

WEDNESBURY OAK ACADEMY TRUST

(Company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31ST AUGUST 2017

Company Registration No: 8749821 (England and Wales)



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:

Category

Mrs E Perrin

Co-opted Chair

Mrs C Wyer

Co-opted

Mrs K Lister

Co-opted Vice Chair

Governors:

Mrs M Bull

Principal

Mrs T Grieh

Staff

Miss S Palfrey

Staff Resigned July 17

Mrs B Stonard

Staff

Mrs L Jones

Staff

Mr M Richardson

Parent

Mr L Spear

Co-opted Resigned Aug 17

Mrs M Boden

Parent

Saima Yaqub

Co-opted Resigned July 17

Company Secretary:

Mrs M Bull

Senior Leadership Team:

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

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

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 2017

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 2016 to 31 August 2017.

Structure, Governance and Management

Constitution

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

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

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 3 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 2017

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.

WEDNESBURY OAK ACADEMY TRUST
(Company limited by guarantee)
GOVERNOR'S REPORT
31st August 2017

Related Parties and other Connected Charities and Organisations

All Governors sign a 'Declaration of Interest' at the start of each academic year stating that they have no related party interests either direct or indirect. Should they do so then they are declared at this point.

'Declaration of Interest' is a standing item on each committee agenda. Should there be an interest expressed then that Governor is not involved in any decision making which relates to their stated interest. The interest is noted in the minutes.

Signed Declarations of Interest are held with a detailed schedule available on the academy's website.

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 2017 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 2017

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 rich and relevant curriculum
- Become fully functioning independent learners and develop high level skills in thinking and reasoning, problem solving, English and Maths.

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
- 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 2017

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 at the end of KS2 for 2016/17 was above national levels.

Floor Targets for 16/17 are;

Attainment:

65% of pupils to meet the expected standard in Reading, Writing and Maths Combined.

Required Progress scores are:

-5 in Reading

-5 in Maths

-7 Writing

The floor standard is the minimum standard for pupil attainment and progress the government expect schools to meet and schools need to meet either the attainment element or all three of the progress elements.

Wednesbury Oak Data

Attainment

67% of pupils met the expected standard in Reading, Writing and Maths Combined. Therefore, Wednesbury Oak Academy achieved the floor standard for attainment.

Progress

-1.79 Reading

+0.26 Writing

-1.71 Maths

Our Y6 children therefore achieved the floor standard for progress in all areas.

However as the curriculum has been enhanced to a much higher standard during the last 2 years, we are of a view that the method in which progress has been assessed, across from the old curriculum to the new, is fraught with in-built anomalies, thoroughly detailed in last year's Trustees Report and still highly applicable, rendering the current method that the Government is employing to measure children's progress, as highly inaccurate and unreliable. Our premise is that pupils who obtained a level 3 at Key Stage 1 and achieved the standard in Y6 in 2017 should convert to 0 progress and that those who achieved 2c/b/a should have enhanced progress also, if they successfully converted to the new standard, as this is so much higher than the previous level 4 standard. This however, is not the case with the current methods being employed, thus seemingly reducing children's progress rates.

WEDNESBURY OAK ACADEMY TRUST
(Company limited by guarantee)
GOVERNOR'S REPORT
31st August 2017

Subject	Reading			
Year	16 School	16 National	17 School	17 National
Attainment %	51	67	71 (+20)	71 (=)
Progress	-0.9	0.4	-1.70	
Subject	Writing			
Year	16 School	16 National	17 School	17 National
Attainment %	71	75	81 (+10)	76 (+5%)
Progress	1.5	0.45	0.26	
Subject	Maths			
Year	16 School	16 National	17 School	17 National
Attainment %	53	72	81 (+28)	75 (+6%)
Progress	-1.9	0.51	-1.71	
Subject	Combined			
Year	16 School	16 National	17 School	17 National
Attainment %	31	55	67 (+36)	61

Thus, our attainment results for 16/17 improved significantly from the previous year, achieving National in Reading and exceeding National in all other areas.

Of the 52 pupils in this cohort 33 were Disadvantaged (69% of the cohort) and there were 6 SEN Pupils (12% of the cohort). The fact that our cohort exceeded National with such a high level of disadvantaged and SEN pupils, with huge areas of need, is a cause for celebration.

Below is an analysis of our Y6 results, removing the 6 SEN children. Progress is dramatically improved as are attainment levels. We do not have low expectations for our SEN children; quite the reverse. However, for children with high level SEN who have been introduced to a new, much enhanced curriculum only two years before being assessed against that curriculum, attaining the new standard is currently unobtainable in the subject area in which an SEN exists, and this is being reflected in the nationwide performance of SEN children.

Impact of SEN

Analysis of our attainment and progress data, removing SEN children.

Subject	Reading		Writing		Maths	
Group	Cohort	Without SEN	Cohort	Without SEN	Cohort	Without SEN
Attainment	71%	80%	81%	91%	81%	91%
Progress	-1.79	-1.31	0.26	+1.75	-1.71	-0.8
Scaled Score School	101.2	102.6			101.4	103.1
Scaled Score NA	104.1				104.2	

There is no disadvantaged National Average so the data is compared to the National Average of all children. Therefore, in terms of disadvantaged pupils, again removing our 5 high level SEN pupils who are also disadvantaged pupils, our disadvantaged (pupil premium) children performed to an excellent standard with 75% achieving the standard in Reading, 89% in Writing and 86% in Maths, clearly demonstrating that our pupil premium monies were wisely spent throughout the cohort's journey through the Academy.

WEDNESBURY OAK ACADEMY TRUST
(Company limited by guarantee)
GOVERNOR'S REPORT
31st August 2017

Disadvantaged Pupils

Subject Group	Reading		Writing		Maths	
	Cohort	Without SEN (5)	Cohort	Without SEN (5)	Cohort	Without SEN (5)
Attainment	64%	75%	76%	89%	73%	86%
Progress	-2.09	-1.81	-0.04	+1.75	-2.54	-1.52
Scaled Score	100.1	102.3			100.6	102.6

Higher Standard

Subject	Reading		Writing		Maths	
	School	National	School	National	School	National
Cohort	10%	25%	15%	18%	4%	23%
Girls	11%	28%	25%	23%	7%	21%
Boys	8%	21%	4%	13%	0	24%

A scaled score of 110 on the tests equates to children being assessed as obtaining the higher standard. The marks required for 2017 are 95+ out of 110 to reach the higher standard in Maths and 39+ out of 50 to reach the higher standard in Reading.

This is an area that we will be focussing on improving in 17/18 in the Collaborative Improvement Plan.

Prior Attainment

Historical Data of the 2017 Y6 Cohort

Subject	Baseline October 2010			Key Stage 1 Performance			Key stage 2 Performance		
	Reading At NE	Writing At NE	Maths At NE	Reading 2b+	Writing 2b+	Maths 2b+	Reading Standard	Writing Standard	Maths Standard
School	9% Significantly Below National	11% Significantly Below National	2% Significantly Below National	78% At National	63% Below National	78% At National	71% (+62%) At National	81% (+70%) Exceeding National	81% (+79%) Exceeding National
National				79%	67%	78%	71%	76%	75%

Analysing the attainment journey, from 2010 – 2017, of this particular cohort thus reveals outstanding attainment and progress from exceptionally low starting points, when comparing their national performance at the end of Reception to the end of Y6, clearly demonstrating that Wednesbury Oak Academy is providing exceptional value for money and enhanced pupil outcomes.

Direct comparisons regarding percentages of children achieving each level/the standard cannot be made from KS1 to 2 due to curriculum, testing and measures differences. However, from KS1 – 2 it is clear that the cohort have remained in line with National for Reading, have moved from below National to exceeding National in Writing and have moved from National to exceeding National in Maths, (this despite the fact that the standard required to achieve the new national standard is much higher than the previous level 4) providing yet further evidence that the progress measures, currently being employed by the QCA, to assess progress, are a highly inaccurate, unreliable means for assessing cohort progress.

WEDNESBURY OAK ACADEMY TRUST
(Company limited by guarantee)
GOVERNOR'S REPORT
31st August 2017

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 2017/18 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 enhanced 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 2017

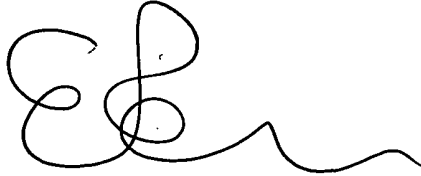
Auditors

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 11th December 2017 and signed on their behalf by:

Mrs E Perrin
Chair of Governors

A handwritten signature in black ink, consisting of a large, stylized 'E' followed by a series of loops and a long horizontal stroke.

WEDNESBURY OAK ACADEMY TRUST
(Company limited by guarantee)
GOVERNOR'S REPORT
31st August 2017

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 K Lister	7	10
Mrs T Grieh	11	12
Miss S Palfrey	12	13
Mrs E Perrin	12	13
Mrs C Wyer	8	6
Miss L Jones	5	8
Mr M Richardson	10	12
Mr L Spear	5	8
Mrs M Boden	3	7
Mrs S Yaqub	0	2
Miss S Rodgers	0	0

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	4	4
Mrs T Grieh	3	4
Mrs C Wyer	2	4
Mrs E Perrin	4	4
Mrs K Lister	3	4
Miss S Palfrey	3	4
Mr M Richardson	3	4
Mrs M Boden	1	3

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:

WEDNESBURY OAK ACADEMY TRUST
(Company limited by guarantee)
GOVERNOR'S REPORT
31st August 2017

- 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.

Review of Effectiveness

WEDNESBURY OAK ACADEMY TRUST
(Company limited by guarantee)
GOVERNOR'S REPORT
31st August 2017

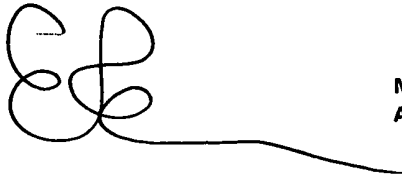
As Accounting Officer the Principal has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- 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 11th December 2017 and signed on its behalf by:

Mrs E Perrin
Chair of Governors

A handwritten signature in black ink, consisting of a stylized 'E' and 'P' followed by a long horizontal line.

Mrs M Bull
Accounting Officer

A handwritten signature in black ink, appearing to be 'M Bull' with a stylized flourish.

WEDNESBURY OAK ACADEMY TRUST
(Company limited by guarantee)
GOVERNOR'S REPORT
31st August 2017

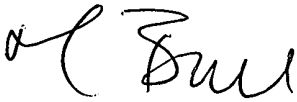
STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer at Wednesbury Oak Academy I have considered my responsibility to notify the Academy Trust Governing Body and Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State. 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

A handwritten signature in black ink, appearing to read 'M Bull', written over a horizontal line.

Mrs M Bull
Accounting Officer

WEDNESBURY OAK ACADEMY TRUST
(Company limited by guarantee)
GOVERNOR'S REPORT
31st August 2017

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 & Skills 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 11th December 2017 and signed on its behalf by:

Chair

Mrs E Perrin



WEDNESBURY OAK ACADEMY TRUST
(Company limited by guarantee)
31st August 2017

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

We have audited the financial statements of Wednesbury Oak Academy Trust for the period ended 31 August 2017 on pages 23 – 48. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

This report is made solely to the 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.

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 2017 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and Academies Accounts Direction 2016/17 issued by the ESFA.

Basis of Opinion

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

Conclusions Relating to Going Concern

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

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

Other Information

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

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

We have nothing to report in this regard.

Opinion on Other Matters Prescribed by the Companies Act 2006

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

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

WEDNESBURY OAK ACADEMY TRUST
(Company limited by guarantee)
31st August 2017

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.

Responsibilities of the Trustees

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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



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: 18/12/17

WEDNESBURY OAK ACADEMY TRUST
(Company limited by guarantee)
31st August 2017

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 & Skills Funding Agency (ESFA), as included in the Academies Accounts Direction 2016/17, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Wednesbury Oak Academy during the year to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Wednesbury Oak Academy and the ESFA 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 ESFA, 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 2016/17. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies: Accounts Direction 2016/17 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

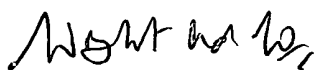
The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity.

A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant 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 2017 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: 18/12/17

Wednesbury Oak Academy Trust

Statement of Financial Activities for the year ended 31 August 2017 (including Income and Expenditure Account)

		Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2017 £	Total 2016 £
Notes						
Income and endowments from:						
Donations and capital grants	2	0	0	8,903	8,903	8,813
Transfer from local authority on conversion		0	0	0	0	
Charitable activities:						
Funding for the academy trust's educational operations	3	0	2,135,612	0	2,135,612	2,088,524
Other Trading Activities	4	89,219	0	0	89,219	52,292
Investment Income	5	1,187	0	0	1,187	1,156
Total incoming resources		90,407	2,135,612	8,903	2,234,921	2,150,785
Expenditure on:						
Raising funds		0	0	0	0	
Charitable activities:						
Academy trust educational operations	7	0	2,044,308	96,845	2,141,153	1,989,060
Other		0	0	0	0	
Total resources expended	6	0	2,044,308	96,845	2,141,153	1,989,060
Net income (expenditure)		90,407	91,304	(87,943)	93,768	161,725
Transfers between funds		0	(359,554)	359,554	0	
Net income/(expenditure) for the year		90,407	(268,250)	271,611	93,768	161,725
Actuarial (losses) / gains on defined benefit pension schemes						
	22	0	79,000	0	79,000	(530,000)
Net movement in funds		90,407	(189,250)	271,611	172,768	(368,275)
Reconciliation of funds						
Total funds brought forward		315,934	(1,271,545)	2,489,361	1,533,750	1,902,023
Funds carried forward		406,341	(1,460,795)	2,760,972	1,706,518	1,533,748

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 2017

Company Number 8593820

	Notes	2017 £	2017 £	2016 £	2016 £
Fixed assets					
Tangible assets	11		2,760,970		2,489,359
Current assets					
Stock		0			
Debtors	12	97,265		99,273	
Cash at bank and in hand		578,412		632,462	
		<u>675,677</u>		<u>731,735</u>	
Liabilities					
Creditors: Amounts falling due within one year	13	(152,869)		(128,087)	
Net current assets			<u>522,808</u>		<u>603,648</u>
Total assets less current liabilities			3,283,778		3,093,007
Creditors: amounts falling due after more than one year	14		(71,260)		(71,260)
Net assets excluding pension liability			3,212,518		3,021,747
Defined benefit pension scheme liability	22		(1,506,000)		(1,488,000)
Total Assets			<u>1,706,518</u>		<u>1,533,747</u>
Funds of the academy trust:					
Restricted funds					
. Fixed asset fund	15		2,760,972		2,489,359
. Restricted income fund	15		45,205		216,455
. Pension reserve	22		(1,506,000)		(1,488,000)
Total restricted funds			<u>1,300,177</u>		<u>1,217,814</u>
Unrestricted income funds	15		<u>406,341</u>	0	<u>315,934</u>
			<u>1,706,518</u>		<u>1,533,748</u>

The financial statements on pages 23 to 48 were approved by the trustees, and authorised for issue on 5 December 2017 and are signed on their behalf by:

.....
Mrs E Perrin
Trustee

Wednesbury Oak Academy Trust

Statement of Cash Flows for the year ended 31 August 2017

	Notes	2017 £	2016 £
Cash flows from operating activities			
Net cash provided by (used in) operating activities	18	304,313	199,178
Cash flows from investing activities	19	(358,367)	(120,561)
Cash flows from financing activities		0	
Change in cash and cash equivalents in the reporting period		<u>(54,053)</u>	<u>78,617</u>
Cash and cash equivalents at 1 September 2016		632,461	553,844
Cash and cash equivalents at the 31 August 2017		<u>578,408</u>	<u>632,461</u>

Notes to the Financial Statements for the Year Ended 31 August 2017

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 2016 to 2017 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 continuing standstill in per pupil funding coupled with a substantial increase in the rate of employers national insurance and teacher pension contributions have caused all schools and academies, including Ocker Hill Academy Trust, significant financial difficulties over the last two years. As a result of continued and detailed in-year monitoring and budget forecasting the Trust has reduced all levels of expenditure in non-staffing areas and implemented redundancy procedures in the summer term of 2017. The continuing uncertainty relating to the proposed national funding formula impact and the wider political uncertainties mean that the trust has to be ever vigilant in monitoring any further potential reductions in income or increases in expenditure that remain outside of its control. On the basis of actions already undertaken by the Trust and using current information on future funding the trustees in making an assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements 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, ###

Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

1. Statement of Accounting Policies (continued)

Income

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

• **Grants receivable**

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

General Annual Grant is recognised in full in the Statement of Financial Activities in the 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. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

• **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 measured reliably.

• **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 2017 (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.

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.

Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

1. Statement of Accounting Policies (continued)

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.

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.

Financial Instruments

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

Financial assets – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

Cash at bank – is classified as a basic financial instrument and is measured at face value.

Financial liabilities – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 16 and 17. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

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.

Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

1. Statement of Accounting Policies (continued)

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.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in Note 22, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to 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 and Skills Funding Agency.

Notes to the Financial Statements for the Year Ended 31 August 2017 (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. The government has now indicated that a new local authority level of funding based on the national funding formula will operate from April 1st 2018. It has further been suggested that no school will lose out as a result of the new formula but, 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 22, 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 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement

There are no critical areas of judgement that affect the Financial Statements.

Notes to the Financial Statements for the Year Ended 31 August 2017

2 Donations and Capital Grants

	Unrestricted Funds £	Restricted Funds £	Total 2017 £	Total 2016 £
Capital Grants	0	8,903	8,903	8,813
	0	8,903	8,903	8,813
2016	0	8,813	8,813	

3 Funding for Academy Trust's Educational Operations

	Unrestricted Funds £	Restricted Funds £	Total 2017 £	Total 2016 £
DfE / EFA revenue grants				
General Annual Grant (GAG)	0	1,677,150	1,677,150	1,632,141
PE Grant	0	9,685	9,685	9,660
Pupil Premium	0	244,395	244,395	252,543
Other DfE / EFA grants Rates	0	161,639	161,639	185,075
	0	2,092,869	2,092,869	2,079,419
Other Government grants				
Local Authority Grants - High Cost SEN	0	42,743	42,743	9,106
	0	42,743	42,743	9,106
	0	2,135,612	2,135,612	2,088,525
2016	0	2,088,525	2,088,525	0

4 Other Trading Activities

	Unrestricted Funds £	Restricted Funds £	Total 2017 £	Total 2016 £
Hire of Facilities	1,453	0	1,453	
Catering Income	0	0	0	
Healthy Schools Project (Tipton Schools)	0	0	0	
Other Sales	87,766	0	87,766	52,292
	89,219	0	89,219	52,292
2016	52,292	0	52,292	0

5 Investment Income

	Unrestricted Funds £	Restricted Funds £	Total 2017 £	Total 2016 £
Current/Deposit Account Interest	1,187	0	1,187	1,156
	1,187	0	1,187	1,156
2016	1,156	0	1,156	0

Wednesbury Oak Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2017

6 Expenditure

	Staff Costs £	Non Pay Expenditure Premises £	Other £	Total 2017 £	Total 2016 £
Costs of generating voluntary income	0	0	0	0	
Costs of activities for generating funds	0	0	0	0	
Academy's educational operations					
• Direct Costs	1,258,761	0	59,670	1,318,432	1,275,376
• Allocated Support Costs	<u>422,880</u>	<u>180,444</u>	<u>219,398</u>	<u>822,722</u>	<u>713,683</u>
	<u>1,681,641</u>	<u>180,444</u>	<u>279,068</u>	<u>2,141,153</u>	<u>1,989,059</u>
2016	<u>1,541,665</u>	<u>167,309</u>	<u>280,085</u>	<u>1,989,059</u>	<u>0</u>

Net Income/(expenditure) for the period includes:

	2017 £	2016 £
Operating leases - plant and machinery	2,939	2,939
- other leases	5,278	3,519
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	5,378	4,200
- other services	<u>0</u>	<u>500</u>

Wednesbury Oak Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

7 Charitable Activities - Academies Educational Operations

	Restricted Funds £	Restricted Fixed Asset Funds £	Total 2017 £	Total 2016 £
Direct costs				
Teaching and educational support costs	1,258,761	0	1,258,761	1,196,601
Depreciation	0	0	0	
Technology costs	24,597	0	24,597	7,070
Educational supplies	51,225	0	51,225	58,381
Examination fees	473	0	473	
Staff development	7,972	0	7,972	13,324
Educational consultancy	0	0	0	
Other direct costs	0	0	0	
	<u>1,343,028</u>	<u>0</u>	<u>1,343,028</u>	<u>1,275,376</u>
Allocated support costs				
Support staff costs	422,880	0	422,880	345,063
Depreciation	0	96,845	96,845	62,183
Technology costs	0	0	0	
Recruitment and support	1,848	0	1,848	1,247
Maintenance of premises	12,262	0	12,262	47,363
Water rates	3,905	0	3,905	3,446
Energy costs	23,420	0	23,420	25,627
Maintenance of equipment	0	0	0	0
Cleaning	4,394	0	4,394	3,860
Operating lease (photocopier)	7,673	0	7,673	7,941
Rent and rates	4,210	0	4,210	4,047
Insurance	10,812	0	10,812	13,834
Supply teacher insurance	11,052	0	11,052	10,394
Security and transport	7,949	0	7,949	6,948
	73,058	0	73,058	69,176
Bank interest and charges	0	0	0	
Other support costs	117,817	0	117,817	103,242
Governance costs	0	0	0	9,311
	<u>701,280</u>	<u>96,845</u>	<u>798,125</u>	<u>713,682</u>
	<u>2,044,308</u>	<u>96,845</u>	<u>2,141,153</u>	<u>1,989,058</u>
2016	<u>1,926,875</u>	<u>62,183</u>	<u>1,989,058</u>	<u>0</u>

Wednesbury Oak Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

8 Staff

a. Staff Costs

Staff costs during the period were:

	2017	2016
	£	£
Wages and salaries	1,289,726	1,243,978
Social security costs	110,642	91,859
Operating costs of defined benefit pension schemes	269,976	161,384
Additional Pension Contribution	17,083	58,323
Statutory Maternity Pay	(8,042)	(14,818)
	<u>1,679,385</u>	<u>1,540,726</u>
Supply staff costs	2,257	939
Staff restructuring costs	0	0
	<u>1,681,641</u>	<u>1,541,665</u>

b. Staff numbers

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

	2017	2016
	No.	No.
Teachers	16	19
Administration and support	46	48
Management	8	4
	<u>70</u>	<u>71</u>

d. Higher paid staff

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

	2017	2016
	No.	No.
£70,001 - £80,000	1	1
	<u>1</u>	<u>1</u>

e. Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for services to the academy trust was £441,000 (2016: £377,000).

Wednesbury Oak Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2017 (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 (2016 £85,001 - £90,000)

Staff Trustee: Mrs Tracy Grieh £55,001 - £60,000 (2016 £55,001 - £60,000)

Staff Trustee: Mrs Jennifer Griffiths £50,001 - £55,000 (2016 £45,001 - £50,000)

Staff Trustee: Miss Sian Palfrey £50,001 - £55,000 (2016 £45,001 - £50,000)

During the period ended 31 August 2017, no travel and subsistence expenses were reimbursed to trustees (2016 £Nil).

Other related party transactions involving the Trustees are set out in note 23

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 2017 was £458 (2016 £458).

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

Wednesbury Oak Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

11 Tangible Fixed Assets

	Leasehold Land and Buildings £	Furniture and Equipment £	Computer Equipment £	Motor Vehicles £	Total £
Cost					
At 1 September 2016	2,442,814	118,224	56,442	0	2,617,480
Additions	349,043	0	19,414	0	368,457
Transfer on conversion	0	0	0	0	0
Disposals	0	0	0	0	0
At 31 August 2017	2,791,857	118,224	75,856	0	2,985,937
			0		
At 1 September 2016	57,540	45,555	25,026	0	128,121
Charged in year	54,237	23,645	18,964	0	96,845
Disposals	0	0	0	0	0
At 31 August 2017	111,777	69,200	43,990	0	224,966
Net book values					
At 31 August 2017	2,680,080	49,024	31,866	0	2,760,970
At 31 August 2016	2,385,274	72,669	31,417	0	2,489,359

Wednesbury Oak Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

12 Debtors

	2017 £	2016 £
Trade debtors	0	0
Other debtors	52,216	41,020
VAT recoverable	12,583	11,108
Prepayments and accrued income	32,466	47,145
	<u>97,265</u>	<u>99,273</u>

13 Creditors: amounts falling due within one year

	2017 £	2016 £
Trade creditors	61,403	39,993
PAYE & NIC creditor	27,106	24,552
Other taxation and social security	0	0
Pension scheme creditors	25,584	19,807
Accruals and Deferred Income	38,776	43,734
	<u>152,869</u>	<u>128,086</u>

Deferred income

	2017 £	2016 £
Deferred income at 1 September 2016	32,660	17,195
Released from previous years	(32,660)	(17,195)
Resources deferred in the year	38,593	32,660
Deferred Income at 31 August 2017	<u>38,593</u>	<u>32,660</u>

14 Creditors: amounts falling due in greater than one year

	## 2017 £	2016 £
Other Creditors	71,260	71,260
	<u>71,260</u>	<u>71,260</u>

Included within other creditors is a loan balance 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.

Wednesbury Oak Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

15 Funds

	Balance at 1 September 2016 £	Incoming Resources £	Resources Expended £	Gains, Losses and Transfers £	Balance at 31 August 2017 £
Restricted general funds					
General Annual Grant (GAG)	216,455	1,677,150	(1,488,846)	(359,554)	45,205
Primary PE Grant	0	9,685	(9,685)	0	0
Pupil Premium	0	244,395	(244,395)	0	0
Transfer on Conversion	0	0	0	0	0
Other DfE/EFA grants	0	161,639	(161,639)	0	0
Other Government grants	0	42,743	(42,743)	0	0
Other grants	0	0	0	0	0
Pension reserve	(1,488,000)	0	(18,000)	0	(1,506,000)
	(1,271,545)	2,135,612	(1,965,308)	(359,554)	(1,460,795)
Restricted fixed asset funds					
Transfer on Conversion	2,258,649	0	0	0	2,258,649
DfE/EFA capital grants	0	8,903	(8,903)	0	(0)
Capital expenditure from GAG	230,712	0	(87,942)	359,554	502,324
Disposal of Assets	0	0	0	0	0
	2,489,361	8,903	(96,845)	359,554	2,760,972
Total restricted funds	1,217,816	2,144,515	(2,062,153)	0	1,300,177
Total unrestricted funds	315,934	90,407	0	0	406,341
Total Funds	1,533,750	2,234,921	(2,062,153)	0	1,706,518

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 2017.

Wednesbury Oak Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

16 Analysis of net assets between funds

Fund balances at 31 August 2017 are represented by:

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total Funds
	£	£	£	£
In-tangible fixed assets	0	0	0	
Tangible fixed assets	0	0	2,760,972	2,760,972
Current assets	406,341	269,336	0	675,677
Current liabilities	0	(224,129)	0	(224,129)
Pension scheme liability	0	(1,506,000)	0	(1,506,000)
Total net assets	406,341	(1,460,793)	2,760,972	1,706,520

17 Financial commitments

Operating leases

At 31 August 2017 the academy had annual commitments under non-cancellable operating leases as follows:

	2017 £000	2016 £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	7,747	8,217
Expiring within two and five years inclusive	17,594	20,063
Expiring in over five years	0	0
	25,341	28,280

Wednesbury Oak Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

18 Reconciliation of net income to net cash inflow from operating activities	2017	2016
	£	£
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	93,768	161,726
Adjusted for:		
Amortisation (note 11)	0	0
Depreciation (note 12)	96,845	62,183
Capital grants from DfE and other capital income	(8,903)	(8,813)
Transfer on conversion	0	0
Interest receivable (note 5)	(1,187)	(1,156)
Defined benefit pension scheme obligation inherited	0	0
FRS 17 pension cost less contributions payable (note 22)	105,000	12,000
FRS 17 pension finance income (note 22)	(8,000)	(10,000)
(Increase)/decrease in stocks	0	0
(Increase)/decrease in debtors	2,008	(14,878)
Increase/(decrease) in creditors	24,782	(1,884)
Net cash provided by / (used in) Operating Activities	304,313	199,178
	2017	2016
	£	£
19 Cash Flows from Investing Activities		
Interest received	1,187	1,156
Proceeds from sale of tangible fixed assets	0	0
Purchase of intangible fixed assets	0	0
Purchase of tangible fixed assets	(368,457)	(130,529)
Capital grants from DfE/EFA	8,903	8,813
Capital funding received from sponsors and others	0	0
Net cash inflow from capital expenditure and financial investment	(358,367)	(120,560)
	2017	2.70%
	£	£
Cash in hand and at bank	578,412	632,462
Notice deposits (less than 3 months)	0	0
Total cash and cash equivalents	578,412	632,462

Wednesbury Oak Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2017 (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.

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 2016.

Contributions amounting to £25,534 (2016: £19,807) were payable to the schemes at 31 August 2017 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.

Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

22 Pensions and similar obligations (continued)

Valuation of the Teachers' Pension Scheme

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

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 16.48%))
 - total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
 - an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
 - the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%
- During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The pension costs paid to TPS in the period amounted to £186,646 (2016: £178,760).

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 2017 (continued)

22 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 2017 was £92,297 (2016: £126,354.70), of which employer's contributions totalled £53,280 (2016: £104,871.44) and employees' contributions totalled £21,934 (2016: £21,483.26). The agreed contribution rates for future years are 17.4 per cent for employers from April 2017 and a range of between 5.5 per cent and 12.5 per cent, 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 £17,083 (2016: £58,323) as agreed with the West Midlands Local Government Pension Scheme. This is part of a twenty three year arrangement to erradicate the deficit on the overall pension scheme by 2036. The additional contributions will increase as follows:

April 2017 £41,000 April 2018 £42,600 April 2019 £44,300

Principal Actuarial Assumptions	At 31 August 2017	At 31 August 2016
Rate of increase in salaries	4.20%	3.75%
Rate of increase for pensions in payment/inflation	2.70%	2.00%
Discount rate for scheme liabilities	2.60%	2.20%
Inflation assumption (CPI)	2.70%	2.00%

Wednesbury Oak Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

22 Pensions and similar obligations (continued)

Local Government Pension Scheme (continued)

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			
Present value of total obligation	1,870	1,917	1,965
Projected service cost	122	125	128
	+ 0.1%	0%	-0.1%
	£	£	£
Adjustment to long term salary increase			
Present value of total obligation	1,924	1,917	1,910
Projected service cost	125	125	125
	+ 1 Year	None	- 1 Year
	£	£	£
Adjustment to mortality age rating assumption			
Present value of total obligation	1,985	1,917	1,851
Projected service cost	129	125	121

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 2017	At 31 August 2016
<i>Retiring today</i>		
Males	21.8	23.1
Females	24.3	25.8
<i>Retiring in 20 years</i>		
Males	24	25.3
Females	26.6	28.1

Wednesbury Oak Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

22 Pensions and similar obligations (continued)

Local Government Pension Scheme (continued)

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

	Percentage of total 31 August 2017	Fair Value at 31 August 2017 £	Percentage of total 31 August 2016	Fair Value at 31 August 2016 £
Equities	59.00%	260,000	60.00%	225,000
Government bonds	7.00%	30,000	7.00%	26,000
Other bonds	9.00%	16,000	10.00%	32,000
Property	8.00%	30,000	9.00%	30,000
Cash liquidity	6.00%	20,000	5.00%	24,000
Other	11.00%	55,000	9.00%	41,000
Total market value of assets		411,000		378,000
Present value of scheme liabilities				
- Funded		(1,917,000)		(1,866,000)
Surplus/(deficit) in the scheme		(1,506,000)		(1,488,000)

The actual return on scheme assets was £63,000 (2016: £3,000)

Amounts recognised in the statement of financial activities

	2017 £	2016 £
Current service cost (net of employee contributions)	114,000	74,000
Past service cost	0	0
Total operating charge	114,000	74,000

Analysis of pension finance income/(costs)

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

Wednesbury Oak Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

22 Pensions and similar obligations (continued)

Local Government Pension Scheme (continued)

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

	2017 £	2016 £
At 1 September	1,866,000	1,154,000
Current service cost	114,000	74,000
Interest cost	41,000	47,000
Employee contributions	20,000	21,000
Changes in Financial Assumptions/Actuarial (gain)/loss	93,000	570,000
Benefits paid	(68,000)	
Plan introductions, benefit changes, curtailments & settlements	(149,000)	0
At 31 August	1,917,000	1,866,000

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

	2017 £	2016 £
At 1 September	378,000	198,000
Expected return on assets	8,000	10,000
Actuarial gain/(loss)	55,000	40,000
Business combinations	(32,000)	0
Employer contributions	50,000	109,000
Employee contributions	20,000	21,000
Benefits paid	(68,000)	
At 31 August	411,000	378,000

Wednesbury Oak Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2017 (continued)

23 Related Party Transactions

Owing to the nature of the academy trust's and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the trust's financial regulations and normal procurement procedures. The following related party transaction took place in the period of account.

- Mr Bull (husband of Principal and accounting officer Mrs Bull) works as site manager for the academy and received remuneration of £27,149, pension £4,195 (2016 salary £26,010, pension £3,641).
- In entering into the transaction the trust has complied with the requirements of the Academies Financial Handbook 2016