
THE WOODLANDS ACADEMY SCARBOROUGH
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

THE WOODLANDS ACADEMY SCARBOROUGH
(A company limited by guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2017

Members

G B Weekes
W A Cowen (resigned 19 September 2017)
M A Lee (resigned 18 September 2017)
M Woodburn (appointed 3 July 2017)
M Jenkinson (appointed 14 August 2017)

Trustees

G B Weekes, Chairman
D L Billing
W Chatt
A Caton, Co-Headteacher and Staff Trustee (appointed 5 October 2017)
A K Fearn, Co-Headteacher and Accounting Officer
V L Gough, Staff Trustee
M Jenkinson (formerly Haigh)
D Raper
M Woodburn
R Askew (appointed 5 October 2017)
M A Lee (resigned 14 December 2016)
A Vernon (resigned 25 November 2016)
H L Lee (term of office ended 10 December 2016)
W A Cowen (resigned 30 May 2017)
M Husler (resigned 12 July 2017)
P Gates (resigned 25 September 2017)

Company registered number

08436037

Company name

The Woodlands Academy Scarborough

Principal and registered office

Woodlands Drive, Scarborough, North Yorks, YO12 6QN

Company secretary

Schofield Sweeney LLP

Senior management team

A K Fearn, Headteacher (Co-Headteacher from 24 April 2017)
A Caton, Assistant Headteacher (Co-Headteacher from 24 April 2017)
P Barker, Assistant Headteacher (resigned 14 July 2017)
D Layton, Academy Business Manager

Independent auditors

Streets Audit LLP, Halifax House, 30 George Street, Hull, East Yorkshire, HU1 3AJ

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2017**

Advisers (continued)

Bankers

Lloyds Bank Plc, 1 St Nicholas Street, Scarborough, North Yorks, YO11 2YY

Solicitors

Schofield Sweeney, Church Bank House, Church Bank, Bradford, West Yorks, BD1 4DY

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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2017

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2016 to 31 August 2017. 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 2 to 16 and is specially organised to make special educational provision for pupils with Special Educational Needs for one or more categories of SEN. These categories may include, but are not limited to: Autistic Spectrum Disorder (ASD), Moderate Learning Difficulty (MLD) and Behaviour Emotional Social Difficulties (BESD).

The trust currently provides placements for children from within North Yorkshire, East Riding of Yorkshire, Hull City and Lincolnshire. It is funded for 74 placements for the financial period 1 September 2016 to 31 August 2017 and had a roll of 78 on school census on 19 January 2017.

STRUCTURE, GOVERNANCE AND MANAGEMENT

CONSTITUTION

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust.

The trustees of The Woodlands Academy Scarborough are also the directors of the charitable company for the purposes of company law. The charitable company is known as The Woodlands Academy.

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

MEMBERS' LIABILITY

Each member of the charitable company undertakes to contribute to the assets of the 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.

METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF TRUSTEES

The Recruitment of Trustees is set out in the Articles of Association:

The number of Directors/Governors of the Trust shall be not less than three but (unless otherwise determined by ordinary resolution) shall not be subject to any maximum.

Members may appoint up to 4 Governors and the Trust must have a minimum of two Parent Governors. The trust may also have any Co-opted Governor appointed by Governors who have themselves not been so appointed. The Headteacher is also a Governor.

Members have the ability to appoint Staff Governors through such a process that they see fit; however, the total number of governors who are employees of the trust shall not exceed one third of the total number of governors.

Parent Governors are elected by parents of registered pupils of the Academy. In instances whereby the number of parents standing for election is less than the number of vacancies then the Governing Body shall appoint a person who is the parent of a registered pupil or where it is not reasonably practical to do so, a person who is the parent of a child of compulsory school age.

On 1 April 2013, the members appointed all those Governors that served at the predecessor school. The Governors were appointed on a term of office that would end when their original term at the predecessor school

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

would have ended.

Governors are appointed for a period of four years with the exception of the Headteacher. Subject to remaining eligible to be a particular type of Governor, any Governor may be re-appointed or re-elected.

The Trustees feel that the parental perspective is an important factor in the effectiveness and development of the academy and has a strong Parent Governor representation on the governing body. The Governing Body considers its effectiveness and endeavours to ensure there is a mix of skills and experience represented.

POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING AND GOVERNORS

The Academy Trust has an induction pack which includes key documentation and information. Governors are invited to visit the school to meet with the Headteacher, Chair of Governors and Clerk to Governors. External advice and support is commissioned where appropriate and in house training is delivered as part of the agenda for meetings. There is an ongoing process of self-evaluation in order to ensure maximum effectiveness.

ORGANISATIONAL STRUCTURE

The Trustees are responsible for the strategic direction of the academy, approving policies, adopting the development plan and budget, monitoring performance against these plans and making major decisions about the direction of the academy, including the curriculum, the achievement and welfare of pupils and staff, staffing, and the grounds and premises.

In April 2017, the Trustees introduced Co-Headteacher arrangements. The Co-Headteacher that retained 0.7 of Headship duties is a Trustee and the nominated Accounting Officer. Both Co-Headteachers are supported by the Leadership Team which has operational and leadership responsibility for the Academy, implementing the policies and strategies set and ensuring that there is propriety, regularity and value for money.

A Scheme of Delegation to the Headteacher has been adopted by Trustees.

ARRANGEMENTS FOR SETTING PAY AND REMUNERATION OF KEY MANAGEMENT PERSONNEL

The governing body reviews and adopts a Pay Policy annually. The Governing Body is advised on revisions to the policy by Human Resources advisers from North Yorkshire County Council which produces a model document. The Authority undertakes an annual consultation process with professional associations to agree changes.

The aim of the policy is to help maintain and improve the quality of education provided to pupils in the Academy by ensuring that the contribution of all staff both teaching and support is valued and that staff receive recognition for their work in relation to their performance.

The governing body Finance Committee considers all matters relating to pay and grading annually within the parameters set within the policy in a fair and equitable manner observing statutory, contractual requirements and budgetary constraints.

Grade and salary determination for teaching staff is in accordance with the School Teachers Pay and Conditions Document. Grade and salary determination for support staff is in accordance with the pay scales and allowances negotiated by the National Joint Council for Local Government Services (NJC).

Support staff roles are allocated a banding from the scales contained within the NYCC Scheme of Conditions of Service in compliance with the NYCC Job Evaluation Scheme. The Academy recognises the grading scheme introduced by NYCC in April 2007, through the NJC and Hay Job Evaluation System.

Key management personnel and additionally the staff governor undertake evidence based performance

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TRUSTEES' REPORT (continued)
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appraisal. For teaching staff appraisal is carried out in line with the Education (School Teacher's Appraisal) (England) Regulations 2012 including reference to the Teacher Standards 2012. The arrangements for support staff are set out in the Academy's appraisal policy.

The Finance Committee agree performance objectives for the Co-Headteachers and will review performance against objectives set for the preceding year. The Co-Headteachers and all key management personnel must demonstrate sustained overall high quality of performance in order to be considered for a performance increase.

The Co-Headteacher (Accounting Officer) will advise the Finance Committee of performance against objectives for all Academy personnel and will withdraw when matters pertaining to her own grading and salary are being considered. This includes matters which could have a direct 'knock on' effect on the Co-Headteachers pay such as the determination of the pay range for other members of the leadership team.

The Finance Committee will report to the full governing body which will endorse or refer back any proposed changes.

RELATED PARTIES AND OTHER CONNECTED CHARITIES AND ORGANISATIONS

The Academy works collaboratively with Local Authorities who place pupils and fund the Top-Up and Looked After Children (LAC) elements for pupil placements.

The Academy provides specialist advice to mainstream schools and locality providers with a diagnosis of autism or SEND.

The Academy has established links to support the work and provision of special needs post 16 provision. It has also developed links with a local secondary school to support their SEN pupils, and to provide inclusion links for identified individuals at Woodlands and to support individuals from the secondary school.

There are no related parties which either contract or significantly influence the decisions and operations of The Academy. There are no sponsors associated with the Academy.

All Trustees have disclosed their pecuniary interests and at each meeting there is an agenda item to allow for pecuniary interests to be declared.

OBJECTIVES AND ACTIVITIES

OBJECTS AND AIMS

The object of the academy trust is to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school specially organised to make special educational provision for pupils with Special Educational Needs offering a broad and balanced curriculum ('the Special Academy').

It is the aim of the academy trust to:

- provide a safe, healthy, stimulating and happy environment and foster feelings of mutual trust and respect between adults and children;
- provide an appropriately broad and balanced curriculum to meet each individual pupils' needs and challenge them to reach their full potential;
- work effectively in partnership with parents, carers and other professionals;
- promote and maintain good community links and relationships;
- foster an awareness that all behaviour is a form of communication;
- encourage pupils and staff to respect the beliefs, feelings, needs, interests, opinions and belongings of

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TRUSTEES' REPORT (continued)
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- others;
- prepare pupils for the future by encouraging independence and a sense of self-worth, reliability and responsibility;
 - promote the personal, social and emotional development of all pupils;
 - ensure that the Academy Development Policy supports the aims of the academy;
 - celebrate the efforts and achievements of all members of the academy community.

OBJECTIVES, STRATEGIES AND ACTIVITIES

The main objectives for the period to 31 August 2017 were incorporated into the School Development and improvement Plan.

The new curriculum has been further developed and the academy organisation of teaching, learning both in staffing and accommodation has been overhauled to better meet the needs of the increasing numbers and increasing complexity and diversity of need. The teaching teams are organised into specialist semi-formal and formal teams which have very clear bespoke teaching, learning, and assessment and progress measures. The focus this year has been on detailed analysis of progress data. The establishment, through training of all staff in using CASPA and in applying moderation, ensures that measures and target setting are robust and meaningful. The academy has also introduced online platforms to share progress with parents. The impact of SCERTs throughout the school has been evaluated and there has been a clear positive measurable impact.

In addition the academy has introduced the use of Boxall (a specialist tool to measure needs and progress for SEMH). The electronic monitoring of behaviour and the ability to track and evaluate has been further developed with NAPPI and has added to our ability to individually plan and track impact for individuals and cohorts. These progress measures have had a clear positive impact on our ability to understand and evaluate meaningfully the non-academic social, emotional and personal development progress made throughout the school.

Staff training has focused on analysing targets setting and setting greater challenge, identifying in detail areas to develop. There has been an emphasis on developing staff teaching and evaluation of reading, spelling and writing with investment in training, time and resourcing through specialist materials and schemes of work / interventions.

The Academy has continued to develop community links and partnerships with local groups and businesses. We now have a post which includes in the job description 'fund raising' this has led to a clear action plan of activities , links and identified resources which would benefit the pupils. Woodlands will be Beerhouse 'Charity of the year' for a 2017/18. The Academy is also linked with Yorkshire Coast Homes who are actively supporting the school in a variety of ways, and the Academy is well on the way to having an established a 'friends of woodlands group'.

Premises development has principally been major roofing works through CIF funding. The Academy sought and received Conditions Improvement Funding from the EFA of £401K Other capital works included further upgrading of the IT network following the development of previous residential bedrooms into classrooms and offices to develop greater capacity. This work was funded by the NYCC LA following negotiation and discussion about accommodation limiting capacity to meet demand.

PUBLIC BENEFIT

In setting our objectives and planning our activities the governors have given careful consideration to the Charity Commission's general guidance on public benefit.

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

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

The impact of the developments (described under 'Objects and Aims') has shown positive measurable impact in progress / achievement throughout the curriculum areas and in social and behaviour development. In many cases there is demonstrable progress at a rate above projected national expectations from the child's baseline score on initial assessment. This was verified through robust assessment / progress measures and target setting.

A full evaluation has taken place by school managers. Further work on more challenging targets to ensure meaningful data has taken place, evaluation impact has also taken place for existing systems which measure progress to ensure the most effective resource allocation and focus; Following research and training there has been an introduction of progress measures for areas of development which are notoriously difficult to measure BOXALL (SEMH), MAPP (semi-formal learners). An online platform to evidence progress (Tapestry) has been introduced which allows progress to also be shared with parents

The aim for the Academy this year was to ensure data could be measured in a clear meaningful informative way for every pupil therefore informing future planning for their holistic needs, further systems were introduced to ensure this is the case. Parents and carers find this invaluable. There is now greater clarity about academic and social, emotional and behavioural development for every pupil. The ability through access to meaningful data has allowed us to analyse impact, plan for any deficits and set challenges for both short and longer term

There have been some necessary changes to the organisation of management roles and responsibilities. Strong monitoring and appraisal systems have been developed to be truly rigorous with expectations for all staff transparent and challenging. Where underperformance has been identified action has been taken. There has also been a staffing review to ensure allocation of resources fit with the new curriculum and driving the agreed vision of the school forward. We currently have 1.7 equivalent Co-Headteachers and have appointed an Assistant Headteacher who will take up post in January 2018. We will be seeking to add a Home School Support Worker to our pastoral team to further develop the direct work with parents and families and allow the manager to concentrate more on the higher level interventions, safeguarding and strategic developments.

The Academy has monitored and moderated teaching, learning and progress fully to establish the new curriculum and to develop from good to outstanding. Support and training has been ensured on a year priority plan. Moderation of progress measures has been rigorous and feedback to all, clear and transparent around expectation and outcomes. The appraisal system has been further evaluated and developed to ensure there is a 12 month monitoring, observation and target setting cycle with very detailed standards for all roles.

There has been a full review of accreditation tools. The Academy is providing link courses for those who have specific skills and is developing ASDAN further to allow challenge and achievement at all levels. Training has also taken place to ensure the effective introduction of open awards for the more able learners to challenge themselves to higher level qualifications. The specialist catering teacher of accredited courses towards employment for 13-16 year old pupils ensured a 100% success rate of all pupils achieving a recognised qualification from entry level to diploma.

KEY PERFORMANCE INDICATORS

The staffing structure has been reviewed and changes made around the needs of the new Academy and to recognise the change in needs of the pupil population. The changes will also ensure robust succession planning in areas which have now been identified through a risk management process.

The Academy has been clear in the setting of admissions procedures and the commissioning of pupil placements from the various Local Authorities. This new clear pre-admission process has ensured better funding to meet complex needs and thus the delivery of the education specialist supports required. Recent meetings with

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the Local Authorities have ensured a more effective process. As the request for placements has increased the East Riding of Yorkshire Authority have worked with the Academy to identify a way forward around admissions. However, despite the Academy predicting being oversubscribed and initiating discussions regarding a process to manage the funding of additional pupils, NYCC has only invested in increasing the physical capacity of the academy but there has not been funding to increase the required staffing for these classes as yet.

There is measurable identified progress for LAC children and others with high levels of vulnerability since the investment in training and provision through pupil premium. Interventions are fully embedded and impact is measurable and delivered according to need as assessed through a tier allocation system. Monitoring of evidence from ASDAN and from moderators for EYFS both concluded excellent practice was evident.

There has been a focus on the effectiveness of all staffing following evaluation and then identification of risk re specialist management roles and succession planning this has led to some changes. There is, however, still strain within the system which has and continues to have an impact. Arrangements for additional resourcing in this area need to be implemented as a priority.

There has been a focus on evaluation and self-evaluation of governors with roles and responsibilities training and the recruitment of governors with identified skills. Clear expectations have been set into a 12 month plan.

An internal audit completed by Veritau in May 2017, reported that the control system in place afforded the Governing Body substantial assurance.

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 Academy Trust held fund balances at 31 August 2017 comprising £11,504 of restricted funds, a pension reserve deficit of £1,430,000, restricted fixed asset funds of £2,949,669 and £42,246 of unrestricted general funds.

Most of the Academy's income is obtained from the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes.

The grants received from the ESFA during the period ended 31 August 2017 and the associated expenditure are shown as restricted funds (non-fixed assets) in the statement of financial activities.

During the period ended 31 August 2017, the total expenditure of £1,704,931 was more than recurrent restricted grant funding from the ESFA together with other restricted incoming resources. The excess of expenditure over income for the period was £44,748.

The main financial performance indicator is the level of reserves held at the Balance Sheet date. In particular, the management of spending against General Annual Grant (GAG) requires special attention as the amount of carry forward is monitored. In the period under review, £11,504 was carried forward representing 1.5% of GAG income for the year.

Another key financial performance indicator is staffing costs as a percentage of core funding. For 2017 this was 90.7% and this will be monitored in future periods.

The Academy's non-teaching staff members are entitled to membership of the Local Government Pension

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Scheme. The Academy's share of the Scheme's assets is currently assessed to be less than its liabilities in the Scheme, and consequently the Academy's balance sheet shows a net liability of £1,430,000.

RESERVES POLICY

Subject to ESFA's constraints on permitted balances, the Academy Trust's policy is to carry forward a prudent level of resources. Due to anticipated future cuts in funding, the situation will be kept under regular review. The reserves of the Academy are monitored regularly, reviewed and are considered to be sufficient for the Academy's requirements.

At 31 August 2017, free reserves held amount to £42,246 and restricted general funds amount to £11,504.

The amount of funds which can only be realised by disposing of tangible fixed assets amounted to £2,949,669.

No funds are in deficit except the pension reserve of £1,430,000.

Total funds at 31 August 2017 amount to £1,573,419 and the combined balance on restricted general funds plus unrestricted general funds at 31 August 2017 is £53,750.

INVESTMENT POLICY

The Academy Trust feels that at present that it is in the best interests of the school not to invest in outside bodies but to concentrate their available monies on building infrastructure and developing the curriculum for the benefit of present and future pupils due to the low interest rates at present. The Finance Committee will review this annually.

PRINCIPAL RISKS AND UNCERTAINTIES

The Trustees and Leadership Team continually monitor the major risks to which the Academy is exposed, including those relating to governance, health and safety, safeguarding, teaching and learning, reputation, finance and facilities. A formal risk register and policy is in place to identify and manage all risks.

The Headteacher and Leadership Team are responsible for ensuring that the risk management policy is implemented and for co-ordinating risk management across the Academy ensuring that: risks are correctly evaluated; key risks are managed appropriately including the effectiveness of the controls; The risk management framework and internal control framework is operating effectively; and Management is properly reporting the status of key risks and controls.

The Trust requires that the risk register is reviewed at committees and meetings as a standard agenda item.

The principal risks and uncertainties facing the Academy Trust are SEND reforms and the impact of the NYCC funding resource allocation system.

Despite, the review of admission procedures, there have been on going difficulties regarding the consultation process to agree pupil placements and Top-Up funding for North Yorkshire pupils; this appeared very recently to be improving following further dialogue initiated with senior Local Authority Officers. However there is no current solution offered to overcome the current issues regarding the determination of appropriate funding. This situation impacts on the ability to plan and the Academy continues to raise concerns.

Budgets are closely monitored and there is flexibility within the contractual arrangements for employees to manage variations in funding.

There are still significant building conditions improvement works urgently required to the heating system which if unaddressed could result in school closure. The Academy is working with consultants to secure funding through

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TRUSTEES' REPORT (continued)
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the Conditions Improvement Fund for necessary works and continues to progress with a scheme of regular servicing and building maintenance.

PLANS FOR FUTURE PERIODS

The Academy will continue to strive to meet its key objectives and deliver outstanding opportunities for children with special educational needs. There will be a focus on strong governance and leadership, pro-active strategic planning, sound financial planning, continuing staff development and succession planning, income generation and the use of social media.

Over the coming year the Academy will be considering how to effectively deliver extended school services both after school and during holiday periods and to determine the viability of being 'active partners in the delivery of an internship programme.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The Academy does not hold such funds.

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 is aware of that information.

The appointment of external auditors is for a period of 1 year, renewable at the discretion of the governing body with a formal reassessment taking place after 5 years, using the tender process.

Trustees' report, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 7 December 2017 and signed on the board's behalf by:

G B Weekes
Chair of Trustees

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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As trustees, we acknowledge we have overall responsibility for ensuring that The Woodlands Academy Scarborough 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 Co-Headteacher, 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 The Woodlands Academy Scarborough and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The board of trustees has formally met 5 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

| Trustee | Meetings attended | Out of a possible |
|--|-------------------|-------------------|
| G B Weekes, Chairman | 5 | 5 |
| D L Billing | 2 | 5 |
| W Chatt | 3 | 5 |
| A K Fearn, Co-Headteacher and Accounting Officer | 5 | 5 |
| V L Gough, Staff Trustee | 5 | 5 |
| M Jenkinson (formerly Haigh) | 5 | 5 |
| D Raper | 3 | 5 |
| M Woodburn | 3 | 5 |
| M A Lee | 0 | 5 |
| A Vernon | 0 | 1 |
| H L Lee | 1 | 1 |
| W A Cowen | 4 | 4 |
| M Husler | 1 | 4 |
| P Gates | 2 | 5 |

The boards work had been hampered due to governor attendance which has been problematic for some governors over the course of the year. This has ultimately led to a number of resignations. The board is currently seeking to fill its skills gap and is particularly interested in securing a governor with financial expertise.

Despite this, the board has undertaken training linked to Academy objectives around measuring progress with a review of the assessment cycle and pupil data analysis within the CASPA system. Governors were able to review data and understand the target setting process. There has also been training sessions around British Values, how it is promoted and taught across the Academy. There has been specialist link governor training in this area with governor observations around implementation in the classroom.

Governors have also had a detailed review of progress and development in the areas of Numeracy and Literacy.

Funding has posed a significant challenge for the board linked to increased requests for placements. This resulted in a significant delay in admissions at the commencement of the Academic year. However, the Local Authority (NYCC) eventually adjusted its funding mechanism around additional place funding. The removal of capping associated with the authority's resource allocation system eased a challenging financial position in April 2017.

The board continues to raise concerns regarding the level of funding allocated to complex children with high

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GOVERNANCE STATEMENT (continued)

needs which the Authority has agreed to review but timescales remain contentious.

The long term sickness absence of 2 members of staff within the leadership team has resulted in a period of Acting Headteacher cover and temporary Co-Headteacher arrangements being implemented. Governors were satisfied that arrangements maintained continuity and effective leadership with appropriate delegation of Headteacher duties.

Governance reviews:

The Trust has committed to an ongoing process of self-evaluation of governance with actions from findings incorporated into the school development plan.

As the self-evaluation process was not completed in 2016/17 the board will now set up an annual meeting which will focus on governor roles and responsibilities, self-evaluation, school development and setting the strategic direction. Governors intend to review self-evaluation in October 2017.

Governance has been supported with access to specialist governor e-learner training and access to information through the National Governors Association. The Academy has also, through professional association, gained accesses to courses and advisory consultants.

The Finance Committee is a sub-committee of the main board of the trustees. Its purpose is to:

- Assist the decision making of the governing body, enabling more detailed consideration to be given to the best means of fulfilling the governing body's responsibility to ensure sound management of the academy's finances.
- Ensure that the academy undertakes proper financial planning, monitoring and probity
- Make appropriate comments and recommendations on such matters to the governing body on a regular basis.

Attendance at meetings in the year was as follows:

| Trustee | Meetings attended | Out of a possible |
|--|-------------------|-------------------|
| G B Weekes | 7 | 8 |
| D L Billing | 5 | 8 |
| W Chatt | 6 | 8 |
| M Husler | 4 | 8 |
| M Jenkinson | 5 | 8 |
| A K Fearn, Co-Headteacher and Accounting Officer | 7 | 8 |

REVIEW OF VALUE FOR MONEY

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

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

- Close collaboration with Local Authorities to secure funding that enables students to access all areas of the curriculum, supporting their development in a safe, secure environment with access to specialist intervention work;

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GOVERNANCE STATEMENT (continued)

- Collaboration with other schools to support and improve learning opportunities for students with SEN;
- Creation of business and community links to support student development and increased funding streams.
- All decisions regarding purchasing and service provision are taken with the emphasis on obtaining value for money. The Academy has made use of purchasing consortia and framework agreements for purchases including IT equipment/services and catering equipment. All building improvement works were tendered, with works under the threshold being subject to 3 quotations in accordance with financial procedures.
- Audit of resources to support reading, writing and maths with funds targeted to support improvement in accordance with the school development plan.
- Successful fully funded capital works to replace the roof coverings to the Academy through the Conditions Improvement Fund, reducing the cost of ongoing maintenance works.
- Funding allocated for a specialist teacher to deliver accredited catering courses with 100% pass rate achieved.

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Woodlands Academy Scarborough for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The board of trustees has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks, that has been in place for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

THE RISK AND CONTROL FRAMEWORK

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the finance 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 to appoint Veritau as internal auditor.

THE WOODLANDS ACADEMY SCARBOROUGH
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

The internal auditor'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 current period included:

- Payroll: the process for making amendments to pay was reviewed, and also the checks carried out on the accuracy of the payrun.
- Payments to suppliers: a sample of payments made to suppliers for each term in the last year was checked to source documentation to ensure that they were for goods and services that had been received and were appropriately authorised. Expenditure over £5000 was also reviewed in order to ensure that appropriate procurement arrangements had been followed.
- Income: all funding payments from NYCC and the EFA were reviewed to ensure the appropriate remittances could be traced to bank statements and the finance system. A sample of miscellaneous income for each term in the last year was also reviewed.
- Accounting systems: budget monitoring processes were reviewed, including the reports to Governors and Trustees.
- The findings from the previous audit were also followed up to ensure the agreed actions had been implemented.

On an annual basis, the internal auditor reports to the board of trustees through the audit committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

The internal auditor has delivered their schedule of work as planned, and the overall opinion given was that "The school has a control system in place that affords the Governing Body substantial assurances".

Weaknesses and remedial actions identified in the control procedures were as follows:

- Multiple Income records maintained – one income record introduced
- Failure to establish the accuracy of the reconciliation – accompanying notes to be added to report if required
- Failure to issue contracts of employment to new employees – Contracts to be issued within timescales.

REVIEW OF EFFECTIVENESS

As Accounting Officer, the Co-Headteacher 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 internal auditor;
- the work of the external auditors;
- 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 committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 7 December 2017 and signed on their behalf, by:

G B Weekes
Chair of Trustees

A K Fearn
Accounting Officer

THE WOODLANDS ACADEMY SCARBOROUGH
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of The Woodlands Academy Scarborough I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2016.

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

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.

A K Fearn
Accounting Officer

Date: 7 December 2017

THE WOODLANDS ACADEMY SCARBOROUGH
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STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2017

The Trustees (who act as governors of The Woodlands Academy Scarborough and 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 Annual Accounts Direction issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

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

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

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

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

Approved by order of the members of the board of trustees on 7 December 2017 and signed on its behalf by:

G B Weekes
Chair of Trustees

THE WOODLANDS ACADEMY SCARBOROUGH
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
WOODLANDS ACADEMY SCARBOROUGH**

OPINION

We have audited the financial statements of The Woodlands Academy Scarborough for the year ended 31 August 2017 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

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

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2017 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

BASIS OF OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

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

THE WOODLANDS ACADEMY SCARBOROUGH
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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
WOODLANDS ACADEMY SCARBOROUGH**

OTHER INFORMATION

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

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

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- the information given in the Trustees' report including the Strategic report for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' report has 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' remunerations specified by law not made; or
- we have not received all the information and explanations we require for our audit.

RESPONSIBILITIES OF TRUSTEES

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

In preparing the financial statements, the Trustees are responsible for assessing the Academy's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Academy's or to cease operations,

THE WOODLANDS ACADEMY SCARBOROUGH
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**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE
WOODLANDS ACADEMY SCARBOROUGH**

or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

Andrew Manderfield (Senior statutory auditor)

for and on behalf of

Streets Audit LLP

Halifax House
30 George Street
Hull
East Yorkshire
HU1 3AJ
15 December 2017

THE WOODLANDS ACADEMY SCARBOROUGH
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO THE
WOODLANDS ACADEMY SCARBOROUGH AND THE EDUCATION AND SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 29 September 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Woodlands Academy Scarborough during the year 1 September 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

RESPECTIVE RESPONSIBILITIES OF THE WOODLANDS ACADEMY SCARBOROUGH'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The Accounting Officer is responsible, under the requirements of The Woodlands Academy Scarborough's funding agreement with the Secretary of State for Education dated 27 March 2013, and the Academies Financial Handbook extant from 1 September 2016, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

APPROACH

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

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

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

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

- a review of the Academy systems and controls and confirmation of their operation and effectiveness during the year;
- a detailed review of purchase transactions confirming the purpose, value for money and that appropriate tendering or quotation procedures had been followed in line with the Academy finance policy; and
- a review of the Internal Audit reports.

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

CONCLUSION

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

Andrew Manderfield (Senior statutory auditor)

for and on behalf of

Streets Audit LLP

Halifax House
30 George Street
Hull
East Yorkshire
HU1 3AJ

15 December 2017

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

| | Note | Unrestricted funds 2017 £ | Restricted funds 2017 £ | Restricted fixed asset funds 2017 £ | Total funds 2017 £ | Total funds 2016 £ |
|--|------|------------------------------------|----------------------------------|---|-----------------------------|-----------------------------|
| INCOME FROM: | | | | | | |
| Donations and capital grants | 2 | 5,630 | - | 212,664 | 218,294 | 138,626 |
| Charitable activities | 3 | 9,120 | 1,660,183 | - | 1,669,303 | 1,595,239 |
| Other trading activities | 4 | 2,930 | - | - | 2,930 | 2,403 |
| Investments | 5 | 130 | - | - | 130 | 229 |
| TOTAL INCOME | | 17,810 | 1,660,183 | 212,664 | 1,890,657 | 1,736,497 |
| EXPENDITURE ON: | | | | | | |
| Charitable activities | 6 | 19,585 | 1,825,931 | 30,676 | 1,876,192 | 1,585,796 |
| TOTAL EXPENDITURE | 7 | 19,585 | 1,825,931 | 30,676 | 1,876,192 | 1,585,796 |
| NET INCOME / (EXPENDITURE) BEFORE TRANSFERS | | | | | | |
| Transfers between Funds | 15 | (1,775) | (165,748) | 181,988 | 14,465 | 150,701 |
| | | - | (35,602) | 35,602 | - | - |
| NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES | | | | | | |
| | | (1,775) | (201,350) | 217,590 | 14,465 | 150,701 |
| Actuarial gains/(losses) on defined benefit pension schemes | 20 | - | 713,000 | - | 713,000 | (898,000) |
| NET MOVEMENT IN FUNDS | | (1,775) | 511,650 | 217,590 | 727,465 | (747,299) |
| RECONCILIATION OF FUNDS: | | | | | | |
| Total funds brought forward | | 44,021 | (1,930,146) | 2,732,079 | 845,954 | 1,593,253 |
| TOTAL FUNDS CARRIED FORWARD | | 42,246 | (1,418,496) | 2,949,669 | 1,573,419 | 845,954 |

THE WOODLANDS ACADEMY SCARBOROUGH
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REGISTERED NUMBER: 08436037

BALANCE SHEET
AS AT 31 AUGUST 2017

| | Note | £ | 2017 £ | £ | 2016 £ |
|--|------|--------------------|--------------------|--------------------|--------------------|
| FIXED ASSETS | | | | | |
| Tangible assets | 12 | | 2,949,412 | | 2,731,822 |
| CURRENT ASSETS | | | | | |
| Debtors | 13 | 80,804 | | 116,715 | |
| Cash at bank and in hand | | 372,370 | | 200,914 | |
| | | <u>453,174</u> | | <u>317,629</u> | |
| CREDITORS: amounts falling due within one year | 14 | <u>(399,167)</u> | | <u>(181,497)</u> | |
| NET CURRENT ASSETS | | | 54,007 | | 136,132 |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | | | |
| Defined benefit pension scheme liability | 20 | | <u>(1,430,000)</u> | | <u>(2,022,000)</u> |
| NET ASSETS INCLUDING PENSION SCHEME LIABILITIES | | | 1,573,419 | | 845,954 |
| FUNDS OF THE ACADEMY | | | | | |
| Restricted income funds: | | | | | |
| Restricted income funds | 15 | 11,504 | | 91,854 | |
| Restricted fixed asset funds | 15 | 2,949,669 | | 2,732,079 | |
| Restricted income funds excluding pension liability | | <u>2,961,173</u> | | <u>2,823,933</u> | |
| Pension reserve | | <u>(1,430,000)</u> | | <u>(2,022,000)</u> | |
| Total restricted income funds | | | 1,531,173 | | 801,933 |
| Unrestricted income funds | 15 | | <u>42,246</u> | | <u>44,021</u> |
| TOTAL FUNDS | | | 1,573,419 | | 845,954 |

The financial statements on pages 22 to 46 were approved by the Trustees, and authorised for issue, on 7 December 2017 and are signed on their behalf, by:

G B Weekes
Chair of Trustees

THE WOODLANDS ACADEMY SCARBOROUGH
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2017

| | Note | 2017 £ | 2016 £ |
|--|------|------------------------|------------------|
| Cash flows from operating activities | | | |
| Net cash provided by operating activities | 17 | <u>206,928</u> | <u>44,012</u> |
| Cash flows from investing activities: | | | |
| Dividends, interest and rents from investments | | 130 | 229 |
| Purchase of tangible fixed assets | | (248,266) | (155,413) |
| Capital grants from DfE/ESFA | | 212,664 | 113,625 |
| Net cash used in investing activities | | <u>(35,472)</u> | <u>(41,559)</u> |
| Change in cash and cash equivalents in the year | | 171,456 | 2,453 |
| Cash and cash equivalents brought forward | | <u>200,914</u> | <u>198,461</u> |
| Cash and cash equivalents carried forward | | <u>372,370</u> | <u>200,914</u> |

THE WOODLANDS ACADEMY SCARBOROUGH
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES

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

1.1 Basis of preparation of financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The Woodlands Academy Scarborough constitutes a public benefit entity as defined by FRS 102.

1.2 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 Department for Education where the asset acquired or created is held for a specific purpose.

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

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

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

1. ACCOUNTING POLICIES (continued)

1.3 Income

All income is recognised once the Academy has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

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

General Annual Grant is recognised in full in the Statement of financial activities incorporating income and expenditure account in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

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

Sponsorship income provided to the Academy which amounts to a donation is recognised in the Statement of financial activities incorporating income and expenditure account in the period in which it is receivable, where receipt is probable and it is measurable.

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

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

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

THE WOODLANDS ACADEMY SCARBOROUGH
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES (continued)

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

All expenditure is inclusive of irrecoverable VAT.

1.5 Going concern

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

1.6 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised 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 incorporating income and expenditure account 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 incorporating income and expenditure account. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

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

1. ACCOUNTING POLICIES (continued)

| | | |
|------------------------------|---|-------------------|
| Long-term leasehold property | - | Not depreciated |
| Property Improvements | - | 4% straight line |
| Motor vehicles | - | 20% straight line |
| Fixtures and fittings | - | 10% straight line |
| Furniture and equipment | - | 25% straight line |
| Computer equipment | - | 33% straight line |

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 incorporating income and expenditure account.

1.7 Operating leases

Rentals under operating leases are charged to the Statement of financial activities incorporating income and expenditure account on a straight line basis over the lease term.

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 and provisions

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

THE WOODLANDS ACADEMY SCARBOROUGH
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES (continued)

1.11 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 13. 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 costs as detailed in note 14. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments.

1.12 Taxation

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

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

1. ACCOUNTING POLICIES (continued)

1.13 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 20, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of financial activities incorporating income and expenditure account 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.

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NOTES TO THE FINANCIAL STATEMENTS
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1. ACCOUNTING POLICIES (continued)

1.14 Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

The judgements (apart from those involving estimations) that the Academy trust has made in the process of applying the trust's accounting policies and that have the most significant effect on the amounts recognised in the financial statements are as follows:

The Academy incurs significant repair and replacement costs such that the trustees believe that the property's residual value is not materially different to the cost. Accordingly, no depreciation is charged.

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

| | Unrestricted funds 2017 £ | Restricted funds 2017 £ | Restricted fixed asset funds 2017 £ | Total funds 2017 £ | <i>Total funds 2016 £</i> |
|-------------------|------------------------------------|----------------------------------|---|-----------------------------|---------------------------------------|
| Other donations | 5,630 | - | - | 5,630 | 25,001 |
| Capital Grants | - | - | 212,664 | 212,664 | 113,625 |
| | <u>5,630</u> | <u>-</u> | <u>212,664</u> | <u>218,294</u> | <u>138,626</u> |
| <i>Total 2016</i> | <u>15,001</u> | <u>-</u> | <u>123,625</u> | <u>138,626</u> | |

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

3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

| | Unrestricted funds 2017 £ | Restricted funds 2017 £ | Total funds 2017 £ | Total funds 2016 £ |
|--------------------------------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| DfE/ESFA grants | | | | |
| General Annual Grant (GAG) | - | 766,534 | 766,534 | 792,949 |
| Other DfE/ESFA grants | - | 66,238 | 66,238 | 69,450 |
| | - | 832,772 | 832,772 | 862,399 |
| Other government grants | | | | |
| Local authority grants | - | 827,411 | 827,411 | 725,061 |
| | - | 827,411 | 827,411 | 725,061 |
| Other funding | | | | |
| Catering income | 9,120 | - | 9,120 | 7,779 |
| | 9,120 | - | 9,120 | 7,779 |
| | 9,120 | 1,660,183 | 1,669,303 | 1,595,239 |
| <i>Total 2016</i> | 7,779 | 1,587,460 | 1,595,239 | |

4. OTHER TRADING ACTIVITIES

| | Unrestricted funds 2017 £ | Restricted funds 2017 £ | Total funds 2017 £ | Total funds 2016 £ |
|-------------------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Catering income | 2,930 | - | 2,930 | 2,403 |
| <i>Total 2016</i> | 2,403 | - | 2,403 | |

THE WOODLANDS ACADEMY SCARBOROUGH
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

5. INVESTMENT INCOME

| | Unrestricted funds 2017 £ | Restricted funds 2017 £ | Total funds 2017 £ | Total funds 2016 £ |
|--------------------------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Bank interest receivable | 130 | - | 130 | 229 |
| <i>Total 2016</i> | <u>229</u> | <u>-</u> | <u>229</u> | |

6. CHARITABLE ACTIVITIES

| | 2017 £ | 2016 £ |
|---|-------------------------|-------------------------|
| DIRECT COSTS | | |
| Wages and salaries | 954,291 | 826,717 |
| National insurance | 72,331 | 55,543 |
| Pension cost | 258,872 | 169,820 |
| Depreciation | 19,759 | 10,364 |
| Other direct costs | 100,061 | 85,934 |
| | <u>1,405,314</u> | <u>1,148,378</u> |
| SUPPORT COSTS | | |
| Wages and salaries | 201,006 | 179,860 |
| National insurance | 13,469 | 11,484 |
| Pension costs | 26,883 | 23,589 |
| Depreciation | 10,917 | 7,557 |
| Technology costs | 11,946 | 5,317 |
| Premises costs | 147,746 | 143,401 |
| Other support costs | 50,286 | 59,217 |
| Governance costs | 8,625 | 6,993 |
| | <u>470,878</u> | <u>437,418</u> |
| TOTAL EXPENDITURE ON CHARITABLE ACTIVITIES | <u><u>1,876,192</u></u> | <u><u>1,585,796</u></u> |

THE WOODLANDS ACADEMY SCARBOROUGH
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

7. EXPENDITURE

| | Staff costs | Premises | Other costs | Total | <i>Total</i> |
|-----------------------------------|-------------------------|-----------------------|-----------------------|-------------------------|-------------------------|
| | 2017 | 2017 | 2017 | 2017 | <i>2016</i> |
| | £ | £ | £ | £ | £ |
| Academy's educational operations: | | | | | |
| Direct costs | 1,285,494 | 19,759 | 100,062 | 1,405,315 | <i>1,148,378</i> |
| Support costs | 241,358 | 158,663 | 70,856 | 470,877 | <i>437,418</i> |
| | <u>1,526,852</u> | <u>178,422</u> | <u>170,918</u> | <u>1,876,192</u> | <i><u>1,585,796</u></i> |
| <i>Total 2016</i> | <i><u>1,267,013</u></i> | <i><u>161,322</u></i> | <i><u>157,461</u></i> | <i><u>1,585,796</u></i> | |

8. NET INCOME/(EXPENDITURE)

This is stated after charging:

| | 2017 | <i>2016</i> |
|--|----------------------|----------------------|
| | £ | £ |
| Depreciation of tangible fixed assets: | | |
| - owned by the charity | 30,676 | <i>17,921</i> |
| Auditors' remuneration - audit | 5,750 | <i>5,750</i> |
| Operating lease rentals | 2,928 | <i>1,084</i> |
| | <u>39,354</u> | <i><u>24,755</u></i> |

THE WOODLANDS ACADEMY SCARBOROUGH
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

9. STAFF COSTS

Staff costs were as follows:

| | 2017 | 2016 |
|--|------------------|------------------|
| | £ | £ |
| Wages and salaries | 1,140,323 | 1,000,819 |
| Social security costs | 85,800 | 67,027 |
| Operating costs of defined benefit pension schemes | 285,755 | 193,409 |
| | 1,511,878 | 1,261,255 |
| Supply teacher costs | 5,274 | 918 |
| Staff restructuring costs | 9,700 | 4,840 |
| | 1,526,852 | 1,267,013 |

Staff restructuring costs comprise:

| | | |
|---------------------|--------------|--------------|
| Redundancy payments | - | 4,840 |
| Severance payments | 9,700 | - |
| | 9,700 | 4,840 |

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £9,700 (2016: £nil). Individually, the payments were £7,000 and £2,700.

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

| | 2017 | 2016 |
|----------------------------|-------------|-------------|
| | No. | No. |
| Teachers | 12 | 11 |
| Administration and support | 48 | 41 |
| Management | 4 | 4 |
| | 64 | 56 |

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

| | 2017 | 2016 |
|-------------------------------|-------------|-------------|
| | No. | No. |
| In the band £60,001 - £70,000 | 1 | 0 |
| In the band £70,001 - £80,000 | 0 | 1 |

The employees in question participated in the Teachers' Pension Scheme.

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £231,882 (2016 - £232,123).

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

10. TRUSTEES' REMUNERATION AND EXPENSES

One or more Trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and other staff members under their contracts of employment, and not in respect of their role as Trustees, The value of Trustees' remuneration and other benefits was as follows:

| | | 2017 | <i>2016</i> |
|---|----------------------------|----------------------|----------------------|
| | | £ | £ |
| A K Fearn, Headteacher and Accounting Officer | Remuneration | 65,000-70,000 | <i>70,000-75,000</i> |
| | Pension contributions paid | 10,000-15,000 | <i>10,000-15,000</i> |
| V L Gough, Staff Trustee | Remuneration | 35,000-40,000 | <i>30,000-35,000</i> |
| | Pension contributions paid | 5,000-10,000 | <i>5,000-10,000</i> |

During the year ended 31 August 2017, no Trustees received any reimbursement of expenses (2016 - £NIL to 0 Trustees).

11. TRUSTEES' AND OFFICERS' INSURANCE

The academy trust has opted into the Department for 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.

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

12. TANGIBLE FIXED ASSETS

| | Long-term leasehold property £ | Property improvements £ | Fixtures and fittings £ | Furniture and equipment £ | Computer equipment £ |
|-----------------------|---|-------------------------------|-------------------------------|------------------------------------|----------------------------|
| Cost | | | | | |
| At 1 September 2016 | 2,544,000 | 125,740 | 39,000 | 15,335 | 47,127 |
| Additions | - | 198,191 | - | 4,770 | 45,305 |
| At 31 August 2017 | <u>2,544,000</u> | <u>323,931</u> | <u>39,000</u> | <u>20,105</u> | <u>92,432</u> |
| Depreciation | | | | | |
| At 1 September 2016 | - | 5,538 | 11,270 | 9,549 | 22,690 |
| Charge for the year | - | 5,947 | 3,900 | 3,571 | 15,258 |
| At 31 August 2017 | <u>-</u> | <u>11,485</u> | <u>15,170</u> | <u>13,120</u> | <u>37,948</u> |
| Net book value | | | | | |
| At 31 August 2017 | <u>2,544,000</u> | <u>312,446</u> | <u>23,830</u> | <u>6,985</u> | <u>54,484</u> |
| At 31 August 2016 | <u>2,544,000</u> | <u>120,202</u> | <u>27,730</u> | <u>5,786</u> | <u>24,437</u> |
| Motor vehicles | | | | | |
| | | | | Motor vehicles £ | Total £ |
| Cost | | | | | |
| At 1 September 2016 | | | | 10,000 | 2,781,202 |
| Additions | | | | - | 248,266 |
| At 31 August 2017 | | | | <u>10,000</u> | <u>3,029,468</u> |
| Depreciation | | | | | |
| At 1 September 2016 | | | | 333 | 49,380 |
| Charge for the year | | | | 2,000 | 30,676 |
| At 31 August 2017 | | | | <u>2,333</u> | <u>80,056</u> |
| Net book value | | | | | |
| At 31 August 2017 | | | | <u>7,667</u> | <u>2,949,412</u> |
| At 31 August 2016 | | | | <u>9,667</u> | <u>2,731,822</u> |

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

13. DEBTORS

| | 2017 £ | 2016 £ |
|--------------------------------|-----------|-----------|
| VAT recoverable | 49,976 | 13,787 |
| Prepayments and accrued income | 30,828 | 102,928 |
| | 80,804 | 116,715 |

14. CREDITORS: Amounts falling due within one year

| | 2017 £ | 2016 £ |
|--------------------------------------|-----------|-----------|
| Trade creditors | 246,028 | 59,191 |
| Other taxation and social security | 20,960 | 19,189 |
| Other creditors | 23,887 | 20,601 |
| Accruals and deferred income | 108,292 | 82,516 |
| | 399,167 | 181,497 |
| | 2017 £ | 2016 £ |
| Deferred income | | |
| Deferred income at 1 September 2016 | 4,359 | 77,533 |
| Resources deferred during the year | 83,279 | 4,359 |
| Amounts released from previous years | (4,359) | (77,533) |
| | 83,279 | 4,359 |

At the balance sheet date the Academy Trust was holding funds received in advance for devolved capital income received for the period 1 September 2017 to 31 March 2018, Universal Free School Meal Income received for the 2017/18 academic year, and capital grants for work not undertaken as at 31 August 2017.

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

15. STATEMENT OF FUNDS

| | Balance at 1 September 2016 £ | Income £ | Expenditure £ | Transfers in/out £ | Gains/ (Losses) £ | Balance at 31 August 2017 £ |
|-------------------------------------|---|-------------------------|---------------------------|--------------------------|-------------------------|--------------------------------------|
| Unrestricted funds | | | | | | |
| General funds | 44,021 | 17,810 | (19,585) | - | - | 42,246 |
| Restricted funds | | | | | | |
| General Annual Grant (GAG) | 89,617 | 766,534 | (817,811) | (26,836) | - | 11,504 |
| Other DfE/ESFA grants | 2,237 | 66,239 | (59,710) | (8,766) | - | - |
| Local authority grants | - | 827,410 | (827,410) | - | - | - |
| Pension reserve | (2,022,000) | - | (121,000) | - | 713,000 | (1,430,000) |
| | <u>(1,930,146)</u> | <u>1,660,183</u> | <u>(1,825,931)</u> | <u>(35,602)</u> | <u>713,000</u> | <u>(1,418,496)</u> |
| Restricted fixed asset funds | | | | | | |
| Transfer on conversion | 2,545,006 | - | (1,006) | - | - | 2,544,000 |
| Capital grants | 148,051 | 212,664 | (11,852) | - | - | 348,863 |
| Capital expenditure from GAG | 7,986 | - | (6,173) | 26,835 | - | 28,648 |
| Devolved capital expenditure | 31,036 | - | (11,645) | 8,767 | - | 28,158 |
| | <u>2,732,079</u> | <u>212,664</u> | <u>(30,676)</u> | <u>35,602</u> | <u>-</u> | <u>2,949,669</u> |
| Total restricted funds | <u>801,933</u> | <u>1,872,847</u> | <u>(1,856,607)</u> | <u>-</u> | <u>713,000</u> | <u>1,531,173</u> |
| Total of funds | <u><u>845,954</u></u> | <u><u>1,890,657</u></u> | <u><u>(1,876,192)</u></u> | <u><u>-</u></u> | <u><u>713,000</u></u> | <u><u>1,573,419</u></u> |

STATEMENT OF FUNDS - PRIOR YEAR

| | <i>Balance at 1 September 2015 £</i> | <i>Income £</i> | <i>Expenditure £</i> | <i>Transfers in/out £</i> | <i>Gains/ (Losses) £</i> | <i>Balance at 31 August 2016 £</i> |
|---------------------------|--|---------------------|--------------------------|-----------------------------------|----------------------------------|--|
| Unrestricted funds | | | | | | |
| General funds | 43,042 | 25,412 | (24,433) | - | - | 44,021 |
| | <u>43,042</u> | <u>25,412</u> | <u>(24,433)</u> | <u>-</u> | <u>-</u> | <u>44,021</u> |

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NOTES TO THE FINANCIAL STATEMENTS
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15. STATEMENT OF FUNDS (continued)

Restricted funds

| | | | | | | |
|----------------------------|--------------------|----------------|------------------|-----------------|------------------|--------------------|
| General Annual Grant (GAG) | 376 | 792,951 | (700,433) | (3,277) | - | 89,617 |
| Other DfE/ESFA grants | 24,505 | 81,870 | (75,370) | (28,768) | - | 2,237 |
| Pension reserve | (1,069,000) | - | (55,000) | - | (898,000) | (2,022,000) |
| | <u>(1,044,119)</u> | <u>874,821</u> | <u>(830,803)</u> | <u>(32,045)</u> | <u>(898,000)</u> | <u>(1,930,146)</u> |

Restricted fixed asset funds

| | | | | | | |
|------------------------------|------------------|------------------|------------------|---------------|------------------|------------------|
| Transfer on conversion | 2,548,734 | - | (3,728) | - | - | 2,545,006 |
| Capital grants | 31,630 | 123,625 | (7,204) | - | - | 148,051 |
| Capital expenditure from GAG | 8,711 | - | (4,002) | 3,277 | - | 7,986 |
| Devolved capital expenditure | 5,255 | - | (2,987) | 28,768 | - | 31,036 |
| | <u>2,594,330</u> | <u>123,625</u> | <u>(17,921)</u> | <u>32,045</u> | <u>-</u> | <u>2,732,079</u> |
| Total restricted funds | <u>1,550,211</u> | <u>998,446</u> | <u>(848,724)</u> | <u>-</u> | <u>(898,000)</u> | <u>801,933</u> |
| Total of funds | <u>1,593,253</u> | <u>1,023,858</u> | <u>(873,157)</u> | <u>-</u> | <u>(898,000)</u> | <u>845,954</u> |

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

Unrestricted funds

Unrestricted funds represent both those resources, as well as funds transferred to the Academy from the Local Authority upon conversion, which may be used towards meeting any of the objects of the Academy at the discretion of the Trustees. These are not currently designated for particular purposes.

Restricted Revenue funds

General Annual Grant (GAG) is made up of a number of different funding streams, all of which are used to cover the running costs of the Academy.

Other DfE/ESFA grants and local authority grants represent funding received for specific purposes.

Pension reserve represents the current deficit balance of the Local Government Pension Scheme (LGPS).

Restricted Fixed Asset funds

Transfer from former school represents the land, buildings and assets transferred to the Academy from the Local Authority upon conversion.

Capital expenditure from GAG represents fixed asset expenditure transferred from other restricted income.

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

15. STATEMENT OF FUNDS (continued)

Summary

The combined balance on restricted general funds (excluding pension reserve) plus unrestricted general funds at 31 August 2017 is £53,750.

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2017.

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

| | Unrestricted funds 2017 £ | Restricted funds 2017 £ | Restricted fixed asset funds 2017 £ | Total funds 2017 £ |
|--|------------------------------------|----------------------------------|---|-----------------------------|
| Tangible fixed assets | - | - | 2,949,412 | 2,949,412 |
| Current assets | 42,246 | 410,671 | 257 | 453,174 |
| Creditors due within one year | - | (399,167) | - | (399,167) |
| Provisions for liabilities and charges | - | (1,430,000) | - | (1,430,000) |
| | <u>42,246</u> | <u>(1,418,496)</u> | <u>2,949,669</u> | <u>1,573,419</u> |

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

| | <i>Unrestricted funds</i> 2016 £ | <i>Restricted funds</i> 2016 £ | <i>Restricted fixed asset funds</i> 2016 £ | <i>Total funds</i> 2016 £ |
|--|--|--|--|-------------------------------------|
| Tangible fixed assets | - | - | 2,731,822 | 2,731,822 |
| Current assets | 44,021 | 273,351 | 257 | 317,629 |
| Creditors due within one year | - | (181,497) | - | (181,497) |
| Provisions for liabilities and charges | - | (2,022,000) | - | (2,022,000) |
| | <u>44,021</u> | <u>(1,930,146)</u> | <u>2,732,079</u> | <u>845,954</u> |

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

17. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

| | 2017 £ | 2016 £ |
|--|----------------|---------------|
| Net income for the year (as per Statement of Financial Activities) | 14,465 | 150,701 |
| Adjustment for: | | |
| Depreciation charges | 30,676 | 17,921 |
| Dividends, interest and rents from investments | (130) | (229) |
| Decrease/(increase) in debtors | 35,911 | (55,191) |
| Increase/(decrease) in creditors | 217,670 | (10,565) |
| Capital grants from DfE and other capital income | (212,664) | (113,625) |
| Defined benefit pension scheme cost less contributions payable | 81,000 | 17,000 |
| Defined benefit pension scheme finance cost | 40,000 | 38,000 |
| Net cash provided by operating activities | 206,928 | 44,012 |

18. ANALYSIS OF CASH AND CASH EQUIVALENTS

| | 2017 £ | 2016 £ |
|--------------|----------------|----------------|
| Cash in hand | 372,370 | 200,914 |
| Total | 372,370 | 200,914 |

19. CONTINGENT LIABILITIES

The Academy had no contingent liabilities at 31 August 2017.

In the event of The Woodlands Academy Scarborough ceasing to operate as an academy, provisions are included in the funding agreement relating to the clawback of assets and monies paid to the Academy.

20. PENSION COMMITMENTS

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

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

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

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme

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

20. PENSION COMMITMENTS (continued)

Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the period amounted to £83,593 (2016 - £73,571).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £159,000 (2016 - £145,000), of which employer's contributions totalled £124,000 (2016 - £115,000) and employees' contributions totalled £35,000 (2016 - £30,000). The agreed contribution rates for future years are 15.6% for employers and various% for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the

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FOR THE YEAR ENDED 31 AUGUST 2017

20. PENSION COMMITMENTS (continued)

event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

Principal actuarial assumptions:

| | 2017 | 2016 |
|--|---------------|--------|
| Discount rate for scheme liabilities | 2.50 % | 2.00 % |
| Rate of increase in salaries | 3.15 % | 3.40 % |
| Rate of increase for pensions in payment / inflation | 1.90 % | 1.90 % |
| Inflation assumption (CPI) | 1.90 % | 1.90 % |

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

| | 2017 | 2016 |
|----------------------|-------------|------|
| Retiring today | | |
| Males | 22.8 | 23.3 |
| Females | 26.3 | 25.8 |
| Retiring in 20 years | | |
| Males | 25.0 | 25.6 |
| Females | 28.6 | 28.1 |

| Sensitivity analysis | At 31 August | <i>At 31 August</i> |
|--|---------------------|---------------------|
| | 2017 | 2016 |
| | £ | £ |
| Discount rate +0.1% | (56,000) | (65,000) |
| Discount rate -0.1% | 58,000 | 67,000 |
| Mortality assumption - 1 year increase | (62,000) | (76,000) |
| Mortality assumption - 1 year decrease | 62,000 | 77,000 |

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

| | Fair value at | <i>Fair value at</i> |
|------------------------------|----------------------|----------------------|
| | 31 August | <i>31 August</i> |
| | 2017 | 2016 |
| | £ | £ |
| Equities | 470,730 | 276,320 |
| Gilts | 90,880 | 65,120 |
| Corporate bonds | 21,300 | 22,000 |
| Property | 57,510 | 37,840 |
| Cash and other liquid assets | 3,550 | (3,080) |
| Other | 66,030 | 41,800 |
| | 710,000 | 440,000 |

The actual return on scheme assets was £118,000 (2016 - £56,000).

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20. PENSION COMMITMENTS (continued)

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

| | 2017 | 2016 |
|----------------------|------------------|------------------|
| | £ | £ |
| Current service cost | (205,000) | <i>(132,000)</i> |
| Interest income | 10,000 | <i>13,000</i> |
| Interest cost | (50,000) | <i>(51,000)</i> |
| | <hr/> | <hr/> |
| Total | (245,000) | <i>(170,000)</i> |
| | <hr/> <hr/> | <hr/> <hr/> |

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

| | 2017 | 2016 |
|------------------------------------|------------------|------------------|
| | £ | £ |
| Opening defined benefit obligation | 2,462,000 | <i>1,346,000</i> |
| Current service cost | 205,000 | <i>132,000</i> |
| Interest cost | 50,000 | <i>51,000</i> |
| Employee contributions | 35,000 | <i>30,000</i> |
| Actuarial (gains)/losses | (605,000) | <i>941,000</i> |
| Benefits paid | (7,000) | <i>(38,000)</i> |
| | <hr/> | <hr/> |
| Closing defined benefit obligation | 2,140,000 | <i>2,462,000</i> |
| | <hr/> <hr/> | <hr/> <hr/> |

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

| | 2017 | 2016 |
|-------------------------------------|----------------|----------------|
| | £ | £ |
| Opening fair value of scheme assets | 440,000 | <i>277,000</i> |
| Interest income | 10,000 | <i>13,000</i> |
| Actuarial losses | 108,000 | <i>43,000</i> |
| Employer contributions | 124,000 | <i>115,000</i> |
| Employee contributions | 35,000 | <i>30,000</i> |
| Benefits paid | (7,000) | <i>-</i> |
| | <hr/> | <hr/> |
| Closing fair value of scheme assets | 710,000 | <i>440,000</i> |
| | <hr/> <hr/> | <hr/> <hr/> |

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21. OPERATING LEASE COMMITMENTS

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

| | 2017 £ | 2016 £ |
|-------------------------|------------|------------|
| Amounts payable: | | |
| Between 1 and 5 years | <u>580</u> | <u>580</u> |

22. MEMBERS' LIABILITY

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/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.

23. RELATED PARTY TRANSACTIONS

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

During the period Mr S Fearn, spouse of Mrs A Fearn (Headteacher and Accounting Officer), was employed by the Academy Trust. Mr Fearn's employment began on 3 March 2014, and his annualised salary band is £20k - £25k. We confirm that Mr Fearn was fairly recruited and his performance has been managed in the normal way; his employment is considered to be of benefit to the trust.

No other related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 10.