)	(17,875)
Provisions for liabilities and charges	-	(1,284,000)	-	(1,284,000)
	<u>232,945</u>	<u>(1,072,157)</u>	<u>6,725,220</u>	<u>5,886,008</u>

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NOTES TO THE FINANCIAL STATEMENTS
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20. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2017 £	2016 £
Net income/(expenditure) for the year (as per Statement of Financial Activities)	211,457	(125,600)
Adjustment for:		
Depreciation charges	98,983	107,684
Interest received	(389)	(653)
Increase in debtors	(232,416)	(11,616)
Increase in creditors	163,846	50,541
Capital grants from DfE and other capital income	(272,046)	(12,325)
Defined benefit pension scheme cost less contributions payable	50,000	(12,000)
Defined benefit pension scheme finance cost	32,000	30,000
Net cash provided by operating activities	41,436	26,031

21. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2017 £	2016 £
Cash at bank and in hand	669,107	516,351
	669,107	516,351

22. CAPITAL COMMITMENTS

At 31 August 2017 the Academy had capital commitments as follows:

	2017 £	2016 £
Contracted for but not provided in these financial statements	269,014	-

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 2016.

Contributions amounting to £37,270 were payable to the schemes at 31 August 2017 (2016: £31,414) and are included within creditors.

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**NOTES TO THE FINANCIAL STATEMENTS
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23. PENSION COMMITMENTS (continued)

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

- employer contribution rates set at 16.48% of pensionable pay, including a 0.08% employer administration charge
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.08%.

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

The employer's pension costs paid to TPS in the period amounted to £199,762 (2016: £180,628).

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

Under the definitions set out in FRS 102, the TPS is 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 2017 was £141,000 (2016: £144,000), of which employer's contributions totalled £114,000 (2016: £118,000) and employees' contributions totalled £27,000 (2016: £26,000). The agreed contribution rates for future years are 13% for employers and 5.5-9.9% for employees.

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NOTES TO THE FINANCIAL STATEMENTS
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23. PENSION COMMITMENTS (continued)

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:

	2017	2016
Discount rate for scheme liabilities	2.40 %	2.10 %
Rate of increase in salaries	3.70 %	3.30 %
Rate of increase for pensions in payment / inflation	2.20 %	1.90 %
Inflation assumption (CPI)	2.20 %	1.80 %

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

	2017	2016
Retiring today		
Males	22.6	23.5
Females	26.6	25.9
Retiring in 20 years		
Males	24.8	25.8
Females	27.9	28.2

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

	Fair value at 31 August 2017 £	Fair value at 31 August 2016 £
Equities	907,000	561,000
Other bonds	55,000	42,000
Property	40,000	30,000
Cash	14,000	15,000
Other	38,000	23,000
Total market value of assets	1,054,000	671,000

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

23. PENSION COMMITMENTS (continued)

The amounts recognised in the Statement of financial activities incorporating income and expenditure account are as follows:

	2017 £	2016 £
Current service cost	(164,000)	(106,000)
Interest income	11,000	21,000
Interest cost	(43,000)	(51,000)
Administration expenses	-	(2,000)
Total	(196,000)	(138,000)
Actual return on scheme assets	115,000	104,000

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

	2017 £	2016 £
Opening defined benefit obligation	1,957,000	1,295,000
Current service cost	164,000	106,000
Interest cost	43,000	51,000
Employee contributions	27,000	26,000
Actuarial (gains)/losses	(229,000)	530,000
Benefits paid	(13,000)	(51,000)
Closing defined benefit obligation	1,949,000	1,957,000

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

	2017 £	2016 £
Opening fair value of scheme assets	671,000	475,000
Interest income	15,000	21,000
Actuarial losses	242,000	84,000
Employer contributions	114,000	118,000
Employee contributions	27,000	26,000
Benefits paid	(13,000)	(51,000)
Administration expenses	(2,000)	(2,000)
Closing fair value of scheme assets	1,054,000	671,000

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24. OPERATING LEASE COMMITMENTS

At 31 August 2017 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2017 £	2016 £
AMOUNTS PAYABLE:		
Within 1 year	20,005	30,345
Between 1 and 5 years	24,655	52,415
Total	<u>44,660</u>	<u>82,760</u>

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 £5,315 (2016: £3,613) for the letting of the school to Funzone, a company in which Amanda Lawler, a Trustee of the Academy Trust, is a director.

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

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.