

Woodhouse Academy
(A Company Limited by Guarantee)
Annual Report and Financial Statements
For the Year Ended 31 August 2019



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Woodhouse Academy
(A Company Limited by Guarantee)

Reference and Administrative Details of the Academy, its Trustees and Advisers
For the Year Ended 31 August 2019

Members	Mrs N Perkin (appointed 4 February 2019) Mr J Shaw Mr M Hall
Trustees	Mrs C Hamnett (resigned 4 February 2019) Mrs N Perkin, Chair of Trustees ¹ Mrs C Butler, Principal and Accounting Officer ¹ Mrs C Anthony, Vice chair Mrs S Haden, Staff Trustee Mrs J Betts Mr G Butler ¹ Mrs E Cox ¹ Mrs A Millington Mr G Frost Mr P Reeves Mrs E Holt (appointed 5 December 2018) Mrs C Hamnett (resigned 9 October 2018)

¹ Finance Committee

Company registered number	09055607
Company name	Woodhouse Academy
Principal and registered office	Woodhouse Lane Biddulph Stoke on Trent Staffordshire ST8 7DR
Senior management team	Mrs C Butler, Principal Ms D Farr, Deputy Principal Mrs A Clack, Business Manager Mr P Reynolds, Assistant Principal
Independent auditors	Dains LLP Suite 2 Albion House 2 Etruria Office Village Forge Lane Etruria Stoke on Trent ST1 5RQ
Bankers	Lloyds Bank Tower Square Stoke on Trent Staffordshire ST6 5DL

Woodhouse Academy
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Reference and Administrative Details of the Academy, its Trustees and Advisers (continued)
For the Year Ended 31 August 2019

Solicitors

Howes Percival
3 The Osiers Business Centre
Leicester
Leicestershire
LE19 1DX

Trustees' Report
For the Year Ended 31 August 2019

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2018 to 31 August 2019. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The trust operates an Academy for pupils aged 9 to 11 serving a catchment area in Biddulph and surrounding towns. It has a pupil capacity of 480 and had a roll of 451 in the Academy census on 16 May 2019

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. The trustees of Woodhouse Academy are also the directors of the charitable company for the purposes of company law. The charitable company is known as Woodhouse Academy (company number 9055607).

Details of the trustees who served during the year are included in the Reference and Administrative Details on pages 1 and 2.

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 and liabilities contracted before they ceased to be a member.

Trustees' Indemnities

In accordance with normal commercial practice the Academy has purchased insurance through The Department for Education's Risk Protection Arrangement (RPA) to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The RPA Administrator's Limit of Liability in respect of each Academy shall be £10,000,000 for each and every loss and shall be the maximum aggregate liability of the RPA Administrator from all losses from an Academy whose Academy trust is a member during any one Membership year.

Method of Recruitment and Appointment or Election of Trustees

In accordance with the Articles of Association, the Academy trust shall have the following Governors:

- **Governors – The Members may appoint up to 9 Governors.**
- **Staff Governors –** appointed through such process as the governing body may determine. The total number of Governors (including the principal) who are employees of the Academy shall not exceed one third of the total number of Governors.
- **Parent Governors –** shall be elected by parents of registered pupils at the Academy. A parent governor must be a parent of a pupil at the Academy at the time when he is elected.
- **The Principal**
- **Co-opted Governors –** appointed by the existing governing body through such process as the governing body may determine.

The term of office for any governor shall be four years. Subject to remaining eligible to be a particular type of governor, any governor may be re-appointed or re-elected.

Trustees' Report (continued)
For the Year Ended 31 August 2019

Policies and Procedures Adopted for the Induction and Training of Trustees

All new Governors are issued with the necessary documentation to carry out their new role. As part of the induction process there is opportunity to tour the site, meet members of the senior leadership team and pupils. Training will be assessed on an individual needs basis dependent on prior experience and requirements.

Organisational Structure

The governing body is responsible for ensuring that high standards of corporate governance are maintained. It should exercise its powers and functions with a view to fulfilling a largely strategic leadership role in the running of the Academy, addressing such matters as:

- policy development and strategic planning, including target-setting to keep up momentum on Academy improvement;
- ensuring sound management and administration of the Academy, and ensuring that managers are equipped with relevant skills and guidance;
- ensuring compliance with legal requirements;
- establishing and maintaining a transparent system of prudent and effective internal controls;
- management of the Academy's financial, human and other resources;
- monitoring performance and the achievement of objectives, and ensuring that plans for improvement are acted upon;
- helping the Academy be responsive to the needs of parents and the community and making it more accountable through consultation and reporting;
- setting the Academy's standards of conduct and values;
- assessing and managing risk (including preparation of a statement on the Academy's risk management for its annual report and accounts).

Under the Articles of Association of Woodhouse Academy, the Governors may delegate to any governor, committee, the Principal or any other holder of an executive office, such of their powers or functions as they consider desirable to be exercised by them. Any such delegation may be made subject to any conditions the Governors may impose and may be revoked or altered.

The Governing body of Woodhouse Academy is divided into two sub committees:

- Finance and General Purpose Committee (also acts as the Audit Committee)
- Performance Review Committee

During the period the Curriculum, Standards and Achievement Committee was incorporated into the full governing body committee, and the frequency that the board meets was increased from 3 to 6 times per year.

The senior leadership group consists of: the Principal who is the Accounting Officer, Deputy Principal, Assistant Principal and Business Manager who acts as the Principal Finance Officer. Together they are responsible for managing the Academy at an executive level reporting to the relevant committees and full governing body.

Trustees' Report (continued)
For the Year Ended 31 August 2019

Arrangements for setting pay and remuneration of key management personnel

The governing body determines a broad pay range using its pay policy in conjunction with the 'School teachers pay and conditions document' (STPCD) to set the pay and remuneration for the senior leadership team.

The Academy is assigned to a Headteacher group which determines the Principal's salary range. The maximum of the deputy or assistant principal's pay range must not exceed the maximum of the Headteacher group for the Academy. The pay range for a deputy or assistant principal should only overlap the head teacher's pay range in exceptional circumstances.

The governing body must ensure that there is appropriate scope within the range to allow for performance-related progress over time.

The Academy actively monitors and benchmarks staffing costs against similar academies to measure the Academy's efficiency.

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the relevant period	1	Full-time equivalent employee number	1
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Percentage of time spent on facility time

Percentage of time	Number of employees
0%	1
1%-50%	-
51%-99%	-
100%	-

Related Parties and other Connected Charities and Organisations

As a converter Academy, Woodhouse Academy has no structural or commercial affiliation to any other organisation.

The Academy continues to have strong links with its local schools which form the Biddulph Schools Partnership Trust.

The Academy also works closely with other Staffordshire middle schools through the Staffordshire Middle School Association and nationally via the National Middle Schools Forum. The Academy has links with the Biddulph High School Schools Direct programme, and works with Staffordshire University and Manchester Metropolitan University.

Trustees' Report (continued)
For the Year Ended 31 August 2019

Objectives and Activities

Objects and Aims

The principal aim of the charitable company is the operation of Woodhouse Academy to advance, for the public benefit, the education and wellbeing for pupils of different abilities between the ages of 9 and 13.

We aim to:

- Ensure that all young people, regardless of background or ability, have the very best opportunities in life and achieve the highest personal academic standards
- Promote an effective curriculum that incorporates stretch and challenge and develops excellent levels of literacy and numeracy
- Nurture pupils' physical, aesthetic, moral and spiritual development
- Promote pupils' aspirational expectations and prepare pupils for the opportunities, responsibilities and experiences of adult life
- Constantly develop our skills and focus in learning and teaching

Objectives, Strategies and Activities

Key objectives for 2018-19

- Continue to ensure safeguarding procedures and strategies are effective

The assistant head led safeguarding updates for staff at least termly. School purchased *Myconcern* software to enable more effective and safe filing of concerns. A safeguarding CIF bid was won to enable the school to make the entrance and grounds more secure.

- Maintain effective communication of core values, vision and expectations

Core values, vision and expectations were communicated clearly through assemblies, PSHE, day to day lessons and around the school. Respect, kindness, cooperation, consideration, responsibility were among the values chosen for the year. Surveys of parents and staff demonstrated great support for the values driven approach of the school.

- Implement an increased mental health and wellbeing focus for staff and pupils

Assemblies and PSHE activities took place around mental health and wellbeing and Woodhouse signed up to the Staffordshire Moorlands Trailblazer mental health project. The new mental health lead has begun to work with the project's mental health practitioners and plan support for individuals and further whole school awareness. A mindfulness club took place once a week as well as a carer support club.

Healthy eating and physical activity were key, with prizes for the classes with the most healthy snacks and lunches. Pupils were trained as playground leaders to encourage more active play and PE clubs ran most days at lunchtimes and after school with attendance by the vast majority of the school. A shelter was built on the playground so that some PE could take place even during wet weather.

The Principal took part in a working group to devise a Workload Charter for staff. Duties were reduced, marking was reviewed and workload reduced through the implementation of live marking.

Trustees' Report (continued)
For the Year Ended 31 August 2019

- Explore the future of the school in relation to joining or forming a MAT

The Governors investigated 4 MATs in order to ascertain how Woodhouse would benefit from joining. They produced a detailed Operational Model through working closely with the preferred MAT – the Uttoxeter Trust. Having studied the document, Members and Governors voted to remain as a standalone academy since joining a MAT did not demonstrate clear improvements to pupil outcomes or value for money.

- Strengthen GDPR compliancy

The DPO updates staff and Governors termly about aspects of GDPR. There is a culture of openness in the school and staff support each other to maintain confidentiality, identify potential breaches and improve practice. During the period the academy's data protection policies and processes were audited by an external source. The findings were that the academy is complying with the requirements and only a few recommendations were made. These will be implemented and internal audits carried out to ensure best practice is maintained.

Implement effective interventions to reduce barriers to learning for pupils eligible for Pupil Premium, SEN and LAC funding to enable all pupils to achieve expected or greater progress

The programmes of support for pupils encompassed a range of strategies such as:

- Academic: smaller classes and teaching assistant support; small group work and one to one reading; booster work with teachers
- Social and emotional: pastoral support with form tutors through circle time and other PSHE topics, group and one to one work in the pupil support centre; courses commissioned from organisations such as Visyon
- Broadening experience: financial support to enable pupil to attend trips; free additional trips for those awarded Pupil Premium

Ensure consistently high levels of challenge for all and increase the percentage of pupils achieving the above expected standard in the KS2 Sats.

Departments reviewed their lesson activities and developed increased challenges for pupils at all levels. Extra-curricular challenge activities were also promoted such as the First Tech Robotic Challenge (pupils had to work in teams to build a robot), the STEM Rollercoaster challenge and Master Chef.

- Increase pupil understanding of different cultures

A Woodhouse school was set up this year in Sierra Leone as a result of fundraising by pupils and staff. The geography department created a series of lessons to help pupils understand aspects of life there. Stronger links are planned between the two schools.

Public Benefit

The trustees of Woodhouse Academy have referred to the charity commission's guidance on public benefit when reviewing the academy's aims, objectives and in planning its future activities.

Trustees' Report (continued)
For the Year Ended 31 August 2019

Strategic Report

Achievements and Performance

- Attendance: Whole school attendance for the year was 96.8% – above our demanding target of 96.5% and an improvement on the past 2 years (96.29% in 2017, 96.79% in 2016).

Pupil Premium attendance is similar to last year at 95.8% which is also excellent compared with Pupil Premium attendance nationally (average national Pupil Premium attendance in 2016-17 were 91.9% in secondary schools and 94.3% in primary schools).

Persistent absence is low – 3.7% (17 pupils)

- Behaviour: Behaviour for learning is excellent and improving. Only a small minority of children (13) gained more than 10 behaviour points over the year.
- The 2019 Y5 intake applications exceeded the school PAN of 120. Following appeals made by 6 parents, the number of pupils admitted was 125.

Whole school Attainment and Progress

Progress from baseline to end of 2018/19 in GL Assessments

GL test standardised score results demonstrate the excellent progress pupils are making at Woodhouse. Cohort entering below national are moved to national or above. As cohorts move through the school, the gap between the genders reduces and in all except Y8 maths, the disadvantaged pupils close the gap to attain an average equivalent to that of all pupils.

Key to symbols

= means no significant difference to < means significantly below > means significantly above

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Trustees' Report (continued)
For the Year Ended 31 August 2019

Intake Autumn 2018 (Y5 2018/19)

GL start of		
Year 5	English Reading	Maths
All	< national average	< national average
Boys	boys < girls	boys = girls
Girls		
PP	= national average	< national average

GL end of		
Year 5	English Reading	Maths
All	> national average	< national average
Boys	boys = girls	boys = girls
Girls		
PP	= national average	< national average

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Trustees' Report (continued)
For the Year Ended 31 August 2019

Intake Autumn 2017 (Y6 2018/19)

GL start of Year 5		
	English Reading	Maths
All	< national average	< national average
Boys	boys < girls	boys < girls
Girls		
PP	< national average	< national average

GL end of Year 6		
	English Reading	Maths
All	> national average	= national average
Boys	boys = girls	boys = girls
Girls		
PP	> national average	= national average

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Trustees' Report (continued)
For the Year Ended 31 August 2019

Intake Autumn 2016 (Y7 in 2018/19)

GL start of Year 5	English Reading	Maths
All	= national average	< national average
Boys	boys < girls	boys < girls
Girls		
PP	< national average	< national average

GL end of Year 7	English Reading	Maths
All	> national average	> national average
Boys	boys < girls	boys = girls
Girls		
PP	= national average	= national average

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Trustees' Report (continued)
For the Year Ended 31 August 2019

Intake Autumn 2015 (Y8 in 2018/19)

GL start of Year 5	English Reading	Maths
All	= national average	< national average
Boys	boys = girls	boys < girls
Girls		
PP	< national average	< national average

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GL end of Year 8	English Reading	Maths
All	> national average	= national average
Boys	boys = girls	boys = girls
Girls		
PP	= national average	< national average

Trustees' Report (continued)
For the Year Ended 31 August 2019

Key Performance Indicators

KS2 Sats 2019

All attainment at the expected standard is above national averages

Subject	Expected 2019		
	WA	National	WA / National
Reading	87%	73%	+14%
Writing	82%	78%	+4%
SPAG	84%	78%	+6%
Maths	85%	79%	+6%
R/W/M	74%	65%	+9%

All attainment at above expected increased dramatically compared with last year, demonstrating the success of the challenge strategies. (National averages at this standard have not been released but it is likely that the Woodhouse results will be above national at this standard too).

Subject	Above Expected 2019		
	2019	2018	Change 18/19
Reading	36%	28%	+8%
Writing	25%	17%	+8%
SPAG	35%	34%	+1%
Maths	30%	9%	+21%
R/W/M	12%	5%	+7%

Trustees' Report (continued)
For the Year Ended 31 August 2019

Progress from KS1

Progress in all subjects is greater than that of pupils with similar starting points in other schools:

- Reading progress 1.9
- Writing progress 0.6
- Maths progress 1.2

Disadvantaged Pupils in the KS2 Sats

On all measures except for the combined, our disadvantaged pupils achieved above the national figures. On the combined, we were one pupil away from achieving the national expected standard and two pupils from the non-pupil premium standard. Progress is positive in every subject – the best results in at least the last 5 years.

Financial objectives

The trustees have evaluated financial health on a regular basis via the finance committee to:

- Keep expenditure within budget
- Ensure the Academy's liquidity

All objectives were met during the accounting period.

Going Concern

After making appropriate enquiries, the board of trustees 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.

Financial Review

The main streams of funding during the year were grants received from the Education and Skills Funding Agency (ESFA) and the Local Authority (LA).

All grants received from the ESFA and LA during the period 1 September 18 – 31 August 2019 and the associated expenditure are shown as restricted general funds in the Statement of Financial Activities.

The Local Government Pension Scheme (LGPS) liability at 31 August 2019 totalled £805,000. The current employer rate 1 April 2019 to 31 March 2020 is 23.2%. Future employer contribution rates had not been published at the time of writing this report, the fund has been going through its triannual formal valuation, the results of which are in the process of being finalised.

During the year ended 31 August 2019 total expenditure of £2,066,592 (excluding depreciation) was covered by grant funding from the ESFA together with other incoming resources. The excess on income over expenditure for the year (excluding restricted fixed asset funds and LGPS adjustments) was £153,015

At 31 August 2019 the net book value of fixed assets was £5,199,762 and movements in tangible fixed assets are shown in note 13 to the financial statements. The assets were used exclusively for providing education and the associated support services to the students of the Academy.

Trustees' Report (continued)
For the Year Ended 31 August 2019

The Academy secured £117k of Condition improvement funding (CIF) in the 2019-20 round and invested £13k towards a safeguarding bid which includes fencing and automated gates to make the site more secure, the work is expected to be complete by December 2019. The Academy is actively seeking to secure further funding from the CIF 2020-21 to improve the heating infrastructure and expand the teaching space across the school.

Reserves Policy

The policy of the Trustees' is that the Academy trust has a project development plan to continually improve physical and technological infrastructure as well as maintain a balanced budget. The trustees will review the reserve levels annually to maintain a level of reserves sufficient to meet these needs. The Academy's current level of free reserves (unrestricted funds) is £115,092 (2018 - £109,613).

At the 31 August 2019 the Academy's fixed asset fund is £5,347,241 (2018 - £5,279,949).

At the 31 August 2019 the total funds amounted to £5,158,146 (2018 - £5,205,305). The Academy has restricted funds of deficit £304,187 (2018 - deficit £184,257) which is made up of a restricted pension reserve amounting to a deficit of £805,000 (2018 - £507,000) and other restricted general funds of £500,813 (2018 - £322,743).

The Academy's restricted funds (excluding pension reserve) plus the unrestricted fund at the 31 August 2019 amounted to £615,905 (2018 - £432,356)

Investment Policy

The Academy aims to manage its cash balance to provide for the day-to-day working capital requirements of its operations, whilst protecting the real long-term value of any surplus cash balances against inflation. In addition, the Academy aims to invest surplus cash funds to optimize returns, but ensuring the investment instruments are such that there is no risk to the loss of these cash funds.

Principal Risks and Uncertainties

A risk register has been developed and adopted by the Academy and will be reviewed on an annual basis or more frequently where necessary. The register identifies the key risks faced by the Academy and score the likelihood and impact of those risk occurring. Actions have been taken to reduce and mitigate the risks.

The Academy has developed and embedded systems of internal control to ensure that the Academy complies with risk management best practice and sets out the current processes and responsibilities for risk management in the Academy.

The main risks identified are listed below, not all of the factors are within the Academy's control. Other factors besides those listed below may also adversely affect the Academy.

- Student recruitment
- Reliance on ESFA funding
- Changes in government education policies
- Strategic gaps in the disaster recovery plan
- ICT Infrastructure

Trustees' Report (continued)
For the Year Ended 31 August 2019

Strategies put into place to reduce the risks include:

- Consistent drive to market the Academy.
- Continue to update Finance and General Purpose Committee and trustees as information is released around funding, to assist strategic decisions to be made
- Promote our team culture so that employees are not opposed to change and can respond to changes quickly
- Carry out desk top exercises to prepare for emergencies
- Appointment of experienced IT personnel to provide support with the new ICT infrastructure

Fundraising

Approach to fundraising

Woodhouse Academy rely on public generosity from fundraising activities organised by staff members or the Woodhouse Association. The Woodhouse Association held several events during the period, Easter bingo, sports day refreshments and a Christmas fair. The Association again funded the year 8 leaver's celebration and invested in gazebos to be used for school events.

The academy continues to work with the charity Street Child whose aim is to target communities across Sierra Leone where there is little or zero education provision, we sponsor our own school in Sierra Leone. Other charities we have supported include Red nose day, children in need and Fairtrade foundation.

The Academy follows the code of fundraising practice to protect the public, including vulnerable people and will not use intrusive, persistent or undue pressure to get individuals to donate. There have been no fundraising complaints during the period.

Plans for Future Periods

- Enable all pupils to achieve or exceed expected standards
- Ensure that there is stretch challenge and support for all
- Embed core values and vision, attendance and behaviour for learning, and progress healthy eating and lifestyle
- Continue to develop the senior leadership and governance in their roles
- Improve the internal appearance of the Academy – flooring, displays, lighting etc.
- Monitor developments in MATs, to ensure that any changes which impact our findings are reviewed and considered

Funds Held as Custodian Trustee on Behalf of Others

The Academy does not hold any funds on behalf of others.

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Trustees' Report (continued)
For the Year Ended 31 August 2019

Auditor

Insofar as the trustees are aware:

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

The Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 10 October 2019 and signed on the board's behalf by:



Mrs N Perkin
Chair of Trustees

Date: 10 October 2019

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Governance Statement

Scope of responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that Woodhouse 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 board of Trustees has delegated the day-to-day responsibility to the Principal, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Woodhouse Academy and the Secretary of State for Education. They are also responsible for reporting to the board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of Trustees has formally met 6 times during the year.

Attendance during the year at meetings of the board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mrs C Butler, Principal and Accounting Officer	6	6
Mr G Frost	6	6
Mrs C Anthony, Vice chair	3	6
Mrs E Cox	6	6
Mrs S Haden, Staff Trustee	4	6
Mrs J Betts	4	6
Mr G Butler	6	6
Mrs A Millington	5	6
Mr P Reeves	6	6
Mrs E Holt	5	5
Mrs C Hamnett	0	1
Mrs N Perkin, Chair of Trustees	6	6

The Finance and General Purposes Committee is a sub-committee of the main board of Trustees. Its purpose is to monitor the financial activities of the Academy and make decisions relating to finance. In addition the Finance and General Purposes committee has also been given the responsibilities of the audit committee, in order to review the control of the academy's finances.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Mrs C Butler	3	3
Mr G Butler	3	3
Mrs N Perkin	3	3
Mrs E Cox	3	3

Governance Statement (continued)

Review of value for money

The accounting officer considers how the academy 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 appropriate. The accounting officer for the academy trust has delivered improved value for money during the year by:

- Using procurement frameworks to ensure the academy gets best value from buying goods and services.
- Benchmarking information to inform trustees about spending decisions and compare information with similar schools to highlight where resources can be used better.
- Monitoring budgets to maintain financial viability.
- Reviewing staffing structures on a regular basis without impacting on outcomes both academically or financially.

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 Woodhouse Academy for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The board of Trustees has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks that has been in place for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Trustees.

Governance Statement (continued)

The risk and control framework

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

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

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

The reviewer's role includes giving advice on financial matters and performing a range of checks on the academy's financial systems. In particular the checks carried out in the particular period included:

- Purchases system
- Payroll system
- Income system
- Accounting system

On a semi-annual basis, the external auditors report to the board of Trustees through the Finance and General Purposes Committee on the operation of the systems of control.

The Board of Trustees confirm that Dains LLP has delivered their schedule of work as planned during the financial year ending 31 August 2019 and details reports including recommendations.

Review of effectiveness

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

- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy who have responsibility for the development and maintenance of the internal control framework.

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

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Governance Statement (continued)

Approved by order of the members of the board of Trustees on 10 October 2019 and signed on their behalf by:



Mrs N Perkin
Chair of Trustees



Mrs C Butler
Accounting Officer

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Statement on Regularity, Propriety and Compliance

As accounting officer of Woodhouse Academy I have considered my responsibility to notify the academy board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy, under the funding agreement in place between the academy and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

I confirm that I and the academy board of Trustees are able to identify any material irregular or improper use of all funds by the academy, or material non-compliance with the terms and conditions of funding under the academy's funding agreement and the Academies Financial Handbook 2018.

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



Mrs C Butler
Accounting Officer
Date: 10 October 2019

Woodhouse Academy
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Statement of Trustees' responsibilities
For the Year Ended 31 August 2019

The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Academies Accounts Direction published by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of Trustees on 10 October 2019 and signed on its behalf by:



Mrs N Perkin
Chair of Trustees

Independent Auditors' Report on the financial statements to the Members of Woodhouse Academy

Opinion

We have audited the financial statements of Woodhouse Academy (the 'academy') for the Year ended 31 August 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2019 and of its incoming resources and application of resources, including its income and expenditure for the Year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

Basis for 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the academy in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Independent Auditors' Report on the financial statements to the Members of Woodhouse Academy
(continued)

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 Auditors' Report thereon. Our opinion on the financial statements does not cover the other 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.

Matters on which we are required to report by exception

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

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

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

Independent Auditors' Report on the financial statements to the Members of Woodhouse Academy
(continued)

Responsibilities of trustees

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

In preparing the financial statements, the Trustees are responsible for assessing the academy's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the academy 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 Auditors' 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. This description forms part of our Auditors' Report.

Use of our report

This report is made solely to the academy's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the academy's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the academy and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Jonathan Dudley (Senior Statutory Auditor)
for and on behalf of

Dains LLP
Statutory Auditors
Chartered Accountants
Suite 2 Albion House
2 Etruria Office Village
Forge Lane
Etruria
Stoke on Trent
ST1 5RQ

10 October 2019

Independent Reporting Accountant's Assurance Report on Regularity to Woodhouse Academy and the Education & Skills Funding Agency

In accordance with the terms of our engagement letter dated 1 October 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Woodhouse Academy during the year 1 September 2018 to 31 August 2019 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 Woodhouse Academy and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Woodhouse Academy and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Woodhouse Academy and ESFA, for our work, for this report, or for the conclusion we have formed.

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

The accounting officer is responsible, under the requirements of Woodhouse Academy's funding agreement with the Secretary of State for Education dated 30 June 2014 and the Academies Financial Handbook, extant from 1 September 2018, 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 2018 to 2019. 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 2018 to 31 August 2019 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 2018 to 2019 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

Woodhouse Academy
(A Company Limited by Guarantee)

**Independent Reporting Accountant's Assurance Report on Regularity to Woodhouse Academy and the
Education & Skills Funding Agency (continued)**

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Dains LLP
Suite 2 Albion House
2 Etruria Office Village
Forge Lane
Etruria
Stoke on Trent
ST1 5RQ

Date: 10 October 2019

Woodhouse Academy
(A Company Limited by Guarantee)

Statement of financial activities (incorporating income and expenditure account)
For the Year Ended 31 August 2019

		Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
Income from:						
Donations and capital grants	3	1,623	2,581	147,384	151,588	502,266
Charitable activities:	4					
Funding for the academy trust's educational operations		61,542	2,032,726	-	2,094,268	2,058,311
Other trading activities	5	11,899	108,862	-	120,761	104,927
Investments	6	374	-	-	374	300
Total income		75,438	2,144,169	147,384	2,366,991	2,665,804
Expenditure on:						
Raising funds	7	1,132	96,450	-	97,583	99,357
Charitable activities	8	66,718	1,902,292	122,558	2,091,568	1,993,043
Total expenditure		67,850	1,998,742	122,558	2,189,150	2,092,400
Net income		7,588	145,427	24,826	177,841	573,404
Transfers between funds	17	(2,109)	(40,357)	42,466	-	-
Net income before other recognised gains/(losses)		5,479	105,070	67,292	177,841	573,404
Other recognised gains/(losses):						
Actuarial (losses)/gains on defined benefit pension schemes	24	-	(225,000)	-	(225,000)	124,000
Net movement in funds		5,479	(119,930)	67,292	(47,159)	697,404

Woodhouse Academy
(A Company Limited by Guarantee)

Statement of financial activities (incorporating income and expenditure account) (continued)
For the Year Ended 31 August 2019

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
Reconciliation of funds:					
Total funds brought forward	109,613	(184,257)	5,279,949	5,205,305	4,507,901
Net movement in funds	5,479	(119,930)	67,292	(47,159)	697,404
Total funds carried forward	115,092	(304,187)	5,347,241	5,158,146	5,205,305

The Statement of Financial Activities includes all gains and losses recognised in the Year.

The notes on pages 34 to 61 form part of these financial statements.

Woodhouse Academy
(A Company Limited by Guarantee)

Company Registration Number : 09055607

Balance Sheet
For the Year Ended 31 August 2019

		As at 31 August 2019 £	As at 31 August 2018 £
Fixed assets			
Tangible assets	13	5,199,762	4,986,259
		<u>5,199,762</u>	<u>4,986,259</u>
Current assets			
Debtors	14	152,499	390,115
Cash at bank and in hand		807,960	787,946
		<u>960,459</u>	<u>1,178,061</u>
Creditors: amounts falling due within one year	15	(186,075)	(439,015)
Net current assets		<u>774,384</u>	<u>739,046</u>
Total assets less current liabilities		<u>5,974,146</u>	<u>5,725,305</u>
Creditors: amounts falling due after more than one year	16	(11,000)	(13,000)
Net assets excluding pension liability		<u>5,963,146</u>	<u>5,712,305</u>
Defined benefit pension scheme liability	24	(805,000)	(507,000)
Total net assets		<u><u>5,158,146</u></u>	<u><u>5,205,305</u></u>
Funds of the academy			
Restricted funds:			
Fixed asset funds	17	5,347,241	5,279,949
Restricted income funds	17	500,813	322,743
		<u>5,848,054</u>	<u>5,602,692</u>
Restricted funds excluding pension asset	17	5,848,054	5,602,692
Pension reserve	17	(805,000)	(507,000)
Total restricted funds	17	<u>5,043,054</u>	<u>5,095,692</u>
Unrestricted income funds	17	115,092	109,613
Total funds		<u><u>5,158,146</u></u>	<u><u>5,205,305</u></u>

Woodhouse Academy
(A Company Limited by Guarantee)

Balance Sheet (continued)
For the Year Ended 31 August 2019

The financial statements on pages 29 to 61 were approved by the Trustees, and authorised for issue on 10 October 2019 and are signed on their behalf, by:



Mrs N Perkin
Chair of Trustees

The notes on pages 34 to 61 form part of these financial statements.

Statement of Cash Flows
For the Year Ended 31 August 2019

	Note	2019 £	2018 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	19	(25,200)	422,512
Cash flows from investing activities	21	53,282	(78,623)
Cash flows from financing activities	20	(8,068)	6,202
Change in cash and cash equivalents in the year		20,014	350,091
Cash and cash equivalents at the beginning of the year		787,946	437,855
Cash and cash equivalents at the end of the Year	22	807,960	787,946

The notes on pages 34 to 61 form part of these financial statements

Notes to the Financial Statements
For the Year Ended 31 August 2019

1. Accounting policies

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

1.1 Basis of preparation of financial statements

The financial statements of the academy, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Woodhouse Academy meets the definition of a public benefit entity under FRS 102.

1.2 Going concern

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

Notes to the Financial Statements
For the Year Ended 31 August 2019

1. Accounting policies (continued)

1.3 Income

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

• **Grants**

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 year is deducted from income and recognised as a liability.

Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the Balance Sheet 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 reliably measured.

• **Other income**

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

1.4 Expenditure

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

• **Expenditure on raising funds**

This includes all expenditure incurred by the academy 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's educational operations, including support costs and costs relating to the governance of the academy apportioned to charitable activities.

Notes to the Financial Statements
For the Year Ended 31 August 2019

1. Accounting policies (continued)

1.4 Expenditure (continued)

All resources expended are inclusive of irrecoverable VAT.

1.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the academy; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

1.6 Taxation

The academy is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the academy is potentially exempt from taxation in respect of income or capital gains received within categories covered by 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.

1.7 Tangible fixed assets

Assets costing £500 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 and assets under construction, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Notes to the Financial Statements
For the Year Ended 31 August 2019

1. Accounting policies (continued)

1.7 Tangible fixed assets (continued)

Depreciation is provided on the following bases:

Freehold property	- 2% straight line
Improvements to property	- 3.3% - 10% straight line
Office equipment	- 25% straight line
Computer equipment	- 33% straight line

Assets under construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

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

1.8 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.9 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.10 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 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.

1.11 Provisions

Provisions are recognised when the academy 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.

Notes to the Financial Statements
For the Year Ended 31 August 2019

1. Accounting policies (continued)

1.12 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments. 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 15 and 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.13 Operating leases

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

1.14 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is 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 multi-employer scheme and the assets are held separately from those of the academy 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.

Notes to the Financial Statements
For the Year Ended 31 August 2019

1. Accounting policies (continued)

1.15 Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by 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 Department for Education Group.

Investment income, gains and losses are allocated to the appropriate fund.

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

The academy trust makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. 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.

Woodhouse Academy
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2019

3. Income from donations and capital grants

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Donations	1,623	2,581	4,204	4,015
Capital Grants	-	147,384	147,384	498,251
	1,623	149,965	151,588	502,266
Total 2018	1,734	500,532	502,266	

4. Funding for the Academy's educational operations

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	1,839,049	1,839,049	1,821,454
Other DfE / ESFA grants	-	49,845	49,845	24,902
Pupil Premium	-	68,846	68,846	71,450
	-	1,957,740	1,957,740	1,917,806
Other government grants				
Local authority grants	-	8,240	8,240	4,500
Special educational funding	-	66,746	66,746	76,418
	-	74,986	74,986	80,918
Other funding				
Catering income	61,542	-	61,542	59,587
	61,542	-	61,542	59,587
	61,542	2,032,726	2,094,268	2,058,311
Total 2018	59,587	1,998,724	2,058,311	

Woodhouse Academy
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 31 August 2019

5. Income from other trading activities

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Trip income	-	79,057	79,057	85,483
Staff insurance income	-	29,805	29,805	11,220
Other income	9,395	-	9,395	7,515
Letting income	2,504	-	2,504	710
	<u>11,899</u>	<u>108,862</u>	<u>120,761</u>	<u>104,928</u>
Total 2018	<u>8,225</u>	<u>96,703</u>	<u>104,928</u>	

6. Investment income

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Investment income	374	374	300

Investment income in 2018 was all unrestricted.

Woodhouse Academy
(A Company Limited by Guarantee)

**Notes to the Financial Statements
For the Year Ended 31 August 2019**

7. Expenditure

	Staff Costs 2019 £	Premises 2019 £	Other costs 2019 £	Total 2019 £	Total 2018 £
Expenditure on fundraising trading activities:					
Direct costs	-	24,295	73,288	97,583	99,357
Academy trust's educational operations:					
Direct costs	1,469,997	65,143	65,162	1,600,302	1,525,223
Support costs	219,805	124,876	146,585	491,266	467,820
	<u>1,689,802</u>	<u>214,314</u>	<u>285,035</u>	<u>2,189,151</u>	<u>2,092,400</u>
Total 2018	<u>1,603,866</u>	<u>184,468</u>	<u>304,066</u>	<u>2,092,400</u>	

8. Analysis of expenditure by activities

	Activities undertaken directly 2019 £	Support costs 2019 £	Total funds 2019 £	Total funds 2018 £
Charitable activities - Educational operations	<u>1,600,302</u>	<u>491,266</u>	<u>2,091,568</u>	<u>1,993,043</u>
Total 2018	<u>1,525,223</u>	<u>467,820</u>	<u>1,993,043</u>	

**Notes to the Financial Statements
For the Year Ended 31 August 2019**

8. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Total funds 2019 £	Total funds 2018 £
Staff costs	1,469,997	1,395,136
Depreciation	65,143	65,143
Educational supplies	43,904	45,147
Examination fees	6,772	6,705
Other direct costs	14,486	13,092
	<u>1,600,302</u>	<u>1,525,223</u>

Analysis of support costs

	Total funds 2019 £	Total funds 2018 £
FRS 102 pension adjustment	15,000	14,000
Staff costs	219,806	208,728
Depreciation	57,415	29,814
Technology costs	23,334	14,831
Education consultancy	6,080	3,905
Travel & subsistence	6,826	5,329
Catering costs	32,139	29,077
Maintenance of premises	27,492	45,504
Cleaning	11,750	10,505
Operating leases	5,323	6,577
Rates	6,665	6,402
Water rates	2,590	10,814
Energy	18,964	19,874
Insurance	10,217	10,067
Governance costs	11,053	12,900
Other occupancy costs	36,612	39,493
	<u>491,266</u>	<u>467,820</u>

**Notes to the Financial Statements
For the Year Ended 31 August 2019**

9. Net income

Net income for the Year includes:

	2019 £	2018 £
Operating lease rentals	5,323	6,577
Depreciation of tangible fixed assets	122,558	94,956
Fees paid to auditors for:		
- audit	6,500	6,350
- other services	1,600	2,230
	<u>129,981</u>	<u>105,013</u>

10. Staff costs

a. Staff costs

Staff costs during the year were as follows:

	2019 £	2018 £
Wages and salaries	1,274,445	1,194,309
Social security costs	110,806	101,193
Pension costs	280,879	284,876
	<u>1,666,130</u>	<u>1,580,378</u>
Agency staff costs	23,672	23,487
	<u>1,689,802</u>	<u>1,603,865</u>

b. Staff numbers

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

	2019	2018
Teachers	21	21
Administraion and support	32	30
Management	4	4
	<u>57</u>	<u>55</u>

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Notes to the Financial Statements
For the Year Ended 31 August 2019

10. Staff costs (continued)

c. Higher paid staff

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

	2019	2018
	No.	No.
In the band £60,001 - £70,000	<u>1</u>	<u>1</u>

d. Key management personnel

The key management personnel of the academy comprise the trustees and the senior management are listed on page 1. The total amount of employee benefits (including employer pensions contributions) received by key management personnel for their services to the academy trust was £255,206 (2018: £242,536).

11. Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the academy. 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:

		2019	2018
		£	£
Mrs C Butler (Principal and trustee)	Remuneration	65,000 -	65,000 -
		70,000	70,000
	Pension contributions paid	10,000 -	10,000 -
		15,000	15,000
Mrs S Haden (Staff trustee)	Remuneration	35,000 -	30,000 -
		40,000	35,000
	Pension contributions paid	5,000 -	5,000 -
		10,000	10,000

During the Year ended 31 August 2019, no Trustee expenses have been reclaimed (2018 - £NIL).

12. Trustees' and Officers' insurance

The academy has opted into the Department of Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000. It is not possible to quantify the Trustees and officers indemnity element from the overall cost of the RPA scheme membership.

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Notes to the Financial Statements
For the Year Ended 31 August 2019

13. Tangible fixed assets

	Freehold property £	Improve- ments to property £	Assets under construc- tion £	Office equipment £	Computer equipment £	Total £
Cost or valuation						
At 1 September 2018	4,611,135	612,393	-	28,588	87,842	5,339,958
Additions	-	304,912	14,400	13,340	3,408	336,060
At 31 August 2019	4,611,135	917,305	14,400	41,928	91,250	5,676,018
Depreciation						
At 1 September 2018	271,428	34,069	-	15,283	32,919	353,699
Charge for the Year	65,143	29,358	-	8,161	19,896	122,558
At 31 August 2019	336,571	63,427	-	23,444	52,815	476,257
Net book value						
At 31 August 2019	4,274,564	853,878	14,400	18,484	38,435	5,199,761
At 31 August 2018	4,339,707	578,324	-	13,305	54,923	4,986,259

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**Notes to the Financial Statements
For the Year Ended 31 August 2019**

14. Debtors

	2019 £	2018 £
Trade debtors	-	108
VAT Recoverable	54,578	65,161
Prepayments and accrued income	97,921	324,846
	<u>152,499</u>	<u>390,115</u>

15. Creditors: Amounts falling due within one year

	2019 £	2018 £
Other loans	2,000	8,068
Trade creditors	73,254	294,396
Other taxation and social security	29,133	27,635
Other creditors	27,679	26,691
Accruals and deferred income	54,009	82,225
	<u>186,075</u>	<u>439,015</u>

	2019 £	2018 £
Deferred income at 1 September 2018	14,331	48,066
Resources deferred during the Year	19,297	14,331
Amounts released from previous periods	(14,331)	(48,066)
	<u>19,297</u>	<u>14,331</u>

Amounts deferred related to grant income and trip income for the 2019/20 year (2018 - grant and trip income for the 2018/19 year).

Other loans include a loan from Salix which is provided interest free and will be fully repaid by August 2026.

**Notes to the Financial Statements
For the Year Ended 31 August 2019**

16. Creditors: Amounts falling due after more than one year

	2019 £	2018 £
Other loans	<u>11,000</u>	<u>13,000</u>

The aggregate amount of liabilities payable or repayable wholly or in part more than five years after the reporting date is:

	2019 £	2018 £
Payable or repayable by instalments	<u>3,000</u>	<u>5,000</u>
	<u><u>3,000</u></u>	<u><u>5,000</u></u>

Other loans include a loan from Salix which is provided interest free and will be fully repaid by August 2026.

**Notes to the Financial Statements
For the Year Ended 31 August 2019**

17. Statement of funds

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Unrestricted funds						
General Funds	109,613	75,438	(67,850)	(2,109)	-	115,092
Restricted general funds						
General Annual Grant (GAG)	310,126	1,839,049	(1,644,118)	(40,357)	-	464,700
Other DfE / ESFA grants	8,495	49,845	(39,556)	-	-	18,784
Pupil Premium	-	68,846	(68,846)	-	-	-
Other government grants	-	74,986	(74,986)	-	-	-
Trip income	4,122	79,057	(72,156)	-	-	11,023
Other income	-	32,386	(26,080)	-	-	6,306
Pension reserve	(507,000)	-	(73,000)	-	(225,000)	(805,000)
	<u>(184,257)</u>	<u>2,144,169</u>	<u>(1,998,742)</u>	<u>(40,357)</u>	<u>(225,000)</u>	<u>(304,187)</u>

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Notes to the Financial Statements
For the Year Ended 31 August 2019

17. Statement of funds (continued)

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Restricted fixed asset funds						
Capital expenditure from GAG	163,858	-	(31,793)	40,357	-	172,422
Donations on conversion	4,339,709	-	(65,143)	-	-	4,274,566
Devolved formula capital	36,152	30,879	(1,750)	-	-	65,281
Capital expenditure from unrestricted funds	21,614	-	(4,637)	2,109	-	19,086
Condition improvement fund	710,969	116,505	(18,997)	-	-	808,477
Cera Funding	7,647	-	(238)	-	-	7,409
	<u>5,279,949</u>	<u>147,384</u>	<u>(122,558)</u>	<u>42,466</u>	<u>-</u>	<u>5,347,241</u>
Total Restricted funds	<u>5,095,692</u>	<u>2,291,553</u>	<u>(2,121,300)</u>	<u>2,109</u>	<u>(225,000)</u>	<u>5,043,054</u>
Total funds	<u>5,205,305</u>	<u>2,366,991</u>	<u>(2,189,150)</u>	<u>-</u>	<u>(225,000)</u>	<u>5,158,146</u>

Notes to the Financial Statements
For the Year Ended 31 August 2019

17. Statement of funds (continued)

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

Unrestricted General Funds

This funds represents those resources which may be used towards meeting any of the charitable objectives of the academy at the discretion of the Trustees.

Restricted General Funds

This fund represents grants received for the academy's operational activities and development.

Pension Reserve

This fund represents the academy's share of the pension liability arising on the LGPS pension fund.

Restricted Fixed Asset Fund

This fund represents grant funding received from the ESFA to carry out works of a capital nature and also the donation of freehold land and buildings from the Biddulph Schools Partnership Trust and a small amount of capital expenditure from other funds.

**Notes to the Financial Statements
For the Year Ended 31 August 2019**

17. Statement of funds (continued)

Comparative information in respect of the preceding Year is as follows:

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds						
General Funds	111,757	69,845	(62,336)	(9,653)	-	109,613
Restricted general funds						
General Annual Grant (GAG)	167,216	1,821,456	(1,576,186)	(102,360)	-	310,126
Other DfE / ESFA grants	-	24,901	(16,406)	-	-	8,495
Pupil Premium	-	71,450	(71,450)	-	-	-
Other government grants	-	80,918	(80,918)	-	-	-
Trip income	-	85,482	(81,360)	-	-	4,122
Other income	-	13,501	(17,788)	4,287	-	-
Pension reserve	(540,000)	-	(91,000)	-	124,000	(507,000)
	<u>(372,784)</u>	<u>2,097,708</u>	<u>(1,935,108)</u>	<u>(98,073)</u>	<u>124,000</u>	<u>(184,257)</u>

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Notes to the Financial Statements
For the Year Ended 31 August 2019

17. Statement of funds (continued)

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Restricted fixed asset funds						
Capital expenditure from GAG	92,074	-	(17,376)	89,160	-	163,858
Donations on conversion	4,405,517	-	(65,808)	-	-	4,339,709
Devolved formula capital	28,196	9,706	(1,750)	-	-	36,152
Capital expenditure from unrestricted funds	16,664	-	(815)	5,765	-	21,614
Condition improvement fund	218,591	488,545	(8,968)	12,801	-	710,969
Cera Funding	7,886	-	(239)	-	-	7,647
	<u>4,768,928</u>	<u>498,251</u>	<u>(94,956)</u>	<u>107,726</u>	<u>-</u>	<u>5,279,949</u>
Total Restricted funds	<u>4,396,144</u>	<u>2,595,959</u>	<u>(2,030,064)</u>	<u>9,653</u>	<u>124,000</u>	<u>5,095,692</u>
Total funds	<u>4,507,901</u>	<u>2,665,804</u>	<u>(2,092,400)</u>	<u>-</u>	<u>124,000</u>	<u>5,205,305</u>

**Notes to the Financial Statements
For the Year Ended 31 August 2019**

18. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	5,199,762	5,199,762
Current assets	115,092	697,888	147,479	960,459
Creditors due within one year	-	(186,075)	-	(186,075)
Creditors due in more than one year	-	(11,000)	-	(11,000)
Provisions for liabilities and charges	-	(805,000)	-	(805,000)
Total	115,092	(304,187)	5,347,241	5,158,146

Analysis of net assets between funds - prior year

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	4,986,259	4,986,259
Current assets	109,613	774,758	293,690	1,178,061
Creditors due within one year	-	(439,015)	-	(439,015)
Creditors due in more than one year	-	(13,000)	-	(13,000)
Provisions for liabilities and charges	-	(507,000)	-	(507,000)
Total	109,613	(184,257)	5,279,949	5,205,305

**Notes to the Financial Statements
For the Year Ended 31 August 2019**

19. Reconciliation of net income to net cash flow from operating activities

	2019 £	2018 £
Net income for the year (as per Statement of Financial Activities)	177,841	573,404
Adjustments for:		
Depreciation	122,558	94,956
Capital grants from DfE and other capital income	(147,384)	(498,251)
Dividends, Interest and rents from investments	(374)	(300)
Decrease in debtors	(3,969)	(790)
(Decrease)/increase in creditors	(246,872)	162,493
FRS 102 pension adjustment	73,000	91,000
Net cash (used in)/provided by operating activities	(25,200)	422,512

20. Cash flows from financing activities

	2019 £	2018 £
Cash inflows from new borrowing	-	16,000
Repayments of borrowing	(8,068)	(9,798)
Net cash (used in)/provided by financing activities	(8,068)	6,202

21. Cash flows from investing activities

	2019 £	2018 £
Dividends, interest and rents from investments	374	300
Purchase of intangible assets	(336,060)	(312,289)
Capital grants from DfE Group	388,968	233,366
Net cash provided by/(used in) investing activities	53,282	(78,623)

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Notes to the Financial Statements
For the Year Ended 31 August 2019

22. Analysis of cash and cash equivalents

	2019 £	2018 £
Cash in hand	807,960	787,946
Total cash and cash equivalents	807,960	787,946

23. Capital commitments

	2019 £	2018 £
Contracted for but not provided in these financial statements		
Acquisition of tangible fixed assets	102,105	217,344

24. Pension commitments

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £27,471 were payable to the schemes at 31 August 2019 (2018 - £26,059) and are included within creditors.

Introduction

The Teachers' Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The Teachers' Pension Budgeting and Valuation Accounts

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – contributions from members, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Acts.

Notes to the Financial Statements
For the Year Ended 31 August 2019

24. Pension commitments (continued)

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pension Scheme

The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.8%). The timing of the implementation is to align its introduction with employers' budget planning cycles. Until then, employers will pay the current rate of 16.48%.

A copy of the latest valuation report can be found by following this link to the [Teachers' Pension Scheme website](#).

Scheme Changes

The arrangements for a reformed Teachers' Pension Scheme, in line with the recommendations made by Lord Hutton, in particular the introduction of a Career Average Revalued Earnings (CARE) scheme, were implemented from 1 April 2015.

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, have rejected the Government's application for permission to appeal the Court of Appeal's ruling. The case will now be referred to an Employment Tribunal for a decision regarding the remedy which will need to be offered to those members of the two schemes who were subject of the age discrimination.

HM Treasury are clear that the ruling has implications for the other public service schemes, including the Teachers' Pension Scheme. Those implications are currently being considered and any impact on scheme costs is expected to be looked at within the next scheme valuation, which is currently scheduled to be based on April 2020 data and implemented in April 2023.

The employer's pension costs paid to TPS in the Year amounted to £144,000 (2018 - £137,000).

Under the definitions set out in FRS 102, the TPS is an unfunded 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 2019**

24. Pension commitments (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 2019 was £107,000 (2018 - £94,000), of which employer's contributions totalled £86,000 (2018 - £75,000) and employees' contributions totalled £ 21,000 (2018 - £19,000). The agreed contribution rates for future years are 24 per cent for employers and 5.5 - 12.5 per cent for employees.

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

Principal actuarial assumptions

	2019	2018
	%	%
Rate of increase in salaries	2.70	2.80
Rate of increase for pensions in salaries	2.70	2.80
Rate of increase for pensions in payment / inflation	2.30	2.40
Inflation assumption (CPI)	2.30	2.40
Commutation of pensions to lump sums - pre-April 2008	50.00	50.00
Commutation of pensions to lump sums - post April 2008	75.00	75.00

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

	2019	2018
	Years	Years
<i>Retiring today</i>		
Males	22.1	22.1
Females	22.2	24.4
<i>Retiring in 20 years</i>		
Males	23.5	24.1
Females	24.8	26.4

**Notes to the Financial Statements
For the Year Ended 31 August 2019**

24. Pension commitments (continued)

Sensitivity analysis

	2019 £000	2018 £000
Discount rate -0.5%	223,000	161,000
Salary rate +0.5%	25,000	22,000
Pension rate +0.5%	194,000	137,000

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

	At 31 August 2019 £	At 31 August 2018 £
Equities	644,000	561,000
Debt instruments	208,000	152,000
Property	76,000	64,000
Cash and other liquid assets	19,000	25,000
Total market value of assets	947,000	802,000

The actual return on scheme assets was £60,000 (2018 - £54,000).

The amounts recognised in the Statement of Financial Activities are as follows:

	2019 £	2018 £
Current service cost	(134,000)	(137,000)
Past service cost	(10,000)	(15,000)
Interest income	24,000	18,000
Interest cost	(39,000)	(32,000)
Total amount recognised in the Statement of Financial Activities	(159,000)	(166,000)

Notes to the Financial Statements
For the Year Ended 31 August 2019

24. Pension commitments (continued)

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

	2019 £	2018 £
At 1 September	1,309,000	1,223,000
Current service cost	134,000	137,000
Interest cost	39,000	32,000
Employee contributions	21,000	19,000
Actuarial losses/(gains)	254,000	(94,000)
Benefits paid	(15,000)	(23,000)
Past service costs	10,000	15,000
At 31 August	1,752,000	1,309,000

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

	2019 £	2018 £
At 1 September	802,000	683,000
Actuarial gains	29,000	30,000
Employer contributions	86,000	75,000
Employee contributions	21,000	19,000
Benefits paid	(15,000)	(23,000)
Interest income	24,000	18,000
At 31 August	947,000	802,000

25. Operating lease commitments

At 31 August 2019 the academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Not later than 1 year	784	1,878

Notes to the Financial Statements
For the Year Ended 31 August 2019

26. Members' liability

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

27. Related party transactions

Owing to the nature of the academy's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which a trustee has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy's financial regulations and normal procurement procedures.

Trustee and Principal, Mrs C Butler is the spouse of Mr G Butler, a trustee. Mrs C Butler is paid within the normal pay scale for her role, Mr G Butler takes no part in discussions around performance and pay of Mrs C Butler and she therefore receives no special treatment as a result of her relationship to a trustee.

No related party transactions took place in the period of accounts, other than certain trustees' remuneration and expenses already disclosed in the notes to the Financial Statements.