

WEDNESBURY OAK ACADEMY TRUST

(Company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31ST AUGUST 2016

Company Registration No: 8749821 (England and Wales)

FRIDAY



A65TURG3

A19

05/05/2017

#271

COMPANIES HOUSE

WEDNESBURY OAK ACADEMY TRUST

(Company limited by guarantee)

CONTENTS

	Page
Reference and Administrative Information	3
Governors' Report	5
Governance Statement	18
Statement on Regularity, Propriety and Compliance	22
Statement of Governor's Responsibilities	23
Independent Auditor's Report	24
Independent Reporting Accountants Report on Regularity	26
Statement of Financial Activities	27
Balance Sheet	28
Cash Flow Statement	29
Statement of Accounting Policies	30
Notes to the Financial Statements	30

WEDNESBURY OAK ACADEMY TRUST

(Company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS

Governors/Trustees:

Mrs Nicola Levy	Co-opted Vice Chair Resigned Sept 16
Mrs E Perrin	Co-opted Chair
Mrs C Wyer	Co-opted
Mrs K Lister	Co-opted Vice Chair Appointed Jan 16

Governors:

Mrs M Bull	Principal
Mrs T Grieh	Staff
Miss S Palfrey	Staff Appointed Sept 15
Mrs L Jones	Staff
Mrs G Steventon	Co-opted Resigned July 16
Mr M Richardson	Parent
Mr T Rathnapala	Community Resigned Sept 15
Mr M Foster	Community Resigned Nov 15
Mrs S Rogers	Parent Resigned Sept 16
Mr L Spear	Co-opted Appointed Jan 16
Mrs M Boden	Parent Appointed Sept 16
Mrs L Jones	Staff

Company Secretary:

Mrs M Bull

Senior Leadership Team:

- Vice Principal
- Assistant Vice Principal
- Assistant Vice Principal
- Finance Director
- SENCo
- SENCo
- EY Lead
- Arts Lead

Mrs T Grieh
Mrs J Griffiths
Miss S Palfrey
Mrs D Southall
Mrs K Kular
Mrs R Tranter
Mrs J Moore
Mrs N Patel

WEDNESBURY OAK ACADEMY TRUST
(Company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS (continued)

Registered Office:	Green Acre Road Tipton DY4 0AR
Company Registration Number:	8749821
Independent Auditors:	Wright & Co Chartered Accountants Registered Auditors The Squires 5 Walsall Street Wednesbury WS10 9BZ
Bankers:	Lloyds Bank 63 High Street Dudley West Midlands DY1 1PY
Insurance Brokers:	Zurich PO Box 3899 Swindon FN4 4FJ
Solicitors:	BrowneJacobson Victoria Square House Victoria Square Birmingham B2 4BU

WEDNESBURY OAK ACADEMY TRUST
(Company limited by guarantee)
GOVERNOR'S REPORT
31st August 2016

The trustees present their final annual report together with the financial statements and auditor's report of the Charitable Company for the year 1 September 2015 to 31 August 2016.

Structure, Governance and Management

Constitution

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

Members of the Governing Body act as the directors for the charitable activities of Wednesbury Oak Academy Trust. Three of the governors (directors) are also trustees of the Charitable Company for the purposes of company law.

Details of the governors who served throughout the period are included in the *Reference and Administrative Details*.

The full Governing Body meets at least once a term. The work of the governing body is delegated to sub committees that are formerly constituted with terms of the reference namely:

- Achievement and Standards Committee
- Resources and Audit Committee
- Health and Safety Committee

The sub committees meet at least termly and the Chairs of these committees report back to the full governing body meetings.

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 while 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 of and liabilities contracted before they ceased to be a member.

Governors' Indemnities

The Academy Trust purchases indemnity insurance to cover the liability of the Governors which by virtue of any rule of law would otherwise attach to them in respect of 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 insurance shall not extend to any claim arising from any act or omission which the governors knew to be a breach of trust or a breach of duty or which was committed by the governors in reckless disregard to whether it was a breach of trust or a breach of duty or not and provided also that any such insurance shall not extend to the costs of the unsuccessful defence to a criminal prosecution brought against the governors in their capacity as directors of the Academy Trust.

Principal Activities

Wednesbury Oak Academy, a non-selective academy, provides education for pupils of different abilities between the ages of 2 and 11. Our pupils are drawn from the local area in accordance with our published admission criteria.

The Academy Trust's Principal's activity 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 an academy offering a broad and balanced curriculum.

WEDNESBURY OAK ACADEMY TRUST
(Company limited by guarantee)
GOVERNOR'S REPORT
31st August 2016

Method of Recruitment and Appointment of election of Governors

The Governing Body comprises three categories of governor, as set out in the Articles of Association and the Funding Agreement. The method of recruitment is:

Community (up to 6) – Appointed by the Governing Body. The Governing Body will seek to appoint a person, who lives or works in the community served by the Academy, who is committed to the success of the Academy.

Parent (up to 2) – Nominated and elected by the parents and carers of the pupils on roll.

Staff (Up to 4) – Nominated and elected by the staff employed by the Academy. At least one representative from Teaching Staff; one representative from Support Staff.

The Principal is an ex-officio governor.

Policies and Procedures Adopted for the Induction and Training of Governors

Many of the current governors of Wednesbury Oak Academy have considerable experience. However, a mentoring system is well established to support the induction and training of newly appointed and elected governors.

The Academy purchases an independent governor support service to complement the in house induction and training programme and the School Business Manager liaises with recent appointments to ensure that they access the most appropriate training courses. All newly appointed and elected governors are invited to observe the working of all sub-committees before deciding which committee they could best serve.

Governors are kept up to date with their legislative obligations and good practice through the independent governor support service provided, by school staff and by the Clerk to the Governing Body.

Organisational Structure

The Governing Body is responsible for all major decisions about the academy.

The Governing Body is responsible for setting all policies covering Personnel, Health & Safety, Curriculum and Financial aspects of the work of the Academy. The Governing Body monitors the work of the Academy. It receives regular reports from the Senior Leadership Team, including budget and other data updates.

The external auditor provides reports to the Governing Body with respect to internal controls assurance. The Governing Body approves the Statutory Accounts. The levels of authorisation of budget spent are detailed in the Scheme of Delegation reviewed by the Governing Body.

The day to day management of the Academy is delegated by the Governing Body to the Principal who is supported by the Senior Leadership Team which comprises; Principal, Vice Principal, 2 Assistant Vice Principals, School Business Manager, two SENCos, Early Years Leader and an Arts Leader.

The initial Collaborative Improvement Plan is drawn up by the Principal working with the Senior Leadership Team. The draft plan is then approved by the full governing body. The full governing body reviews school development as part of its regular work.

As a primary academy, a high percentage of the Academy's expenditure relates to staffing. The Staffing Structure is determined by the governing body working with the Principal.

The Collaborative Improvement Plan and the staffing structure then influence the Academy budget. The Principal is the Accounting Officer and responsible for the day to day management of the Academy.

Arrangements for setting pay and remuneration of key management personnel

The Governing Body set the pay of the academy's key staff in line with the Academy's Pay Policy, agreed annually by the Governing Body. They receive details of staff Performance Management outcomes and agree all pay increments that staff are to receive on an annual basis.

Related Parties and other Connected Charities and Organisations

None

WEDNESBURY OAK ACADEMY TRUST
(Company limited by guarantee)
GOVERNOR'S REPORT
31st August 2016

Risk Management

The Governors have assessed the major risks to which the Academy is exposed, in particular those relating to the operational areas of the site and facilities and of teaching and the finances. The governors have implemented a system to assess risks that the academy faces, especially in the operational areas which includes teaching and health and safety and in relation to the control of finance. The governors have introduced systems, including operational procedures and internal financial records in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover. The Academy has an effective system of internal financial controls and this is explained in more detail in the Governance Statement.

Connected Organisations, including Related Party Relationships.

There are no related parties which either control or significantly influence the decisions and operations of Wednesbury Oak Academy. There are no sponsors.

The Academy works with many school/academy networks both within the Sandwell Local Authority (School to School clusters) to further the principle activities of the Academy.

Objectives and Activities

The principal object and activity of the Charitable Company is the operation of Wednesbury Oak Academy to provide education and care for pupils of different abilities between the age of 2 and 11.

In accordance with the Articles of Association the Charitable Company has adopted a Funding Agreement approved by the Secretary of State for Education. The Funding Agreement specifies, amongst other things –

- That the academy has a curriculum satisfying the requirements of Section 78 of EA 2002 (balanced and broadly based curriculum);
- That it provides education for pupils of different abilities;
- And that it provides education for pupils who are wholly or mainly drawn from the area in which the academy is situated.

The Aims of the Academy during the year ended 31st August 2016 are summarised below –

- Put the needs of our children above all else.
- Develop confidence so that children are able to take control of their own learning and support children in developing self-esteem, by ensuring each child knows that they are unique.
- Develop a safe, stimulating and creative environment, where a child's only limit is their own self-belief.
- Educate the whole child and develop global citizens, who are able to contribute effectively to their own and the wider community.
- Create a place where parents can join in the learning journey, with their children.
- Listen and value the point of view of each individual, share ideas and create our own futures.
- Ensure that children enjoy learning and use their imagination while learning.
- Create a place where talents are nurtured and developed, children are happy and have a desire to succeed.
- Develop extra-curricular activities and enhance learning through the use of poets, storytellers, artists and musicians.
- Support children in taking responsibility for their own behaviour, utilising positive and descriptive praise.

WEDNESBURY OAK ACADEMY TRUST
(Company limited by guarantee)
GOVERNOR'S REPORT
31st August 2016

Our Values

Wednesbury Oak Academy is committed to provide for the area of Tipton, Sandwell a centre of quality education:

- A centre with active links across the whole community.
- A vibrant learning centre for the whole community.
- An environment which is valued, supported and encouraged by ALL, fostering mutual respect

This will be achieved through a close working partnership between ourselves, pupils, parents, wider community and the Local Education Authority.

All governors, teachers, ancillary staff, support staff and parents who work in the school, are committed to the following values to ensure that the children of Wednesbury Oak:

- Develop a good level of basic skills in all areas of the curriculum
- Develop into independent learners who are aware of their role in society
- Understand the impact that their actions have on the local environment and beyond
- Have an increased awareness of our locality, its historical importance and potential for the future
- Are given the skills to develop into well rounded, active members of the community
- Have greater ownership of a fun and relevant curriculum
- *Become fully functioning independent learners and develop high level skills in thinking and reasoning, problem solving, Literacy and Numeracy.*

Children at Wednesbury Oak will also have a deep understanding of:

- themselves and their place in the world
- what it means to be a good citizen
- green issues in their locality

Objectives, Strategies and Activities

In addition to improving the levels of attainment and progress across the core subjects, for all children, the Academy's Self Evaluation identified specific Academy Development focuses for this year which included:

- The further refinement of our assessment practices in line with the Assessment Without Levels initiative
- The further development of the new English and Maths curriculum
- The further development of Spelling, Grammar and Punctuation and applied skills, in English and across other curriculum areas throughout the academy
- The further development of a forest school curriculum and outdoor learning programme
- Science was further developed through the re-organisation of units of work/programmes of study
- To continue to develop our very good practices in personalised, formative assessment, through whole academy self-evaluation and target setting

Public Benefit

We have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives. All our charitable activities are undertaken to further our charitable purposes for the public benefit.

WEDNESBURY OAK ACADEMY TRUST
(Company limited by guarantee)
GOVERNOR'S REPORT
31st August 2016

Achievements and Performance

Wednesbury Oak Academy was judged by Ofsted in March 2013 to be 'Outstanding'. This was in line with the Academy's Self Evaluation.

Attainment and progress at the end of Key Stage 2 is generally above national levels.

In 14/15 the Key Stage 2 results were again high for Level 4 achievement and the Academy demonstrated good skills of target setting and prediction – we were proud that we knew our children well and this contextual understanding helped us to plan for their very individual needs.

End of Key Stage 2 Results for 2015

Reading	L4+	93% (Nat 89%)	L5+ 39% (Nat 48%)	
Writing	L4+	91% (Nat 87%)	L5+ 18% (Nat 36%)	L6 4% (Nat 2%)
SPAG	L4+	80% (Nat 80%)	L5+ 54% (Nat 55%)	L6 4% (Nat 4%)
Maths	L4+	89% (Nat 87%)	L5+ 25% (Nat 41%)	L6 4% (Nat 9%)

Reading, Writing and Maths

L4+	88% (Nat 80%)	L5+ 11% (Nat 24%)
-----	---------------	-------------------

These results are despite this cohort being significantly behind National in their KS1 SATs four years previously with only 9.3% performing at the higher level of attainment which accounts for the cohorts reduced Level 5+ performance.

Two whole levels Reading	98% (Nat 91%)
Two whole levels Writing	98% (Nat 94%)
Two whole levels Maths	96% (Nat 90%)

Reading	L4B+	80% (Nat 80%)
Writing	L4B+	Not Available
Maths	L4B+	77% (Nat 77%)
SPAG	L4B+	73% (Nat 73%)

AVERAGE APS PROGRESS – KS1 – KS2 Raise Online Data

Reading	14.4 (3.6 per year)	(14.2 APS on entry – End of KS2 28.6 APS) Outstanding Progress
Writing	14.3 (3.6 per year)	(13.3 APS on entry – End of KS2 27.6 APS) Outstanding Progress
Maths	13.4 (3.3 per year)	(14.8 APS on entry – End of KS2 27.8 APS) Good Progress
All Subjects	13.8 (3.5 per year)	(14.1 APS on entry – End of KS2 27.9 aps) Good Progress

WEDNESBURY OAK ACADEMY TRUST
(Company limited by guarantee)
GOVERNOR'S REPORT
31st August 2016

Year 6 made outstanding progress in English and good progress in Maths across KS2, according to results in Raise Online, above. However, the APS Uplift has been negatively affected by one SEN child who was a late arrival to WOA and failed to achieve Level 4s in any subjects. Also, the cohort has changed due to children leaving and joining WOA since Y2. Carrying out an APS Uplift analysis on like-for-like children yields the following results.

Reading	14.4 (3.6 per year)	(14.1 APS on entry – End of KS2 28.5 APS) Outstanding Progress
Writing	15.4 (3.9 per year)	(13.0 APS on entry – End of KS2 28.4 APS) Outstanding Progress
Maths	13.7 (3.5 per year)	(13.7 APS on entry – End of KS2 28.1 APS) Good Progress
All Subjects	14.5 (3.6 per year)	(13.8 APS on entry – End of KS2 28.3 APS) Outstanding Progress

KS1 – KS2 CONVERSIONS

Expected Progress

Two Levels of progress	Reading 98% (91%)	Writing 98% (94%)	Maths 96% (90%)
------------------------	--------------------------	--------------------------	------------------------

More than Expected Progress

More than 2 levels of progress	Reading 67%	Writing 85%	Maths 54%
Three or more Levels of progress	Reading 39% (Nat 33%)	Writing 31% (Nat 36%)	Maths 20% (Nat 34%)

ATTAINMENT & PROGRESS NATIONAL THRESHOLDS 2014-2015

Reading, Writing, Maths L4+ = 65%

Reading 2 levels = 88%

Writing 2 levels = 90%

Maths 2 levels = 90%

Average APS UPLIFT (Progress) across the whole academy 2014-2015

READING	4.5
WRITING	4.5
MATHS	4.8
OVERALL	4.6

APS UPLIFT (Progress) 3 YEAR TRENDS across the whole academy 2013-2014

	12/13	13/14	14/15	Overall Subject Average
READING	4.7	4.1	4.5	4.4
WRITING	4.2	3.6	4.5	4.1
MATHS	4.6	3.9	4.8	4.4
OVERALL ANNUAL AVERAGE	4.6	3.9	4.6	4.3

Pupil progress continued to be outstanding across the Academy.

WEDNESBURY OAK ACADEMY TRUST
(Company limited by guarantee)
GOVERNOR'S REPORT
31st August 2016

This year, following the Government's chaotic introduction of a new, enhanced curriculum, new SATs tests, new assessment models and new progress measures our Y2 & 6 children have fared poorly in comparison to others nationally. 2016 was the first year of the new Key Stage 1 and Key Stage 2 tests in Maths and Reading. The Key Stage 2 children also took the Spelling, Grammar and Punctuation Test. This year's tests are the first to reflect the new Primary Curriculum, which was introduced in 2014.

As this is the first year of the new tests, the results will look very different from those of previous years, and should not be compared with them.

In 2016 Year 2 teachers made judgements based on how each child has performed in the classroom over the last two years, using the end of Key Stage tests as one piece of evidence to make these judgements.

Our outcomes (opposite) are based on the well-considered judgements of our children's performance at the end of Key Stage 1..

Reading			
School	National	School	National
'Expected' and Greater Depth Standard	'Expected' Standard	Greater Depth Standard	'Expected' Standard
69%	74%	22%	24%
Writing			
School	National	School	National
'Expected' and Greater Depth Standard	'Expected' Standard	Greater Depth Standard	'Expected' Standard
53%	66%	4%	16%
Maths			
School	National	School	National
'Expected' and Greater Depth Standard	'Expected' Standard	Greater Depth Standard	'Expected' Standard
71%	73%	15%	16%
RWM Combined			
School	National	School	National
'Expected' and Greater Depth Standard	'Expected' Standard	Greater Depth Standard	'Expected' Standard
53%	60%	2%	9%

Our KS1 children performed almost in line with National for Reading and Maths at 'expected' and in line for greater depth. They performed below in writing which decreased our RWM Combined result slightly but as writing develops more slowly than reading I am very pleased with this first set of results which demonstrate that our children, if taught the appropriate curriculum from the outset, can achieve in this new curriculum.

Our outcomes below are based on the Key Stage 2 Test results for Reading & Maths, which took place in May 2016. The Writing results are judgements made by the Year 6 teachers.

WEDNESBURY OAK ACADEMY TRUST
(Company limited by guarantee)
GOVERNOR'S REPORT
31st August 2016

School	National		
Reading	Reading		
'Expected' Standard	'Expected' Standard		
51%	66%		
Writing Teacher Assessment		Writing Teacher Assessment	
School	National	School	National
'Expected' and Greater Depth Standard	'Expected' Standard	Greater Depth Standard	National Greater Depth Standard
71%	74%	25%	15%
School	National		
Maths	Maths		
'Expected' and Greater Depth Standard	'Expected' Standard		
53%	70%		
School	National	School	National
RWM Combined Expected +	RWM Combined National +	RWM Combined High Standard	RWM Combined High Standard
31%	53%	5%	5%

Our children performed poorly in all areas except Writing, which was in line with National at 'expected' and above National at 'greater depth'. However, analysis of the scaled scores reveals a much different picture. It is an accepted statistical practise to provide a confidence interval when scaling scores from raw scores. This confidence interval allows for randomised differences that may have affected performance and/or variants inherent in the test and in the majority of educational tests such as reading, maths and IQ tests the usual confidence interval provided is ± 5 . Therefore a range of 95 – 105 is generally considered to be 'average performance'. The Government provided no such confidence interval within this year's analysis of results which contravenes the very basics of the reliable use of statistical data. Our children's results, utilising a range of confidence intervals is presented below.

Reading

Subject / Scaled Score	95+	96+	97+	98+	99+	100+
Reading		42/55 76%	40/55 73%	35/55 64%	31/55 56%	28/55 51%

A confidence interval of just ± 2 would have resulted in our children achieving in line with National in Reading and the 'normally accepted' confidence interval of ± 5 would have generated results of 76% of our children achieving the expected standard.

3 pupils missed 100 by 1 mark (21 pass mark they scored 20)

4 pupils missed by 2 marks

5 Pupils missed by 3 marks

2 pupils missed by 4 marks

WEDNESBURY OAK ACADEMY TRUST
(Company limited by guarantee)
GOVERNOR'S REPORT
31st August 2016

How the Scaled scores work

Raw Score	Provides a Scaled Score of:
17	96
18	97
19	98
20	99
21 - 22	100

Subject/Scaled Score	95+	96+	97+	98+	99+	100+
Maths	48/55 87%	45/55 82%	42/55 76%	38/55 69%	38/55 69%	29/55 53%

Again, a confidence interval of just +2 would have resulted in attainment in line with National and a confidence interval of +5 would have resulted in attainment of 87%, similar to results in previous years.

A scaled score of 99 equates to marks of 56-59. 9 pupils scored within this banding as detailed below;

2 pupils missed by 1 mark

2 pupils missed by 2 marks

4 pupils missed by 3 marks

A scaled score of 98 equates to marks of 52- 55. 1 pupil scored within this banding.

1 pupil missed by 7 marks.

How the Scaled scores work

Raw Score	Scaled Score
43-46	96
47-51	97
52-55	98
56-59	99
60-64	100

Combined

Subject	96+	97+	98+	99+	100+
Combined	33/55 60%	30/55 56%	26/55 47%	25/55 45%	17/55 31%

A confidence interval of +-3 would have resulted in our Combined results exceeding National.

Teacher Assessment Results

	Working at	At Greater Depth
Reading	82%	
Writing	71%	24%
Maths	76%	
Combined	65%	

WEDNESBURY OAK ACADEMY TRUST
(Company limited by guarantee)
GOVERNOR'S REPORT
31st August 2016

The week before the official SATs, Y6 were given the previous 2015 SATs to complete. These were carried out in strict accordance with test conditions, marked by members of the Senior Leadership Team and the results are provided below.

	Reading	Writing	Maths	Combined
Level	2016 (2015 test)	2016	2016 (2015 test)	2016
4+	93%	90%	94%	85%
4B+	78%	74%	78%	67%
5+	35%	31%	37%	25%
6	4%	6%	7%	2%

It is clear, from these results, that the standard of the new tests had raised way beyond the 4b level that had been promised by the testing agency as the Y6 performance on the 2015 test just one week before they sat the 2016 tests was among the highest results ever recorded at Wednesbury Oak. Pupils whose results differed significantly from 2015 tests to 2016 tests are detailed in the table below.

Pupil	2015 Maths Test Level	2016 Maths Test Standardised Score	Pupil	2015 Reading Test Level	2016 Reading Test Standardised Score
1	4a	99	1	4a	94
2	4a	99	2	4a	94
3	4a	97	3	4a	97
4	5c	99	4	4a	96
5	4a	99	5	5b	96
6	5c	99	6	4a	98
7	4a	96	7	4b	99
8	4a	96	8	4b	99
9	4a	99	9	4b	99
10	4b	97	10	4b	91
11	4b	97	11	4b	94
12	4b	98	12	4b	97
13	4b	99	13	4b	94
14	4b	96	14	4b	94
15	4b	93	15	4b	88
			16	4b	96

These results call into question the validity of the new SAT papers. Children who achieved a 5b, 5c, 4a and 4b on the 2015 test papers should not have failed to achieve the new standard, many by some considerable margin, if the new test papers were a valid measure of performance and this comparison therefore raises serious concerns regarding the validity and reliability of the 2016 test papers.

More concerning, however, were the pupils whose attainment was 4c in 2015 Test but who met the standard in 2016.

Pupil	Maths	Met standard	Pupil	Reading	Met standard
1	4C	Yes	1	4C	Yes
			2	4C	Yes

A further analysis of the 2016 test papers revealed further that the 2015 Test pass mark for the reading SAT was 36% but that it had raised to 42% on the 2016 reading test.

In 2015 the test pass mark for Maths was 46% but this was raised to 55% on the 2016 test paper.

Therefore, not only had the standard expected raised in 2016 but the children had to achieve a higher percentage on a more difficult test based on a more difficult curriculum to achieve the expected standard.

Had the same pass marks been applied to this year's Maths and Reading papers then the results for our Y6 would have been 71% for Maths and 73% for Reading.

WEDNESBURY OAK ACADEMY TRUST
(Company limited by guarantee)
GOVERNOR'S REPORT
31st August 2016

We have an excellent record of accurately assessing our children demonstrated by many years of effective target-setting information. However, in 2016 13 of the 16 children who achieved the combined standard were assessed at a level 5 combined. The majority of our Y6 children who were assessed at level 4 combined failed to meet the standard in one or more areas, clearly demonstrating that the standard of the tests was considerably above a 4b last May.

Our internal analysis therefore clearly calls into question both the validity and the reliability of the 2016 tests as a means to accurately measure both the attainment and progress of pupils and, as such, their use as a tool to assess either the attainment or the progress of our Y6 is highly questionable, at best, due to the inherent flaws, not only within the tests themselves, which have been widely publicised, but within the methodology utilised to convert the children's performance to results, methodology that ignores the fundamentals of effective statistical practise. As such, pupil progress analysis generated from these tests is also questionable but is provided below.

Reading -0.88

Writing 1.54

Maths -1.86 where expected progress is 0, positive progress is signified by a + and negative progress by a -.

Further, the methodology utilised to calculate these results is again questionable as the results are calculated based on each child's KS1 average for Maths, Reading and Writing not on a like-for-like comparison of subjects. To further compound the issue, while 100 was presented as the 'pass mark' for achieving the expected standard in the new KS2 SATs, the children had to achieve a score of above 100 in each of the 3 areas to achieve a 0 progress rating (or expected progress) despite the fact that considerable 'extra' progress needed to be made from KS1 to KS2 due to the enhanced level of the new tests. This has not been allowed for in the new progress measures making the system both invalid and unreliable as an effective method for measuring progress in 2015/16.

Our progress results were above the floor standard.

Our whole-school internal data however, also analysed using new methodology, reveals a very strong performance in 2015 -16 with all areas analysed resulting in outstanding progress for our children with the exception of KS2 SEN Writing.

Average UPLIFT (Progress) across the whole academy in 2015 – 2016 was;

READING	4.0 (Outstanding)
WRITING	3.7 (Outstanding)
MATHS	4.2 (Outstanding)
OVERALL	4.0 (Outstanding)

Our disadvantaged children's progress was also outstanding;

ENGLISH	3.7 (Outstanding)
MATHS	4.3 (Outstanding)
OVERALL	4.0 (Outstanding)

Taking account of all monitoring evidence, teaching and learning was judged at 100% good and 53% outstanding in 15/16. The academy therefore continues to perform at a highly effective level, despite this year's Y6 SATs results.

WEDNESBURY OAK ACADEMY TRUST
(Company limited by guarantee)
GOVERNOR'S REPORT
31st August 2016

Key Performance Financial Indicators

Staffing Ratio

The main costs incurred by the Academy are staffing costs. In line with other schools/academies in the Primary sector staffing costs are:

Total staffing costs per pupil **£4,076**

Total staffing costs as a proportion of the total income of the Academy is 72%.

The Academy greatly benefits from having a committed and talented teaching and support staff. On its journey towards recognition of an 'Outstanding' Ofsted grading, the Academy has advanced further through the growth and development of the Leadership Team. The Academy continues to place value on the investment in and mentoring of staff.

Financial Review

The main sources of income for the Academy are grants from the Department of Education (DfE) 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 31st August 2016 and the associated expenditure are shown as restricted funds in the statement of financial activities.

The Academy also receives grants for the fixed assets from the DfE. 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. 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 31st August 2016, total expenditure of £1,989,058 was covered by recurrent grant funding from the DfE together with other incoming resources. The excess of income over expenditure for the year £161,726

At 31st August 2016 the net book value of fixed assets was £2,489,359 and movements in tangible fixed assets are shown in note 12 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

Financial and Risk Management Objectives and Policies

The Governors have prepared a Risk Register and agreed a Risk Management strategy. These include the financial risks to the academy. The register and strategy are regularly reviewed in light of any new information and will be formally reviewed annually.

Principal Risks and Uncertainties

The principal financial risk facing the Academy is that funding is dependent upon pupil numbers. Historically the Academy has 370 pupils but Governors are aware of that, in the long term, it may face falling rolls due to low birth rate. Pupil numbers may also be affected by the reputation of the academy. Governors do not consider this to be a high risk, as the academy's numbers were consistent despite its previous 'Satisfactory' Ofsted status.

The Academy's future funding is also dependent upon Government Policy for Education. The impact, on Wednesbury Oak Academy, of current review of School's Funding, will be assessed accordingly.

The Local Government Pension Scheme, a defined benefit system, is currently in deficit. The on-going contributions require, determined following a recent actuarial valuation, are considered to be manageable and within the Academy's budget.

Reserves Policy

The governors 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 Academy is holding net current assets at 31st August 2016 of £603,648.

Investment Policy

There are no material investments held by the Academy.

WEDNESBURY OAK ACADEMY TRUST
(Company limited by guarantee)
GOVERNOR'S REPORT
31st August 2016

Going Concern

After making appropriate enquiries, the Governing Body has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Pupil numbers have been variable but around the 378 full time mark for the past 3 years. However, numbers this year have increased markedly to 396 so the academy is growing and has waiting lists for some year groups. The academy was massively over-subscribed this year with 84 applications for 60 places and a further 24 parents choosing Wednesbury Oak as a second preference

Plans for Future Periods

Governors are committed to support and challenge the Academy in order to enhance the achievement the pupils attained this year due to the introduction of the enhanced standards expected by the new curriculum.

The Academy's Self Evaluation has identified specific Academy Development focuses for the academic year 2016/17 which include –

- To continue the further development of Spelling, Grammar and Punctuation and applied skills, in English (reading and writing) and across other curriculum areas in line with the new curriculum and new assessment procedures;
- To raise the attainment of more able pupils in Mathematics and English through developing real life problem solving projects;
- To develop 'deep learning' pedagogy and further develop the academy's assessment systems to reflect this;
- To further enhance the performance of disadvantaged pupils throughout the Academy;
- To further refine our assessment without levels philosophy and associated system;
- To continue to develop our outstanding practices in personalised assessment, through whole academy self-evaluation and target setting.

Funds held as Custodial Trustee on behalf of others

There are no funds held as Custodian Trustee on behalf of others.

WEDNESBURY OAK ACADEMY TRUST
(Company limited by guarantee)
GOVERNOR'S REPORT
31st August 2016

Auditors

In so far as the governors are aware:

- There is no relevant audit information of which the Charitable Company's auditors are unaware; and
- The governors 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.

Approved by the governors on 14th December 2016 and signed on their behalf by:

A handwritten signature in black ink, appearing to be 'EP' followed by a long horizontal stroke and a small upward tick at the end.

Mrs E Perrin
Chair of Governors

WEDNESBURY OAK ACADEMY TRUST
(Company limited by guarantee)
GOVERNOR'S REPORT
31st August 2016

Scope of Responsibility

As governors, we acknowledge we have overall responsibility for ensuring that Wednesbury Oak Academy 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 Governing Body has delegated the day-to-day responsibility to the Principal as Accounting Officer, for ensuring financial controls conform to 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 Wednesbury Oak Academy and the Secretary of State for Education. They are also responsible for reporting to the Governing Body and material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Governors' Report and in the statement of governors' responsibilities. The Governing Body has formally met four times during the period. Attendance during the period at meetings of the Governing Body as follows:

Governor	Meetings attended	Out of a possible
Mrs M Bull	10	10
Mrs N Leavy	9	10
Mrs K Lister	4	4
Mrs T Grieh	12	13
Miss S Palfrey	9	12
Mrs E Perrin	13	13
Mrs C Wyer	5	15
Miss L Jones	7	8
Mrs G Steventon	2	7
Mr M Foster	0	1
Mr M Richardson	10	11
Mr T Rathnapala	1	1
Mr L Spear	2	3
Mrs S Rogers	0	2
Mrs M Boden	1	1

The Resources and Audit Committee is a sub-committee of the main governing body. Its purpose is to assist the decision making the governing body, by enabling more detailed consideration to be given to the best means of fulfilling the governing body's responsibility to ensure sound management of the academy's finances and resources, including proper planning, monitoring and probity.

The Finance Committee undertake the responsibilities of an Audit Committee.

Governor	Meetings attended	Out of possible
Mrs M Bull	5	5
Mrs T Grieh	4	5
Mrs C Wyer	2	5
Mrs E Perrin	5	5
Mrs K Lister	2	2
Miss S Palfrey	3	5
Mrs N Levy	5	5

WEDNESBURY OAK ACADEMY TRUST
(Company limited by guarantee)
GOVERNOR'S REPORT
31st August 2016

Review of Value for Money

As Accounting Officer the Principal has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

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

- Continuing to employ reasonably-priced cover staff to avoid the use of staff supplied by supply agencies at a very high cost
- having a robust method to gather quotes for resources and proposed building works to seek best value
- utilising the specialist services of an architect and an estimator to ensure best value and the quality of large-scale building projects
- regularly reviewing the costs of Service Level Providers, changing suppliers as necessary to enhance best value
- reviewing benchmarking data on an annual basis with the Board of Trustees and following any agreed recommendations.

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 on-going 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 Wednesbury Oak Academy for the period 1st September 2015 to 31st August 2016 and up to the date of the approval of the annual report and financial statements. These processes are regularly reviewed by the Governing Body.

Capacity to Handle Risk

The Governing Body 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 Governing Body is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy's significant risks that has been in place for the period 1st September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

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 Governing Body;
- Regular reviews by the Resources and Audit 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 of capital investment) guideline
- Delegation of authority and segregation of duties;
- Identification and management of risks.

The Governing Body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the governors have appointed Wright & Co, the Charitable Company's external auditor, to perform an additional Enhanced External Audit.

The auditor's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. The auditor has reported to the Governing Body on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities. No material control issues have been brought to the attention of the trustees arising as a result of the auditor's work.

WEDNESBURY OAK ACADEMY TRUST
(Company limited by guarantee)
GOVERNOR'S REPORT
31st August 2016

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

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance Committee and a plan to ensure continuous improvement of the system is in place.

Approved by order of the members of the Board on 14th December 2016 and signed on its behalf by:



Mrs E Perrin
Chair of Governors



Mrs M Bull
Accounting Officer

WEDNESBURY OAK ACADEMY TRUST
(Company limited by guarantee)
GOVERNOR'S REPORT
31st August 2016

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer at Wednesbury Oak Academy I have considered my responsibility to notify the Academy Trust Governing Body and Education Funding Agency (EFA) 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. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

I confirm that I and the Academy Trust Governing Body 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.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date.

Signed



Mrs M Bull
Accounting Officer

WEDNESBURY OAK ACADEMY TRUST
(Company limited by guarantee)
GOVERNOR'S REPORT
31st August 2016

STATEMENT OF TRUSTEES RESPONSIBILITIES

The Governors (who act as trustees for charitable activities of Wednesbury Oak Academy and are also the directors of the Charitable Company for the purposes of company law) are responsible for preparing the Governors' Report and the financial statements in accordance with applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Annual Accounts Direction issued by the Education Funding Agency.

Company law requires the Governors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the academy and of its incoming resources and application of resources, including the income and expenditure of the academy for the year. In preparing these financial statements, the governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Academy will continue in operation.

The Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the academy's transactions and disclose with reasonable accuracy at any time the financial position of the academy 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 academy and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

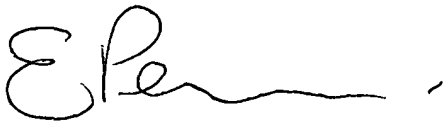
The Governors are responsible for ensuring that in its conduct and operation the academy applies financial and other controls, which conform to the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the EFA/DfE have been applied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

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

Approved by order of the members of the Board on 14th December 2016 and signed on its behalf by:

Chair

Mrs E Perrin



WEDNESBURY OAK ACADEMY TRUST
(Company limited by guarantee)
31st August 2016

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF WEDNESBURY OAK ACADEMY TRUST

We have audited the financial statements of Wednesbury Oak Academy for the period ended 31 August 2016 on pages 27 to 50. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Accounts Direction 2015/16 issued by the Education Funding Agency (EFA).

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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's 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 Statement of Trustees Responsibilities, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the 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 Academies Accounts Direction 2015/16 issued by the EFA.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements.

WEDNESBURY OAK ACADEMY TRUST
(Company limited by guarantee)
31st August 2016

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF WEDNESBURY OAK ACADEMY TRUST

Matters on which we are required to report by exception

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

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



M Atkinson (Senior Statutory Auditor)
for and on behalf of Wright & Co Partnership Limited
Chartered Accountants & Registered Auditors
5 Walsall Street
Wednesbury
West Midlands
WS10 9BZ

Date: 14th December 2016

WEDNESBURY OAK ACADEMY TRUST
(Company limited by guarantee)
31st August 2016

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF WEDNESBURY OAK ACADEMY TRUST

In accordance with the terms of our engagement and further to the requirements of the Education Funding Agency (EFA), as included in the Academies Accounts Direction 2015/16, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Wednesbury Oak Academy during the period 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 Wednesbury Oak Academy and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Wednesbury Oak Academy and 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 Wednesbury Oak Academy and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Wednesbury Oak Academy's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Wednesbury Oak Academy's funding agreement with the Secretary of State for Education 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 2015/16. 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 2015/16 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

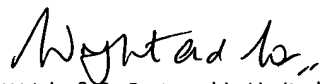
The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity.

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 matter 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 charitable company's income and expenditure.

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 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.



Wright & Co Partnership Limited
Chartered Accountants
5 Walsall Street
Wednesbury
West Midlands
WS10 9BZ

Date: 14th December 2016

Wednesbury Oak Academy Trust

Statement of Financial Activities for the year ended 31 August 2016 (including Income and Expenditure Account)

	Notes	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2016 £	Total 2015 £
Income and endowments from:						
Donations and capital grants	2	0	0	8,813	8,813	10,318
Transfer from local authority on conversion		0	0	0	0	0
Charitable activities:						
Funding for the academy trust's educational operations	3	0	2,088,524	0	2,088,524	1,995,945
Other Trading Activities	4	52,292	0	0	52,292	41,822
Investment Income	5	1,156	0	0	1,156	587
Total incoming resources		53,448	2,088,524	8,813	2,150,784.87	2,048,672
Expenditure on:						
Raising funds		0	0	0	0	0
Charitable activities:						
Academy trust educational operations	7	0	1,926,875	62,183	1,989,058	1,840,348
Other		0	0	0	0	0
Total resources expended	6	0	1,926,875	62,183	1,989,058	1,840,348
Net income (expenditure)		53,448	161,649	(53,371)	161,726	208,324
Transfers between funds		0	(121,717)	121,717	0	0
Net income/(expenditure) for the year		53,448	39,933	68,346	161,726	208,324
Other recognised gains / (losses)						
Actuarial (losses) / gains on defined benefit pension schemes	23	0	(530,000)	0	(530,000)	(59,000)
Net movement in funds		53,448	(490,067)	68,346	(368,274)	149,324
Reconciliation of funds						
Total funds brought forward		262,486	(781,478)	2,421,015	1,902,023	1,752,699
Funds carried forward		315,934	(1,271,545)	2,489,361	1,533,749	1,902,023

All of the academy trust's activities derive from acquisitions during the above two financial periods.

Wednesbury Oak Academy Trust

BALANCE SHEET at 31 August 2016

Company Number 8593820

	Notes	2016 £	2016 £	2015 £	2015 £
Fixed assets					
Intangible assets			0		
Tangible assets	11		2,489,359		2,421,014
Current assets					
Stock		0		0	
Debtors	12	99,273		84,395	
Cash at bank and in hand		<u>632,462</u>		<u>553,844</u>	
		731,735		638,239	
Liabilities					
Creditors: Amounts falling due within one year	13	<u>(128,087)</u>		<u>(119,791)</u>	
Net current assets			<u>603,648</u>		<u>518,448</u>
Total assets less current liabilities			3,093,007		2,939,462
Creditors: amounts falling due after more than one year			(71,260)		(81,440)
Net assets excluding pension liability			3,021,747		2,858,022
Defined benefit pension scheme liability	23		<u>(1,488,000)</u>		<u>(956,000)</u>
Total Assets			<u>1,533,747</u>		<u>1,902,022</u>
Funds of the academy trust:					
Restricted funds					
. Fixed asset fund	16		2,489,359		2,421,015
. Restricted income fund	16		216,455		174,522
. Pension reserve	16		<u>(1,488,000)</u>		<u>(956,000)</u>
Total restricted funds			<u>1,217,814</u>		<u>1,639,537</u>
Unrestricted income funds	16		<u>315,934</u>		<u>262,485</u>
Total funds			<u>1,533,747</u>		<u>1,902,022</u>

The financial statements on pages 27 to 50 were approved by the trustees, and authorised for issue on 14th December 2016 and are signed on their behalf by:

NAME MRS. E. FERRIN
Trustee

Wednesbury Oak Academy Trust

Statement of Cash Flows for the year ended 31 August 2016

	Notes	2016 £	2015 £
Cash flows from operating activities			
Net cash provided by (used in) operating activities	18	199,178	257,723
Cash flows from investing activities	19	(120,561)	(132,090)
Cash flows from financing activities		0	0
Change in cash and cash equivalents in the reporting period		78,618	125,633
Cash and cash equivalents at 1 September 2015		553,844	428,211
Cash and cash equivalents at the 31 August 2016	20	632,462	553,844

Notes to the Financial Statements for the Year Ended 31 August 2016

1. Statement of Accounting Policies

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

Basis of Preparation

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS102), 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 (FRS102)), the Academies Accounts Direction 2014 to 2015 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

Wednesbury Oak Academy Trust meets the definition of a public benefit entity under FRS 102.

Going Concern

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

Incoming Resources

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 year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

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

• Donations

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

• Other income

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

• Donated goods, facilities and services

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

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.

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

1. Statement of Accounting Policies (continued)

Resources Expended

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

- **Expenditure on Raising Funds**

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.

All resources expended are inclusive of irrecoverable VAT.

Intangible Fixed Assets [if arising]

Intangible assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment.

Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

• Purchased computer software	25%
-------------------------------	-----

Tangible Fixed Assets

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

• Freehold buildings	1%
• Fixtures, fittings and equipment	20%
• ICT equipment	25%
• Motor Vehicles	10%

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

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

Liabilities

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

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

1. Statement of Accounting Policies (continued)

Provisions

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

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

Leased Assets

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

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 Part 11 Chapter 3 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.

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.

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 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.

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 funders where the asset acquired or created is held for a specific purpose.

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

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

1. Statement of Accounting Policies (continued)

Critical accounting estimates and areas of judgement

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

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 government has announced a delay in the implementation of the first stage of the National Funding Formula. This was originally intended to commence April 1st 2017 but has now been delayed for at least twelve months. As such, this places the initial changes beyond the going concern timeline employed by the academy trust. However, based on early indications, the Trust has already held detailed discussions as to potential courses of action should any move to a national formula cause a reduction in funding and will continue to assess information as soon as it is received.

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 pensions 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 2015. 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 judgement

There are no critical judgements that would have a material impact on the financial statements

Wednesbury Oak Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2016

2 Donations and Capital Grants

	Unrestricted Funds £	Restricted Funds £	Total 2016 £	Total 2015 £
Transfer on Conversion	0	0	0	0
Other Donations	0	0	0	1,921
Capital Grants	0	8,813	8,813	8,397
	<u>0</u>	<u>8,813</u>	<u>8,813</u>	<u>10,318</u>

3 Funding for Academy Trust's Educational Operations

	Unrestricted Funds £	Restricted Funds £	Total 2016 £	Total 2015 £
DfE / EFA revenue grants				
General Annual Grant (GAG)	0	1,632,141	1,632,141	1,574,342
PE Grant	0	9,660	9,660	9,555
Pupil Premium	0	252,543	252,543	234,957
Other DfE / EFA grants Rates	0	185,075	185,075	170,341
	<u>0</u>	<u>2,079,418</u>	<u>2,079,418</u>	<u>1,989,195</u>
Other Government grants				
Local Authority Grants	0	1,106	1,106	0
Special Educational Projects	0	8,000	8,000	6,750
	<u>0</u>	<u>9,106</u>	<u>9,106</u>	<u>6,750</u>
	<u>0</u>	<u>2,088,524</u>	<u>2,088,524</u>	<u>1,995,945</u>

4 Other Trading Activities

	Unrestricted Funds £	Restricted Funds £	Total 2016 £	Total 2015 £
Hire of Facilities	0	0	0	0
Catering Income	0	0	0	158
Education Welfare provision to other schools	0	0	0	0
Behaviour Support provision to other schools	0	0	0	0
School Improvement Consultancy provision to other schools	0	0	0	0
Other Sales	52,292	0	52,292	41,663
	<u>52,292</u>	<u>-</u>	<u>52,292</u>	<u>41,821</u>

5 Investment Income

	Unrestricted Funds £	Restricted Funds £	Total 2016 £	Total 2015 £
Current/Deposit Account Interest	1,156	0	1,156	587
	<u>1,156</u>	<u>0</u>	<u>1,156</u>	<u>587</u>

Wednesbury Oak Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2016

6 Expenditure

	Staff Costs £	Non Pay Expenditure Premises £	Other £	Total 2016 £	Total 2015 £
Costs of generating voluntary income	0	0	0	0	0
Costs of activities for generating funds	0	0	0	0	0
Academy's educational operations					
• Direct Costs	1,196,601	0	78,775	1,275,376	1,203,634
• Allocated Support Costs	345,063	167,309	201,310	713,683	636,714
	<u>1,541,665</u>	<u>167,309</u>	<u>280,085</u>	<u>1,989,058</u>	<u>1,840,348</u>

Net Income/(expenditure) for the period includes:

	2016 £	2015 £
Operating leases - plant and machinery	2,939	7,658
- other leases	3,519	0
Depreciation		
(Gain)/loss on disposal of fixed assets		
Amortisation of intangible fixed assets (included within Charitable Activities – Academy trust educational operations)		
Fees payable to auditor for:		
- audit	4,200	4,750
- other services	<u>500</u>	<u>1,100</u>

Wednesbury Oak Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

7 Charitable Activities - Academies Educational Operations

	Restricted Funds £	Restricted Fixed Asset Funds £	Total 2016 £	Total 2015 £
Direct costs				
Teaching and educational support costs	1,196,601	0	1,196,601	1,122,902
Depreciation	0	0	0	0
Technology costs	7,070	0	7,070	8,793
Educational supplies	58,381	0	58,381	58,721
Examination fees	0	0	0	0
Staff development	13,324	0	13,324	13,218
Educational consultancy	0	0	0	0
Other direct costs	0	0	0	0
	<u>1,275,376</u>	<u>0</u>	<u>1,275,376</u>	<u>1,203,634</u>
Allocated support costs				
Support staff costs	345,063	0	345,063	247,801
Depreciation	0	62,183	62,183	52,920
Technology costs	0	0	0	0
Recruitment and support	1,247	0	1,247	4,007
Maintenance of premises	47,363	0	47,363	64,436
Water rates	3,446	0	3,446	3,136
Energy costs	25,627	0	25,627	29,432
Maintenance of equipment	0	0	0	0
Fixtures and fittings	0	0	0	0
Cleaning	3,860	0	3,860	2,744
Operating lease (photocopier)	7,941	0	7,941	14,469
Rent and rates	4,047	0	4,047	10,102
Insurance	13,835	0	13,835	10,729
Supply teacher insurance	10,394	0	10,394	7,213
Security and transport	6,948	0	6,948	2,814
Catering	69,176	0	69,176	61,418
Bank interest and charges	0	0	0	0
Other support costs	103,242	0	103,242	115,468
Governance costs	9,310	0	9,310	10,025
	<u>651,499</u>	<u>62,183</u>	<u>713,683</u>	<u>636,714</u>
	<u>1,926,875</u>	<u>62,183</u>	<u>1,989,058</u>	<u>1,840,348</u>

Wednesbury Oak Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

8 Staff

a. Staff Costs

Staff costs during the period were:

	2016 £	2015 £
Wages and salaries	1,243,978	1,131,979
Social security costs	91,859	73,528
Operating costs of defined benefit pension schemes	161,384	133,593
Additional Pension Contribution	58,323	34,634
Statutory Maternity Pay	(14,818)	(4,097)
	<u>1,540,726</u>	<u>1,369,637</u>
Supply staff costs	939	1,068
Staff restructuring costs	<u>0</u>	<u>0</u>
	939	1,068
Staff restructuring costs comprise:	0	0
Redundancy payments	0	0
Severance payments	0	0
Other restructuring costs	<u>0</u>	<u>0</u>
	0	0

b. Staff numbers

The average number of persons employed by the academy trust during the period, were as follows:

	2016 No.	2015 No.
Charitable Activities		
Teachers	19	23
Administration and support	30	29
Management	<u>4</u>	<u>3</u>
	53	55

d. Higher paid staff

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

	2016 No.	2015 No.
£85,000 to £90,000	<u>1</u>	<u>1</u>
	1	1

e. Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £377,000 (2015: £324,000).

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

9 Related Party Transactions - Trustees' Remuneration and Expenses

One or more trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The Principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of Principal and staff members under their contracts of employment,

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

Principal: Mrs Maria Bull £85,001 - £90,000 (2015 £80,001 - £85,000)

Staff Trustee: Mrs Tracy Grieh £55,001 - £60,000 (2015 £45,001 - £50,000)

Staff Trustee: Mrs Jennifer Griffiths £45,001 - £50,000 (2015 £0)

Staff Trustee: Miss Sian Palfrey £45,001 - £50,000 (2015 £0)

During the period ended 31 August 2016, no travel and subsistence expenses were reimbursed to trustees (2015 £0).

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

10 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 period ended 31 August 2016 was £458 (2015 £414).

The cost of this insurance is included in the total insurance cost.

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

11 Tangible Fixed Assets

	Freehold Land and Buildings £	Furniture and Equipment £	Computer Equipment £	Motor Vehicles £	Total £
Cost					
At 1 September 2015	2,349,352	99,471	38,127	0	2,486,950
Additions	93,462	18,753	18,315	0	130,529
Transfer on conversion	0	0	0	0	0
Disposals	0	0	0	0	0
At 31 August 2016	2,442,814	118,224	56,442	0	2,617,479
Depreciation					
At 1 September 2015	33,112	21,910	10,915	0	65,937
Charged in year	24,428	23,645	14,111	0	62,183
Disposals	0	0	0	0	0
At 31 August 2016	57,540	45,555	25,026	0	128,120
Net book values					
At 31 August 2016	2,385,274	72,669	31,417	0	2,489,359
At 31 August 2015	2,316,241	77,561	27,212	0	2,421,014

Wednesbury Oak Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

12 Debtors

	2016	2015
	£	£
Trade debtors	0	0
Other debtors	41,020	41,360
VAT recoverable	11,108	9,785
Prepayments and accrued income	<u>47,145</u>	<u>33,250</u>
	99,273	84,395

Wednesbury Oak Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

13 Creditors: amounts falling due within one year

	2016 £	2015 £
Trade creditors	39,993	41,378
PAYE & NIC creditor	24,552	23,183
Other taxation and social security	0	0
Pension scheme creditors	19,807	18,181
Other creditors	221	575
Accruals and deferred income	43,513	36,473
	<u>128,087</u>	<u>119,790</u>

Deferred income

	2016 £	2015 £
Deferred income at 1 September 2015	17,195	0
Released from previous years	(17,195)	0
Resources deferred in the year	32,660	0
Deferred Income at 31 August 2016	<u>32,660</u>	<u>17,195</u>

14 Creditors: amounts falling due in greater than one year

	2015 £	2014 £
Other Creditors	<u>71,260</u>	<u>81,440</u>
	71,260	81,440

Included within other creditors is a loan of £71,260 from Sandwell MBC which is provided on the following terms: Fifteen annual payments of £10,180 commencing in 2009/10 financial year and representing the former Wednesbury Oak Primary School commitment to a Council wide agreement to fund equal value settlements arising from Single Status disputes.

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

15 Funds

	Balance at 1 September 2015 £	Incoming Resources £	Resources Expended £	Gains, Losses and Transfers £	Balance at 31 August 2016 £
Restricted general funds					
General Annual Grant (GAG)	174,522	1,632,141	(1,468,491)	(121,717)	216,455
Primary PE Grant		9,660	(9,660)	0	0
Pupil Premium		252,543	(252,543)	0	0
Other Government Grants		9,106	(9,106)	0	0
Other DfE/EFA grants		185,075	(185,075)	0	(0)
Pension reserve	(956,000)	0	(532,000)	0	(1,488,000)
	(781,478)	2,088,524	(2,456,875)	(121,717)	(1,271,545)
Restricted fixed asset funds					
Transfer on Conversion	2,258,649	0	0	0	2,258,649
DfE/EFA capital grants	0	8,813	(8,813)	0	(0)
Capital expenditure from GAG	162,366	0	(53,370)	121,717	230,712
Disposal of Assets		0	0	0	0
	2,421,015	8,813	(62,183)	121,717	2,489,361
Total restricted funds	1,639,537	2,097,337	(2,519,058)	0	1,217,816
Total unrestricted funds	262,486	53,448	0	0	315,934
Total Funds	1,902,023	2,150,785	(2,519,058)	0	1,533,749

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 2016.

Wednesbury Oak Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

16 Analysis of net assets between funds

Fund balances at 31 August 2016 are represented by:

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total Funds
	£	£	£	£
In-tangible fixed assets	0	0	0	0
Tangible fixed assets	0	0	2,489,361	2,489,361
Current assets	315,934	415,801	0	731,735
Current liabilities	0	(199,347)	0	(199,347)
Non-current liabilities	0	0	0	0
Pension scheme liability	0	(1,488,000)	0	(1,488,000)
Total net assets	315,934	(1,271,545)	2,489,361	1,533,749

17 Financial commitments

Operating leases

At 31 August 2016 the academy had annual commitments under non-cancellable operating leases as follows:

	2016 £000	2015 £000
Land and buildings		
Expiring within one year	0	0
Expiring within two and five years inclusive	0	0
Expiring in over five years	0	0
	0	0
Other		
Expiring within one year	8,217	2,939
Expiring within two and five years inclusive	20,063	5,408
Expiring in over five years	0	0
	28,280	8,347

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

18 Reconciliation of net income to net cash inflow from operating activities

	2016 £	2015 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	161,726	208,324
Adjusted for:		
Amortisation (note 11)	0	0
Depreciation (note 11)	62,183	52,920
Capital grants from DfE and other capital income	(8,813)	(8,397)
Transfer on conversion	0	0
Interest receivable (note 5)	(1,156)	(587)
Defined benefit pension scheme obligation inherited	0	0
FRS 17 pension cost less contributions payable (note 22)	12,000	(20,000)
FRS 17 pension finance income (note 22)	(10,000)	33,000
(Increase)/decrease in stocks	0	0
(Increase)/decrease in debtors	(14,878)	20,847
Increase/(decrease) in creditors	(1,884)	(28,384)
Net cash provided by / (used in) Operating Activities	199,178	257,723

19 Cash Flows from Investing Activities

	2016 £	2015 £
Interest received	1,156	587
Proceeds from sale of tangible fixed assets	0	0
Purchase of intangible fixed assets	0	0
Purchase of tangible fixed assets	(130,529)	(141,074)
Capital grants from DfE/EFA	8,813	8,397
Capital funding received from sponsors and others	0	0
Net cash inflow from capital expenditure and financial investment	(120,561)	(132,090)

20 Analysis of cash and cash equivalents

	2016 £	2015 £
Cash in hand and at bank	632,462	553,844
Notice deposits (less than 3 months)	0	0
Total cash and cash equivalents	632,462	553,844

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

21 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.

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

22 Pensions and similar obligations

The academy'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 the West Midlands Pension Fund. 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 was 31 March 2012 and of the LGPS 31 March 2013.

Contributions amounting to £19,807 (2015: £18,131) were payable to the schemes at 31 August 2016 and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

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

During the year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4% from September 2015, which will be payable during the implementation period until the next valuation 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 TPS in the period amounted to £178,760 (2015: £149,657).

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

Under the definitions set out in FRS 102, the TPS is a multi-employer pension scheme. The academy has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy has set out above the information available on the scheme.

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

23 Pensions and similar obligations (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds.

The total contribution made for the year ended 31 August 2016 was £126354.7 (2015: £94930), of which employer's contributions totalled £104871.44 (2015: £77395) and employees' contributions totalled £21483.26 (2015: £17,535). The agreed contribution rates for future years are 14.1% per cent for employers and a range of 5.5% to 12.5%, based on earnings, for employees.

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

Employer contributions include additional contributions of £58323 (2015: £34634) as agreed with the West Midlands Local Government Pension Scheme. This is part of a twenty two year arrangement to erradicate the deficit on the overall pension scheme.

Principal Actuarial Assumptions	At 31 August 2016	At 31 August 2015
Rate of increase in salaries	3.75%	4.15%
Rate of increase for pensions in payment/inflation	2.00%	2.40%
Discount rate for scheme liabilities	2.20%	4.00%
Inflation assumption (CPI)	2.00%	2.40%
Commutation of pensions to lump sums	0.00%	0.00%

Sensitivity analysis

A sensitivity analysis for the principal assumptions used to measure scheme liabilities is set out below:

	+ 0.1%	0%	-0.1%
Adjustment to discount rate	£000	£000	£000
Present value of total obligation	1,818	1,866	1,916
Projected service cost	112	115	118
Adjustment to pension increases and deferred revaluation	£000	£000	£000
Present value of total obligation	1,907	1,866	1,827
Projected service cost	118	115	112
Adjustment to life expectancy assumption	£000	£000	£000
Present value of total obligation	1,914	1,866	1,820
Projected service cost	118	115	112

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

	At 31 August 2016	At 31 August 2015
Retiring today		
Males	23	23
Females	26	26
Retiring in 20 years		
Males	25	25
Females	28	28

The academy's share of the assets and liabilities in the scheme and the expected rates of return were:

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

23 Pensions and similar obligations (continued)

Local Government Pension Scheme (continued)

	Proportion of total assets 2016	Fair Value at 31 August 2016 £	Proportion of total assets 2015	Fair Value at 31 August 2015 £
Equities	59.00%	225,000	60.00%	118,000
Government bonds	7.00%	26,000	7.00%	15,000
Other bonds	9.00%	32,000	10.00%	20,000
Property	8.00%	30,000	9.00%	17,000
Cash liquidity	6.00%	24,000	5.00%	10,000
Other	11.00%	41,000	9.00%	18,000
Total market value of assets		378,000		198,000
Present value of scheme liabilities				
- Funded		(1,866,000)		(1,154,000)
Surplus/(deficit) in the scheme		(1,488,000)		(956,000)

The actual return on scheme assets was £50,000 (2015: £7000)

Amounts recognised in the statement of financial activities

	2016 £	2015 £
Current service cost (net of employee contributions)	74,000	58,000
Past service cost	0	0
Total operating charge	74,000	58,000

Analysis of pension finance income/(costs)

Expected return on pension scheme assets	10,000	8,000
Interest on pension liabilities	(47,000)	(41,000)
Pension finance income/(costs)	(37,000)	(33,000)

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

23 Pensions and similar obligations (continued)

Local Government Pension Scheme (continued)

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

	2016	2015
	£	£
At 1 September	1,154,000	980,000
Current service cost	74,000	58,000
Interest cost	47,000	41,000
Employee contributions	21,000	17,000
Actuarial (gain)/loss	570,000	58,000
Benefits paid	0	0
Plan introductions, benefit changes, curtailments and settlements	0	0
At 31 August	<u>1,866,000</u>	<u>1,154,000</u>

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

	2016	2015
	£	£
At 1 September	198,000	96,000
Expected return on assets	10,000	8,000
Actuarial gain/(loss)	40,000	(1,000)
Business combinations	0	0
Employer contributions	109,000	78,000
Employee contributions	21,000	17,000
Benefits paid	0	0
At 31 August	<u>378,000</u>	<u>198,000</u>

Wednesbury Oak Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2016 (continued)

24 Related Party Transactions

No related party transactions took place in the period of account.

25 Transition to FRS 102

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

The overall effect of transition is not material and therefore restatement of the year ended 31 August 2015 was not necessary.

The format of these financial statement, including comparative figures, is in accordance with the disclosure requirements of FRS 102 & SORP 2015.