Company Registration No. 07386228 (England and Wales)

WELLACRE TECHNOLOGY ACADEMY TRUST

(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT AND AUDITED ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2016

Haines Watts
Chartered Accountants & Registered Auditors
Bridge House
157A Ashley Road
Hale
Altrincham
Cheshire
WA14 2UT

WELLACRE TECHNOLOGY ACADEMY TRUST

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WELLACRE TECHNOLOGY ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees	Mr M Harrison
	Mrs S Hughes
	Mrs E Johnson (Chair of trustees)
	Mr J Betteridge (Appointed 9 December 2015)
	Cllr S Anstee (Appointed 3 November 2015)
	Mr A Glover (Resigned 29 March 2016)
	Mrs N George (Appointed 23 September 2015)
	Ms H L Walsh
	Mr J M Whitby
	Miss M Wicks (Accounting officer)
	Mrs B Williams
	Mr H Miller (Appointed 15 March 2016)
Members	Ms H L Walsh
	Mr J M Whitby
	Mrs E Johnson
Senior management team	
- Principal	Miss M Wicks
- Vice principal	Mrs J Sharrock
- Assistant principal	Mrs M Critchlow
- Assistant principal	Mr B Hill
- Assistant principal	Miss S Partridge
- Assistant principal	Mr P Pemberton
- Assistant principal	Mr C Todd
- Business and finance director	Mrs C Ellis
Company registration number	07386228 (England and Wales)
Registered office	Irlam Road, Flixton, Manchester, M41 6AP
Independent auditor	Haines Watts, Bridge House, Ashley Road, Hale, Altrincham, WA14 2UT
Bankers	Lloyds Bank Plc, King Street, Manchester, M2 3AU

The trustees present their annual report together with the financial statements and auditor's reports of the charitable company for the year 1 September 2015 to 31 August 2016. The annual report serves the purposes of both a trustees' report and a directors' report under company law. The trust operates an academy for pupils 11 to 18 serving a catchment area in Trafford. It had a pupil roll of 762 on census day in October 2015.

Structure, governance and management

Constitution

The academy trust is a company limited by guarantee (company number: 07386228) and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees of Wellacre Technology Academy Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as Wellacre Technology Academy Trust.

Details of the trustees who served during the year are included in the reference and administrative details on page 1 together with the company's registered office.

Members' liability

Each member of the charitable company undertakes to contribute to the assets of the charitable company in the event of it being wound up when they are a member, or within one year after they cease 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

In accordance with normal commercial practice the academy has purchased professional indemnity alongside directors' and officers' insurance to protect the trustees and officers from claims arising from negligence, errors or omissions occurring whilst on academy business.

Principal activities

The principal object and activity of the charitable company is to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum. In accordance with the articles of association the charitable company has adopted a "Scheme of Governance" approved by the Secretary of State for Education.

Method of recruitment and appointment or election of trustees

The members appoint trustees in-line with the constitution as set out in its articles of association. Parent and staff trustees will be appointed through an election process directed by the board of trustees unless co-opted by the members. The number of trustees shall not be less than three but is not subject to a maximum. The local authority may appoint a local authority representative to the board of trustees. Associate members are approved by the trustees to attend meetings but are not given voting rights. The trustees identify the skills required to fulfil its role in consideration of recruitment and co-option to the board.

Policies and procedures adopted for the induction and training of trustees

The members appoint trustees in line with the constitution as set out in its articles of association and in doing so consider the skills that individuals will bring to the board. They may also take into account a specific proposal to the board for trustees by representative groups. On appointment, trustees receive information relating to the trust, attend a briefing and receive an induction pack on the role and responsibility of trustees. In turn, trustees will provide information to be shared in the public domain regarding their suitability for the role, detailing financial competencies and experience. During the year trustees are offered all necessary training through the purchase of a training package from the local authority governor services department.

Organisational structure

The governance of the trust is defined in the memorandum and articles of association.

The board of trustees meets at least once per term. Trustees are also members of committees who report into the full board of trustees at their termly meetings.

The committees are:

- Resources: whose remit is to consider the academy's budget, financial position, staffing resource, premises and internal controls for risk management.
- Curriculum and standards: considers curriculum matters, data and performance.
- Pay committee: considers the pay policies for groups of staff and the application of pay decisions.

The day to day management of the academy is delegated to the principal who is the accounting officer. An academy leadership team meets twice weekly to advise the principal on strategic and operational areas of academy life. The leadership team consists of the principal, vice principal, 3 assistant principals and a business and finance director.

There are middle leaders within the staffing structure who manage particular curriculum areas or operational areas and the staff within them. In the financial year 2015-16 the total academy staff was 124: 63 teachers and 61 other members of staff.

Arrangements for setting pay and remuneration of key management personnel
The arrangements for setting the pay of the senior management team are in line with the School Teachers' Pay and Conditions Document. Senior leaders are paid on the Leadership Group Range as per the calculation set out in the STPCD in relation to school size. The trustees have approved the group ranges and approve pay decisions through the pay committee who meet annually.

Risk management
The major risks to which the academy trust is exposed as identified by the trustees have been reviewed during the financial year 2015-16 and the systems and procedures established to manage those risks have been considered on a regular basis throughout the year by management and trustees through the following mechanisms:

Risk:	**Control:**	**By whom:**
Disruption to education	Curriculum committee planning.	Trustees, principal, curriculum committee.
Damage to academy reputation	Marketing program including branding re-launch in 2015, leadership role in community and transition from primary school, robust behaviour and other pupil policies.	Assistant principal, community, all trustees.
Financial risk	Quarterly financial audit, annual audit and preparation of accounts. Comprehensive insurance policies. Loss of funding through falling pupil roll managed through marketing strategy. Savings strategies including the installation of a 430KWH solar PV system (allegedly the biggest school installation in the UK).	Resources committee, academy leadership team academy accountants and independent appointed auditors.
Physical risks to staff, students and public	Quarterly health and safety (including fire risk) audits. Robust child protection procedures and safety in recruitment. Disaster recovery policy.	Resources committee, academy leadership team, Safety to Business contractor.
Technological risks	Robust IT safety policies. Tested back-up. Investment in infrastructure.	Resources committee through whole school IT strategy.
Damage to academy buildings and premises	Site management and security. Disaster recovery policy.	Site team, leadership team and resources committee.

Related parties and other connected charities and organisations
The academy has a relationship with STEGTA Ltd, with whom the academy trust co-operates with for mutual benefit because the charity leases from the trust part of their buildings for the delivery of their business: an engineering apprenticeship agency. It is in the interests of the academy to co-operate with the charity because it is in the educational interests of the boys who leave the academy at 16 to have the opportunity to take on an apprenticeship through this agency. The chief executive of STEGTA Ltd is the vice chair of the board of trustees and one of the trust's members. A statement of assurance is retained on file from STEGTA Ltd confirming that their charges do not exceed the cost of the services provided. The full board of trustees have resolved and recorded in their meeting minutes that the relationship is in the best interests of Wellacre Technology Academy Trust's objectives.

Objectives and activities

Objects and aims
The academy trust's 'Object' is set out in its articles of association, section 4, which states it is specifically restricted to the following: "to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a whole school offering a broad and balanced curriculum".

The specific aims of the academy in 2015-16 are to raise standards of progress and attainment for all students across the academy including 'vulnerable' and 'disadvantaged' groups; to ensure the quality of teaching and learning is good or better all of the time so that students make at least expected progress; to secure high standards of behaviour, attendance, punctuality and well-being; to improve the impact of leadership and management at all levels, including trustees and to improve the academy environment to enhance students learning.

Objectives, strategies and activities
The main objectives for the year 2015-16 are categorised in five sections under the aims of the academy including the strategies for achieving them which are taken directly from the Academy Improvement Plan:

Priority 1 Achievement:
AIM: Raise standards of attainment and progress for all students across the academy including 'vulnerable' and 'disadvantaged' groups by:

Objectives:

1. Creating a curriculum which enthuses, challenges and supports all students.
2. Devising a new assessment framework which supports learning and meaningfully measures progress of all students against milestones.
3. Enhancing students' literacy and numeracy skills across the curriculum.
4. Developing the accountability framework at all levels in order to enhance student outcomes and promote high expectations of the students' capacity to do well.

Priority 2 Teaching and learning
AIM: To ensure the quality of teaching and learning is good or better all of the time so that students make at least expected progress by:

Objectives:

1. Embedding a consistent learning experience for all students across all lessons that involve regularly checking students' understanding.
2. Delivering quality first teaching that meets the needs of all students at all times and provides regular and specific feedback to students.
3. Building and further developing a growth mind-set in our students and our staff.
4. Ensuring that high-quality CPD has a significant impact on teaching, learning and progress and that impact is reviewed regularly.
5. Innovating our approach to homework across the academy in order to support excellent learning and progress.

Priority 3 Student welfare
AIM: Secure high standards of behaviour, attendance, punctuality and well-being by:

Objectives:

1. Embedding Academy Core Values with all stakeholders (every opportunity to reinforce, promote and celebrate our Academy Core Values).
2. Minimising behaviour that is disruptive to learning and reducing FTEs, with all staff consistently applying academy policies.
3. Ensuring students feel safe, confident and valued.
4. Maintaining high levels of attendance and punctuality and at key transition periods.
5. Recruiting more students at Key Stage 3.

Priority 4 Leadership
AIM: To improve the impact of leadership and management at all levels, including trustees by:

Objectives:

1. Further embedding opportunities for student leadership.
2. Empowering all staff to be leaders.
3. Ensuring trustees provide appropriate strategic support and challenge.
4. Ensuring financial leadership is robust and strategically linked to academy priorities.
5. Ensuring that the checks of teaching quality and student achievement are accurate and support further improvements.

Priority 5 Environment
AIM: Improve the academy environment to enhance students' learning by:

Objectives:

1. Creating a safe, secure and stimulating environment that is inclusive for all to ensure best value for money.
2. Creating a cohesive brand, that embodies the vision, values and aspirations of the school community.
3. Developing ICT infrastructure and facilities to enhance learning and progress.

Equal opportunities policy
The trustees recognise that equal opportunities should be an integral part of good practice within the workplace. The academy aims to establish equal opportunity in all areas of its activities including creating a working environment in which the contribution and needs of all people are fully valued.

Disabled persons
Ramps and disabled toilets are installed and door widths are adequate to enable wheelchair access to the main areas of the academy. The policy of the academy is to support recruitment and retention of pupils and employees with disabilities. The academy does this by adapting the physical environment, by making support resources available and through training and career development.

Public benefit
The primary objective of the academy trust is to advance for the public benefit education in the United Kingdom. Funding for the service of providing and advancing education is used to support that primary objective and not to provide a financial return to shareholders or trustees. The trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charities Commission in exercising their powers or duties.

Strategic report

Achievements and performance

Headline Key Stage 4 results:

KS4	2014	2015	2016
Students achieving 5 A* - C	59%	63%	63.3%
Students achieving 5 A* - C GCSE only	44%	53%	63.3%
Students achieving 5 A* - C including English and Mathematics	46%	54%	59.7%
Disadvantaged students achieving 5A*- C including English and Mathematics	41%	20%	
Students achieving 5 A* - G	100%	99.4%	
Students achieving 5 A* - G including English and Mathematics	98%	96%	
Students achieving 5 A* - G including English, Mathematics and Science	97%	96%	
Students achieving 3+ levels of progress in English	55%	74%	
Students achieving 3+ levels of progress in Mathematics	47%	56%	
EBACC	13%	16%	

Headline Key Stage 5 results:

	2014	2015
Students achieving 2+ A* - E (or equivalent)	100%	100%
Students achieving 3+ A* - E (or equivalent)	97%	96%
Average grade per entry	C-	C
Average grade per academic entry	D	D
Average grade per vocational entry	Merit+	Distinction-
Qualification success rate	93%	87%

Key financial performance indicators
The academy GCSE results (attainment and progress) were among the highest in the secondary sector of the local authority for 2016 and have once again improved. It is expected that this will generate further interest and confidence in the academy and a higher pupil intake in future years in order to address the element of falling rolls which in turn, directly affect academy funding.

Pupil recruitment data:

Pupil Roll on Census Day Oct 2015	Males	Females	Total
Year 07	146	0	146
Year 08	143	0	143
Year 09	161	0	161
Year 10	129	0	131
Year 11	140	0	140
Year 12	22	2	24
Year 13	16	1	17
Totals	**757**	**3**	**762**

Ofsted reports
The academy was subject to an Ofsted inspection in May 2015 and was judged to be in the category "Requires Improvement" (a school that is not yet Good, but not inadequate). A full version of the report can be found on either the academy website or the Ofsted website. A further monitoring inspection report took place in November 2015 which stated that "Senior leaders and governors are taking effective action to tackle the areas requiring improvement identified in the recent Section 5 inspection in order to become a good school".

Attendance
The attendance of the pupils at the school has been praised. Page 5 of the May Ofsted inspection report says "Attendance has consistently risen and been above average in recent years."

Going concern
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 accounting policies note of the financial statements.

Financial review
The principal financial management policies adopted in the year are:

- Accounting officer financial reviews of income and expenditure versus planned budgets on a monthly basis and termly at resource committee meetings; and
- consideration as to whether income streams demonstrate a robust and stable position to continue to enable the provision of resources of sufficient quality to fulfil the academy's educational obligations.

The principal source of funding to the academy is from the Education Funding Agency (EFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the EFA during the year ended 31 August 2016 and the associated expenditure are shown as restricted funds in the statement of financial activities. 80% of this grant funding was spent on staffing costs for teaching and learning.

The academy also receives grants for fixed assets from the EFA, and from other government bodies. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2015), such grants are shown in the statement of financial activities as restricted income in the fixed asset fund.

Financial and risk management objectives and policies
The trustees have assessed the major risks to which the academy is exposed and a formal review of the trust's risks is a standing item on governing body committee agendas.

Reserves policy
The trustees review the reserves levels of the academy annually and also at their termly review meetings. This review encompasses the nature of income and expenditure stream, the need to match income with commitments and the nature of reserves. The trustees have determined that the appropriate level of free reserves should be equivalent to 1 month of the GAG general grant income in order to provide sufficient working capital to cover delays between spending and receipt of grant income to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The academy's current level of free reserves (total funds less the amount held in fixed assets restricted fund but excluding the pension deficit of £2,403,000) as at 31 August 2016 is £1,002,000.

Investment policy
The trustees will continue to invest in the maintenance of the premises as required. Investment of assets is something that the trustees will continue to review in 2016-17 in line with the reducing reserves and availability of funding.

Principal risks and uncertainties
The financial risk to the academy for 2015-16 and beyond is based almost entirely on the risk of falling pupil rolls. The academy has used reserves to cover in year excess of expenditure over income for 2015-16 and is taking further measures to address the further projected in-year deficit for 2016-17. Programmes of organisational restructure and change have been undertaken to address the financial implications of a falling roll and flat cash funding. In addition, savings strategies have included the installation of solar panels which reduce electricity bills by around 1/3rd.

Plans for future periods
The academy plans to advance the education opportunities and continue to improve results for pupils as described in the aims and objectives section of this report.

Auditor
In so far as the trustees are aware:

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

This trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 7 December 2016 and signed on its behalf by:

....
Mrs E Johnson
Chair of trustees

Scope of responsibility
As trustees, we acknowledge we have overall responsibility for ensuring that Wellacre Technology 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 Wellacre Technology Academy Trust and the Secretary of State for Education. They are 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 full board of trustees has met 6 times during the year.

Attendance during the meetings of the full board of trustees was as follows:

Name	Meetings attended	Out of possible
Cllr Anstee	2	6
Miss Wicks	6	6
Mr Betteridge	2	6
Mr Glover	1	1
Mr Harrison	5	6
Mr Whitby	5	6
Mrs George (Wallwork -Blyth)	5	6
Mrs Hughes	3	6
Mrs Johnson	4	6
Mrs Walsh	4	6
Mrs Williams	5	6
Mr Miller	2	6

Key changes in the composition of the board of trustees and particular challenges:
The board of trustees has become slightly smaller and is focussed on skills. The chair and the vice chair of trustees will no longer be chairs of committees ensuring that succession planning is in place.

Governance reviews
An external review of governance was carried out by a National Leader of Governance in October and November 2015. The recommendations of the review included areas such as sharing of information, consistent approach to monitoring visits, to carry out a pupil premium review, to review the website, to build the team and to secure effective clerking arrangements.

All the recommended actions have been carried out and the impact of the recommendations will be measured in the next review. A further external review of governance is due to take place in December 2016.

Review of value for money
As accounting officer the principal has ensured that the academy trust has delivered good value in the use of public resources during the academic year 2015-16. 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 has considered how the trust's use of its resources has provided good value for money during the year by:

- Benchmarking the cost of staffing, contracts and educational resources against other similar schools.
- Installing solar PV panels and significantly reducing electricity bills.
- Increasing support to other schools and increasing associated income generation.
- Reviewing canteen menu costs to ensure income generation is sufficient.
- Re-negotiated the letting of part of the academy to increase income generation.
- Programme of organisational change undertaken including redundancies.
- Performance management for all members of staff ensuring focused outcomes and performance related pay.
- Contracted a managed service for IT function.

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 the academy's 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 for the year ended 31 August 2016 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk
The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operation, 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 on-going process of identifying, evaluating and managing the academy trust's significant risks that have been in place for the year ended 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The risk and control framework
The academy trust's system of internal 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 budget monitoring systems and key performance indicators.
- Regular reviews by the accounting officer and resources committee of performance against forecasts.
- Setting targets to measure performance.
- Clearly defined purchasing 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 to appoint an internal auditor. HCSS Education is appointed as internal auditors to perform quarterly checks on the academy's process of financial controls, systems and risks.

The trustees' resources committee fulfils the functions of an audit committee.

The committee reviews the risks to internal financial control at the academy and works to address the risks and, so far as is possible, provide assurance to the external auditors.

The programme of risk review options includes the work of an internal audit service provided by HCSS.

The internal auditors performed their most recent review in November 2016 and reported there were no material control issues.

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 academy leadership team who has responsibility for the development and maintenance of the internal control framework.
- The work of the resources committee.
- The work of the internal auditors.
- The work of external auditors.
- The financial management and governance self-assessment process.

The accounting officer has been advised on the implications of the result of their review of the system of internal control by the resources committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the board of trustees on 7 December 2016 and signed on its behalf by:

Mrs E Johnson
Chair of trustees

Miss M Wicks
Accounting officer

WELLACRE TECHNOLOGY ACADEMY TRUST

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2016

As accounting officer of Wellacre Technology Academy Trust I have considered my responsibility to notify the academy trust board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2015.

I confirm that I and the academy trust's 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 2015.

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

....

Miss M Wicks
Accounting officer

7 December 2016

WELLACRE TECHNOLOGY ACADEMY TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2016

The trustees (who also act as governors for Wellacre Technology Academy Trust and are also the directors of St Ambrose College Edmund Rice Academy Trust for the purposes of company law) are responsible for preparing the trustees' report and the accounts in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare accounts for each financial year. Under company law the trustees must not approve the accounts 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 accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts 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 accounts 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 that grants received from EFA/DfE have been applied for the purposes intended.

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

Approved by order of the board of trustees on 7 December 2016 and signed on its behalf by:

....

Mrs E Johnson
Chair of trustees

INDEPENDENT AUDITOR'S REPORT ON THE ACCOUNTS TO THE MEMBERS OF WELLACRE TECHNOLOGY ACADEMY TRUST

FOR THE YEAR ENDED 31 AUGUST 2016

We have audited the accounts of Wellacre Technology Academy Trust for the year ended 31 August 2016 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

This report is made solely to the charitable company'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 charitable company'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 charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the Trustees' Responsibilities Statement set out on page 13, the trustees, who are also the directors of Wellacre Technology Academy Trust for the purposes of company law, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the accounts

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

Opinion on accounts

In our opinion the accounts:

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

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the trustees' report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts.

INDEPENDENT AUDITOR'S REPORT ON THE ACCOUNTS TO THE MEMBERS OF WELLACRE TECHNOLOGY ACADEMY TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Matters on which we are required to report by exception

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

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

....

John Whittick BSc FCA (Senior Statutory Auditor)
for and on behalf of
Haines Watts
Chartered Accountants
Statutory Auditor

Bridge House
Ashley Road
Hale
Altrincham
WA14 2UT

Dated: 7 December 2016

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO WELLACRE TECHNOLOGY ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY

FOR THE YEAR ENDED 31 AUGUST 2016

In accordance with the terms of our engagement letter dated 7 August 2014 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Wellacre Technology Academy Trust during the period 1 September 2015 to 31 August 2016 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Wellacre Technology Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Wellacre Technology Academy Trust's funding agreement with the Secretary of State for Education dated 2 October 2010 and the Academies Financial Handbook, extant from 1 September 2015, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance, and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2015 to 2016. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2015 to 31 August 2016 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

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

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO WELLACRE TECHNOLOGY ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

The work undertaken to draw to our conclusion includes:

- We have confirmed that the activities conform to the academy trust's framework of authorities. As identified by review of minutes, management accounts, discussion with the accounting officer and other key management personnel.
- We have carried out an analytical review as part of the consideration of whether general activities of the academy trust are within the academy trust's framework of authorities.
- We have considered the evidence supporting the accounting officer's statement on regularity, propriety and compliance and have evaluated the general control environment of the academy trust and extended the procedures required for financial statements to include regularity.
- We have assessed and tested a sample of the specific control activities over regularity of a particular activity. In performing sample testing of expenditure, we have considered whether the activity is permissible within the academy trust's framework of authorities. We confirm that each item tested has been appropriately authorised in accordance with the academy trust's delegated authorities and that the internal delegations have been approved by the board of trustees, and conform to the limits set by the Department for Education.
- Formal representations have been obtained from the board of trustees and the accounting officer acknowledging their responsibilities including disclosing all non-compliance with laws and regulations specific to the authorising framework, access to accounting records, provision of information and explanations, and other matters where direct evidence is not available.
- In performing sample testing of expenditure, we have reviewed against specific terms of grant funding within the funding agreement. We have reviewed the list of suppliers and have considered whether supplies are from related parties and have reviewed minutes for evidence of declaration of interest, and whether or not there was involvement in the decision to order from this supplier.
- We have performed sample testing of other income and tested whether activities are permitted within the academy trust's charitable objects.

Conclusion

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

Haines Watts
....

Haines Watts
Reporting Accountant

Dated: 7 December 2016

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT AND STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

FOR THE YEAR ENDED 31 AUGUST 2016

	Notes	Unrestricted Funds £(000)	Restricted funds: General £(000)	Fixed asset £(000)	Total 2016 £(000)	Total 2015 £(000)
Income and endowments from:						
Donations and capital grants	2	-	-	37	37	19
Charitable activities:						
- Funding for educational operations	3	-	4,814	-	4,814	5,126
Other trading activities	4	551	-	-	551	593
Investments	5	1	-	-	1	4
Total income and endowments		552	4,814	37	5,403	5,742
Expenditure on:						
Raising funds	6	225	-	32	257	433
Charitable activities:						
- Educational operations	7	70	5,477	610	6,157	6,375
Total expenditure	6	295	5,477	642	6,414	6,808
Net income/(expenditure)		257	(663)	(605)	(1,011)	(1,066)
Transfers between funds		(14)	39	(25)	-	-
Other recognised gains and losses						
Actuarial gains/(losses) on defined benefit pension schemes	17	-	(1,140)	-	(1,140)	26
Net movement in funds		243	(1,764)	(630)	(2,151)	(1,040)
Reconciliation of funds						
Total funds brought forward		749	(629)	24,256	24,376	25,416
Total funds carried forward		992	(2,393)	23,626	22,225	24,376

WELLACRE TECHNOLOGY ACADEMY TRUST

BALANCE SHEET

AS AT 31 AUGUST 2016

	Notes	2016 £(000)	2016 £(000)	2015 £(000)	2015 £(000)
Fixed assets					
Tangible assets	11		23,626		24,256
Current assets					
Debtors	12	166		129	
Cash at bank and in hand		849		1,277	
		1,015		1,406	
Current liabilities					
Creditors: amounts falling due within one year	13	(13)		(155)	
Net current assets			1,002		1,251
Net assets excluding pension liability			24,628		25,507
Defined benefit pension liability	17		(2,403)		(1,131)
Net assets			22,225		24,376
Funds of the academy trust:					
Restricted funds	15				
- Fixed asset funds			23,626		24,256
- Restricted income funds			10		502
- Pension reserve			(2,403)		(1,131)
Total restricted funds			21,233		23,627
Unrestricted income funds	15		992		749
Total funds			22,225		24,376

The accounts were approved by the board of trustees and authorised for issue on 7 December 2016 and are signed on its behalf by:

....

Mrs E Johnson

Chair of trustees

Company Number 07386228

WELLACRE TECHNOLOGY ACADEMY TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2016

	Notes	2016 £(000)	2016 £(000)	2015 £(000)	2015 £(000)
Cash flows from operating activities					
Net cash used in operating activities	18		(454)		(295)
Cash flows from investing activities					
Dividends, interest and rents from investments		1		4	
Capital grants from DfE and EFA		37		19	
Payments to acquire tangible fixed assets		(12)		(2)	
			26		21
Change in cash and cash equivalents in the reporting period			(428)		(274)
Cash and cash equivalents at 1 September 2015			1,277		1,551
Cash and cash equivalents at 31 August 2016			849		1,277

1 Accounting policies

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

1.1 Basis of preparation

The accounts of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

Wellacre Technology Academy Trust meets the definition of a public benefit entity under FRS 102.

These accounts for the year ended 31 August 2016 are the first accounts of Wellacre Technology Academy Trust prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 September 2014. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 24.

1.2 Going concern

The trustees assess whether the use of going concern is appropriate, ie whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the accounts 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 accounts.

1.3 Income

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

Grants receivable

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

General Annual Grant is recognised in full in the statement of financial activities in the period for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.

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

Donations

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

1 Accounting policies

Other income

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

Donated goods, facilities and services

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

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

1.4 Expenditure

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

Expenditure 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 are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

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

Governance costs

These include the costs attributable to the academy trust's compliance with constitutional and statutory requirements, including audit, strategic management, trustees' meetings and reimbursed expenses.

1 Accounting policies

1.5 Tangible fixed assets and depreciation

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet. Depreciation on such assets is charged directly to the restricted fixed asset fund in the statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy trust's depreciation policy. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset on a straight-line or reducing balance basis over its expected useful life, as follows:

Land and buildings	50 years straight line (excluding land)
Computer equipment	3 years straight line
Fixtures, fittings & equipment	7 years straight line
Motor vehicles	25% reducing balance

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

1.6 Liabilities

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

1.7 Leasing and hire purchase commitments

Rentals payable under operating leases are charged on a straight line basis over the period of the lease.

1.8 Taxation

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by chapter 3 part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.9 Pensions benefits

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

1 Accounting policies

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 17, 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 are recognised in the period to which they relate.

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

1.10 Fund accounting

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

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

Restricted general funds comprise all other restricted funds received and include grants from the Education Funding Agency, Department for Education and the local authority.

1.11 Agency arrangements

The academy acts as an agent in distributing 16-19 bursary funds from EFA. Payments received from EFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The funds received and paid and any balances held are disclosed in note 23.

1.12 Critical accounting estimates and areas of judgement

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

<u>Critical accounting estimates and assumptions</u>

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.

1 Accounting policies

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 or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 17, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

2 Donations and capital grants

	Unrestricted funds £(000)	Restricted funds £(000)	Total 2016 £(000)	Total 2015 £(000)
Capital grants	-	37	37	19

The income from donations and capital grants was £37,000 (2015: £19,000) of which £37,000 was restricted fixed assets (2015: £19,000).

3 Funding for the academy trust's educational operations

	Unrestricted funds £(000)	Restricted funds £(000)	Total 2016 £(000)	Total 2015 £(000)
DfE / EFA grants				
General annual grant (GAG)	-	4,576	4,576	4,889
Other DfE / EFA grants	-	173	173	169
	-	4,749	4,749	5,058
Other government grants				
Local authority grants	-	55	55	68
Other funds				
Other incoming resources	-	10	10	-
Total funding	-	4,814	4,814	5,126

The income from funding for educational operations was £4,814,000 (2015: £5,126,000) of which £4,814,000 was restricted (2015: £5,126,000).

The academy trust received £55,000 from the local authority in the year, being High Needs funding. There were no unfulfilled conditions or other contingencies relating to the grants in the year.

4 Other trading activities

	Unrestricted funds £(000)	Restricted funds £(000)	Total 2016 £(000)	Total 2015 £(000)
Income from facilities and services	277	-	277	286
Catering income	199	-	199	213
Trips, visits and charges	75	-	75	80
Other income	-	-	-	14
	551	-	551	593

The income from other trading activities was £551,000 (2015: £593,000) of which £551,000 was unrestricted (2015: £579,000) and £nil was restricted (2015: £14,000).

5 Investment income

	Unrestricted funds £(000)	Restricted funds £(000)	Total 2016 £(000)	Total 2015 £(000)
Short term deposits	1	-	1	4

The income from funding for investment income was £1,000 (2015: £4,000) of which £1,000 was unrestricted (2015: £4,000).

6 Expenditure

	Staff costs £(000)	Premises & equipment £(000)	Other costs £(000)	Total 2016 £(000)	Total 2015 £(000)
Academy's educational operations					
- Direct costs	3,489	546	283	4,318	4,553
- Allocated support costs	897	185	757	1,839	1,822
	4,386	731	1,040	6,157	6,375
Other expenditure					
Raising funds	66	32	159	257	433
Total expenditure	4,452	763	1,199	6,414	6,808

The expenditure on raising funds was £257,000 (2015: £433,000) of which £225,000 was unrestricted (2015: £401,000) and £32,000 was restricted fixed assets (2015: £32,000).

6 Expenditure

Net income/(expenditure) for the year includes:	2016 £(000)	2015 £(000)
Fees payable to auditor for:		
- Audit	5	5
- Other services	2	2
Operating lease rentals	15	9
Depreciation of tangible fixed assets	642	644

7 Charitable activities

	Unrestricted funds £(000)	Restricted funds £(000)	Total 2016 £(000)	Total 2015 £(000)
Direct costs - educational operations	70	4,248	4,318	4,553
Support costs - educational operations	-	1,839	1,839	1,822
	70	6,087	6,157	6,375

The expenditure on educational operations was £6,157,000 (2015: £6,375,000) of which £70,000 was unrestricted (2015: £98,000), £5,445,000 was restricted (2015: £5,633,000) and £642,000 was restricted fixed assets (2015: £644,000)

Analysis of costs	2016 £(000)	2015 £(000)
Direct costs		
Teaching and educational support staff costs	3,441	3,569
Staff development	48	33
Depreciation and amortisation	546	547
Technology costs	18	32
Educational supplies and services	207	299
Examination fees	58	73
	4,318	4,553
Support costs		
Support staff costs	897	809
Depreciation and amortisation	64	65
Maintenance of premises and equipment	121	165
Cleaning	143	155
Energy costs	87	112
Rent and rates	48	42
Insurance	62	47
Security and transport	19	32
Interest on pension deficit	44	39
Other support costs	342	341
Governance costs	12	15
	1,839	1,822

8 Staff costs

	2016 £(000)	2015 £(000)
Wages and salaries	3,305	3,526
Social security costs	277	262
Operating costs of defined benefit pension schemes	612	593
Staff costs	4,194	4,381
Supply staff costs	72	91
Staff restructuring costs	138	111
Staff development and other staff costs	48	33
Total staff expenditure	4,452	4,616

Staff numbers

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

	2016 Number	2015 Number
Teachers	56	63
Administration and support	62	73
Management	8	8
	126	144

Higher paid staff

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

	2016 Number	2015 Number
£60,001 - £70,000	2	1
£70,001 - £80,000	-	1
£80,001 - £90,000	1	1

During the year there were staff restructuring costs of £138,000.

Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £138,000 (2015: £111,000). Individually the payments were: £8,000, £4,000, £1,000, £3,000, £4,000, £14,000, £9,000, £21,000, £9,000, £9,000, £10,000, £4,000, £7,000, £3,000, £10,000, £9,000 and £13,000.

8 Staff costs

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £642,000 (2015: £529,000).

9 Trustees' remuneration and expenses

The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principle and staff, and not in respect of their services as trustees. Other trustees did not receive any payments, other than expenses, from the academy trust in respect of their role as trustees.

The value of trustees' remuneration was as follows:

M Wicks (principal and trustee)		
Remuneration	£85,001 - £90,000	(2015: £80,001 - £85,000)
Employer's pension contributions	£10,001 - £15,000	(2015: £10,001 - £15,000)
A Glover (staff trustee - resigned 29 March 2016)		
Remuneration	£25,001 - £30,000	(2015: £45,001 - £50,000)
Employer's pension contributions	£0 - £5,000	(2015: £5,001 - £10,000)
Mrs N George (N Wallwork-Blyth) (staff trustee - appointed 23 September 2015)		
Remuneration	£15,001 - £20,000	
Employer's pension contribution	£0 - £5,000	

Other related party transactions involving the trustees are set out within the related parties note.

10 Trustees and officers insurance

In accordance with normal commercial practice, the academy trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides cover up to £2,000,000 on any one claim and the cost for this is included within the insurance cost.

11 Tangible fixed assets

	Land and buildings	Computer equipment	Fixtures, fittings & equipment	Motor vehicles	Total
	£(000)	£(000)	£(000)	£(000)	£(000)
Cost					
At 1 September 2015	26,434	2,217	750	23	29,424
Additions	-	6	-	6	12
At 31 August 2016	26,434	2,223	750	29	29,436
Depreciation					
At 1 September 2015	2,449	2,214	492	13	5,168
Charge for the year	525	5	107	5	642
At 31 August 2016	2,974	2,219	599	18	5,810
Net book value					
At 31 August 2016	23,460	4	151	11	23,626
At 31 August 2015	23,985	3	258	10	24,256

12 Debtors

	2016	2015
	£(000)	£(000)
Trade debtors	12	8
VAT recoverable	36	33
Prepayments and accrued income	118	88
	166	129

13 Creditors: amounts falling due within one year

	2016	2015
	£(000)	£(000)
Trade creditors	-	26
Other creditors	-	16
Accruals and deferred income	13	113
	13	155

14 Deferred income

	2016 £(000)	2015 £(000)
Deferred income is included within:		
Creditors due within one year	-	20
Deferred income at 1 September 2015	20	49
Released from previous years	(20)	(49)
Amounts deferred in the year	-	20
Deferred income at 31 August 2016	-	20

15 Funds

	Balance at 1 September 2015 £(000)	Incoming resources £(000)	Resources expended £(000)	Gains, losses & transfers £(000)	Balance at 31 August 2016 £(000)
Restricted general funds					
General Annual Grant	502	4,576	(5,107)	39	10
Other DfE / EFA grants	-	173	(173)	-	-
Other government grants	-	55	(55)	-	-
Other restricted funds	-	10	(10)	-	-
Funds excluding pensions	502	4,814	(5,345)	39	10
Pension reserve	(1,131)	-	(132)	(1,140)	(2,403)
	(629)	4,814	(5,477)	(1,101)	(2,393)
Restricted fixed asset funds					
DfE / EFA capital grants	20	37	(9)	(25)	23
Inherited funds	24,233	-	(630)	-	23,603
Capital expenditure from GAG	3	-	(3)	-	-
	24,256	37	(642)	(25)	23,626
Total restricted funds	23,627	4,851	(6,119)	(1,126)	21,233
Unrestricted funds					
General funds	749	552	(295)	(14)	992
Total funds	24,376	5,403	(6,414)	(1,140)	22,225

15 Funds

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

Restricted general funds are those that have been designated restricted by the grant provider in meeting the objects of the academy and are restricted to both the day to day running of the academy and capital expenditure.

Restricted fixed asset funds are those funds relating to the long term assets of the academy used in delivering the objects of the academy.

Unrestricted general funds are those which the board of trustees may use in the pursuance of the academy's objectives and are expendable at the discretion of the trustees.

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2015.

16 Analysis of net assets between funds

	Unrestricted Funds £(000)	Restricted funds: General £(000)	Fixed asset £(000)	Total 2016 £(000)
Fund balances at 31 August 2016 are represented by:				
Tangible fixed assets	-	-	23,626	23,626
Current assets	992	23	-	1,015
Creditors falling due within one year	-	(13)	-	(13)
Defined benefit pension liability	-	(2,403)	-	(2,403)
	992	(2,393)	23,626	22,225

17 Pensions and similar obligations

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Tameside Metropolitan Borough Council. Both are defined-benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2014 and of the LGPS 31 March 2013.

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

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.

17 Pensions and similar obligations

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

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014.

The key elements of the valuation and subsequent consultation are:

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

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

The pension costs paid to the TPS in the period amounted to £354,000 (2014: £311,000).

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

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases were to be phased in from April 2012 on a 40:80:100 percent basis.

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 6 to18 per cent for employers and 16 per cent for employees. The estimated value of employer contributions for the forthcoming year is £171,000.

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.

17 Pensions and similar obligations

Total contributions made	**2016 £(000)**	**2015 £(000)**
Employer's contributions	168	178
Employees' contributions	63	64
Total contributions	231	242

Principal actuarial assumptions	**2016 %**	**2015 %**
Rate of increases in salaries	3.4	3.9
Rate of increase for pensions in payment	2.1	2.7
Discount rate	2.1	3.8

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

Sensitivity analysis

Change in assumptions at 31 August 2016	**Approximate % increase to employer liability**	**Approximate monetary amount £000**
0.5% decrease in real discount rate	16%	861
1 year increase in member life expectancy	3%	164
0.5% increase in the salary increase rate	7%	364
0.5% increase in the pension increase rate	9%	467

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

	2016 Years	**2015 Years**
Retiring today		
- Males	21.4	21.4
- Females	24.0	24.0
Retiring in 20 years		
- Males	24.0	24.0
- Females	26.6	26.6

17 Pensions and similar obligations

The academy trust's share of the assets in the scheme	2016 Fair value £(000)	2015 Fair value £(000)
Equities	520	1,692
Bonds	123	423
Property	43	141
Other assets	36	94
Total market value of assets	722	2,350
Actual return on scheme assets - gain/(loss)	495	50

Amounts recognised in the statement of financial activities	2016 £(000)	2015 £(000)
Current service cost (net of employee contributions)	256	290
Net interest cost	44	39

Changes in the fair value of the academy trust's share of scheme obligations

	2016 £(000)	2015 £(000)
Obligations at 1 September 2015	1,131	1,131
Current service cost	256	256
Interest cost	138	138
Employee contributions	63	63
Actuarial loss	1,541	1,541
Benefits paid	(4)	(4)
At 31 August 2016	3,125	3,125

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

	2016 £(000)	2015 £(000)
Interest income	94	94
Return on plan assets (excluding amounts included in net interest): Actuarial gain	401	401
Employer contributions	168	168
Employee contributions	63	63
Benefits paid	(4)	(4)
At 31 August 2016	722	722

18 Reconciliation of net expenditure to net cash flows from operating activities

	2016 £(000)	2015 £(000)
Net expenditure for the reporting period	(1,011)	(1,066)
Adjusted for:		
Capital grants from DfE/EFA and other capital income	(37)	(19)
Investment income	(1)	(4)
Defined benefit pension costs less contributions payable	88	112
Defined benefit pension net finance cost/(income)	44	39
Depreciation of tangible fixed assets	642	644
(Increase)/decrease in debtors	(37)	(6)
Increase/(decrease) in creditors	(142)	5
Net cash used in operating activities	(454)	(295)

19 Contingent liabilities

The academy is facing a negligence claim arising from the injury to a pupil. This claim which is yet to be quantified is being dealt with by the academy's insurers.

20 Commitments under operating leases

At 31 August 2016 the total future minimum lease payments under non-cancellable operating leases were as follows:

	2016 £(000)	2015 £(000)
Amounts due within one year	10	2
Amounts due in two and five years	20	8
	30	10

21 Related party transactions

Owing to the nature of the academy trust'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 academy trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy trust's financial regulations and normal procurement procedures. The following related party transaction took place in the period of account.

Trustees who are also members of the staff of the academy have been paid in accordance with national agreed levels as members of staff.

During the year the academy received £9,000 (2015 - £9,000) from Stegta Limited, a company in which Mr J Whitby is the chief executive for the rental of premises.

22 Members' liability

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

23 Agency arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for EFA. In accounting period ending 31 August 2016 the trust received £3,499 and distributed £3,456. An amount of £43 is included in other creditors relating to undistributed funds that are repayable to EFA.

24 Reconciliations on adoption of FRS 102

Reconciliation of funds for the previous financial period

	Notes	1 September 2014 £(000)	31 August 2015 £(000)
Funds as reported under previous UK GAAP		25,416	24,376
Adjustments arising from transition to FRS 102:			
Change in recognition of LGPS interest cost	1	-	(39)
Change in actuarial loss	1	-	39
Funds reported under FRS 102		25,416	24,376

Reconciliation of net loss for the previous financial period

	Notes	2015 £(000)
Net expenditure as reported under previous UK GAAP		(1,040)
Adjustments arising from transition to FRS 102:		
Change in recognition of LGPS interest cost	1	(39)
Change in actuarial loss	1	39
Net expenditure reported under FRS 102		(1,040)

Notes to reconciliations on adoption of FRS 102

1. Change in reconciliation of LGPS

Under previous UK GAAP the trust recognised an expected return on defined benefit plan assets in income. Under FRS 102 a net interest expense, based on the net defined benefit liability, is recognised in expense. There has been no change in the defined benefit liability at either 1 September 2014 or 31 August 2015. The effect of the change has been to increase the debit to expense by £39,000 and reduce the debit in other recognised gains and losses in the SoFA by an equivalent amount.