
THE WOODLANDS ACADEMY SCARBOROUGH
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

THE WOODLANDS ACADEMY SCARBOROUGH
(A company limited by guarantee)

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2016**

Members

G B Weekes
W A Cowen
M A Lee

Trustees

G B Weekes *, Chairman
W A Cowen
M A Lee *
D L Billing *
W Chatt *
M Husler *
A K Fearn, Headteacher and Accounting Officer
V L Gough, Staff Trustee
M Haigh
H L Lee
D Raper
M Woodburn
P Gates (appointed 1 September 2015)
A Vernon (appointed 14 April 2016)

* Members of the Finance Committee

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
A Caton, Assistant Headteacher
P Barker, Assistant Headteacher
D Layton, Academy Business Manager

Independent auditors

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

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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 2016

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2015 to 31 August 2016. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The trust operates an academy for pupils 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 2015 to 31 August 2016.

STRUCTURE, GOVERNANCE AND MANAGEMENT

CONSTITUTION

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

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

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FOR THE YEAR ENDED 31 AUGUST 2016

Governors were appointed on a term of office that would end when their original term at the predecessor school 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.

The Headteacher, a Trustee and nominated Accounting Officer, supported by the Leadership Team 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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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 Headteacher and will review performance against objectives set for the preceding year. The Headteacher and all key management personnel must demonstrate sustained overall high quality of performance in order to be considered for a performance increase.

The Headteacher 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 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 others;

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- 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 2016 were incorporated into the School Development and improvement Plan.

The new curriculum is embedded and integrates therapeutic programmes identified through a tiered needs allocated system. This is leading to excellent progress. The focus this year has been on ensuring progress is clearly evidenced across all aspects of the SEND curriculum. 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 introduction of SCERTs throughout the school has been more informative with regard to individual needs, progress and interventions. In addition, the electronic monitoring of behaviour and the ability to track and evaluate has added to our planning for individuals and cohorts. Clear baseline measures have also now been introduced to measure the non-academic social, emotional and personal development progress made throughout the school. This and the increased continued opportunity for learning outside the classroom are showing measurable impact against meaningful targets and national benchmarks.

Staff training has focused on target setting, benchmarking, moderation and evidence. There has also been training for all staff with regard to behaviour and the use of the electronic NAPPI behaviour and restrictive physical intervention system which has been introduced.

The Academy has continued to develop community links and partnerships. The Academy has been working closely with Sainsbury's and has been their 'Charity of the year' for a second year. The Academy has also developed links with Yorkshire Coast Homes who are actively supporting the school in a variety of ways, including the refurbishment of former residential accommodation which has created additional classrooms to accommodate increased requests for placements.

The Academy is also working with the local provision to support the development of special needs post 16 provision.

Premises development has principally addressed security and condition improvement. The Academy sought and received Conditions Improvement Funding from the EFA of £124K. Works undertaken included the installation of new security fencing and replacement roof coverings in September 2015 and emergency heating pipework replacement in August/September 2016. Other capital works included the upgrading of the IT network.

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.

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.

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Further work on more meaningful data systems to provide evaluation and evidence is currently underway including CASPA, SCERTs and NAPPI; all recognised systems which should cover all aspects of the individuals of the Academy.

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. The assessment tools both invested in and developed are providing this information. Parents and carers find this invaluable. There is now greater clarity about academic and social, emotional and behavioural development for every pupil.

A pastoral support and intervention team is now employed for those most disadvantaged and vulnerable students. These staff are now trained to a high level in therapeutic interventions. We can see through our new progress measures that they are already having a measurable positive impact on outcomes. This specialist provision is largely supported through pupil premium. We are seeking to add a parent support advisor to our pastoral team to further develop the direct work with parents and families.

The Academy has monitored and moderated teaching, learning and progress fully to establish areas to develop from good to outstanding. Support and training areas have been identified and work around these undertaken and largely completed. 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 altered to ensure there is a 12 month monitoring, observation and target setting cycle.

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 for staff to run Duke of Edinburgh and sports leader courses which have engaged and motivated other areas of development in the students. We have employed a specialist catering teacher to teach accredited courses towards employment for 13-16 year old pupils.

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 the Local Authorities have ensured a more effective process. However, as the request for placements has increased the East Riding of Yorkshire Authority have worked with us to identify a way forward around admissions, while unfortunately, despite The Academy predicting being oversubscribed and initiating discussions regarding a process to manage the funding of additional pupils, there is still no process to manage this from North Yorkshire County Council.

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 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 on the business support operations and accountability which through review 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.

An internal audit completed by external auditor Veritau in May 2016, reported that the control system in place

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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 2016 comprising £91,854 of restricted funds, a pension reserve deficit of £2,022,000, restricted fixed asset funds of £2,732,079 and £44,021 of unrestricted general funds.

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

The grants received from the EFA during the period ended 31 August 2016 and the associated expenditure are shown as restricted funds (non-fixed assets) in the statement of financial activities.

During the period ended 31 August 2016, the total expenditure of £1,488,442 was less than recurrent restricted grant funding from the EFA together with other restricted incoming resources. The excess of income over expenditure for the period was £99,018.

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, £89,617 was carried forward representing 11.3% of GAG income for the year.

Another key financial performance indicator is staffing costs as a percentage of core funding. For 2016 this was 83% and this will be monitored in future periods.

The Academy's non-teaching staff members are entitled to membership of the Local Government Pension 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 Academies Trust balance sheet shows a net liability of £2,022,000.

RESERVES POLICY

Subject to EFA's constraints on permitted balances, the Academies 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 2016, free reserves held amount to £44,021 and restricted general funds amount to £91,854.

The amount of funds which can only be realised by disposing of tangible fixed assets amounted to £2,732,079.

No funds are in deficit except the pension reserve of £2,022,000.

Total funds at 31 August 2016 amount to £845,954 and the combined balance on restricted general funds plus unrestricted general funds at 31 August 2016 is £135,875.

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TRUSTEES' REPORT (continued)
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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 in 2016 of the revised funding formula which was implemented in April 2015.

There are still significant building conditions improvement works urgently required to roofs and the heating system which if unaddressed could result in school closure. The Academy is working with consultants to secure funding for necessary works and continues to progress with a scheme of regular servicing and building maintenance.

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.

PLANS FOR THE FUTURE

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.

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AUDITOR

Insofar as the trustees are aware;

There is no relevant audit information of which the charitable company's auditor is unaware; and 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 14 December 2016 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 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 7 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	7	7
W A Cowen	6	7
M A Lee	0	7
D L Billing	3	7
W Chatt	4	7
M Husler	4	7
A K Fearn	7	7
V L Gough	7	7
M Haigh	6	7
H L Lee	3	7
D Raper	5	7
M Woodburn	3	7
P Gates	5	7
A Vernon	0	3

In order to retain existing business knowledge and skills, the board approved the appointment of an additional co-opted governor to the governing body. It was recognised that succession planning was important and agreed that the post of Vice-Chair be rotated on an annual basis.

The board has been particularly challenged with the closure of the residential provision in August 2015. The financial implications of the closure were uncertain with the Academy still retaining many costs associated with the maintenance and upkeep of the accommodation together with day catering services with no confirmed additional funding. This resulted in a scaling back of the levels of pupil support at the commencement of the academic year which increased the potential risks to the health and safety of pupils and staff. The uncertainty also hindered the ability to effectively plan both short and longer term and impacted on the capacity of the Academy to meet the demand for increased pupil placements.

Whilst the additional support required was eventually confirmed in March 2016, this was not received in time to enable the Academy to implement the arrangements necessary to take and support additional students.

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.

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GOVERNANCE STATEMENT (continued)

In the period September 2015 to August 2016, governors, as part of the self-evaluation process, have reviewed their roles and responsibilities and considered how through work planning they effectively scrutinise pupil and Headteacher performance. Governors placed an emphasis on understanding the Academy's monitoring systems and received training on pupil attainment and progress and the new CASPA system. This has been reinforced by governor visits and the requirement for the Academy to improve feedback on pupil performance.

The board has also sought to consider and consult on the role of the Academy within the strategic development of the North Yorkshire Partnership and received the support of the Authority to develop specialist outreach services.

Governors have supported raising the profile of the academy and its pupils, with parent governor participation in a local radio programme to discuss the difficulties and experiences of young people and their families in dealing with a diagnosis of Autism.

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. Access to Academy documentation for governors has also been improved.

Governors intend to review self-evaluation in December 2016.

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	7
D L Billing	4	7
W Chatt	6	7
M A Lee	1	7
M Husler	5	7
A K Fearn, Headteacher and Accounting Officer	6	7

REVIEW OF VALUE FOR MONEY

As Accounting Officer, the 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. £10K was donated to the Academy for a new vehicle to support getting students out in the local community to enrich teaching, learning and develop social skills. Local business completed a refurbishment of an area of the Academy to create more classroom space at no cost to the Academy
- 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. The cleaning contract has been re-tendered following a review of requirements to ensure a high quality service that reflects the changing needs of the Academy.
- The Academy staff appraisal system has been reviewed.

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 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The board of trustees has reviewed the key risks to which the Academy 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 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the 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.

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GOVERNANCE STATEMENT (continued)

The board of trustees has considered the need for a specific internal audit function and has decided to appoint Veritau as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. On an annual basis, the internal auditor reports to the board of trustees 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".

REVIEW OF EFFECTIVENESS

As Accounting Officer, the 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 financial management and governance self-assessment process;
- the work of the executive managers within the Academy who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the finance 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 14 December 2016 and signed on their behalf, by:

G B Weekes
Chair of Trustees

A K Fearn
Accounting Officer

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

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2015.

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

A K Fearn
Accounting Officer

Date: 14 December 2016

THE WOODLANDS ACADEMY SCARBOROUGH
(A company limited by guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2016

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 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 2015 to 2016;
- 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 the EFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the board of trustees on 14 December 2016 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**

We have audited the financial statements of The Woodlands Academy Scarborough for the year ended 31 August 2016 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, 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" and the Academies Accounts Direction 2015 to 2016 issued by the Education 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 Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

As explained more fully in the Statement of Trustees' responsibilities, the Trustees (who are also the directors of the 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.

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

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

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

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

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

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 ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Trustees' report, incorporating the Strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Trustees were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic report.

Andrew Manderfield (Senior statutory auditor)

for and on behalf of

Streets Audit LLP

Halifax House
30 George Street
Hull
East Yorkshire
HU1 3AJ
20 December 2016

THE WOODLANDS ACADEMY SCARBOROUGH
(A company limited by guarantee)

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

In accordance with the terms of our engagement letter dated 13 November 2014 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Woodlands Academy Scarborough during the year 1 September 2015 to 31 August 2016 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to The Woodlands Academy Scarborough and the EFA 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 EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The Woodlands Academy Scarborough and the EFA, 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 AUDITORS**

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 2015, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

APPROACH

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

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

A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant 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.

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 2015 to 31 August 2016 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

20 December 2016

THE WOODLANDS ACADEMY SCARBOROUGH
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2016**

	Note	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
INCOME FROM:						
Donations and capital grants	2	15,001	-	123,625	138,626	14,691
Charitable activities	3	7,779	1,587,460	-	1,595,239	1,612,636
Other trading activities	4	2,403	-	-	2,403	2,466
Investments	5	229	-	-	229	207
TOTAL INCOME		25,412	1,587,460	123,625	1,736,497	1,630,000
EXPENDITURE ON:						
Charitable activities	6	24,433	1,543,442	17,921	1,585,796	1,727,919
TOTAL EXPENDITURE	7	24,433	1,543,442	17,921	1,585,796	1,727,919
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS						
Transfers between Funds	15	979	44,018	105,704	150,701	(97,919)
		-	(32,045)	32,045	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER GAINS AND LOSSES						
		979	11,973	137,749	150,701	(97,919)
Actuarial losses on defined benefit pension schemes	20	-	(898,000)	-	(898,000)	(66,000)
NET MOVEMENT IN FUNDS		979	(886,027)	137,749	(747,299)	(163,919)
RECONCILIATION OF FUNDS:						
Total funds brought forward		43,042	(1,044,119)	2,594,330	1,593,253	1,757,172
TOTAL FUNDS CARRIED FORWARD		44,021	(1,930,146)	2,732,079	845,954	1,593,253

THE WOODLANDS ACADEMY SCARBOROUGH
(A company limited by guarantee)
REGISTERED NUMBER: 08436037

BALANCE SHEET
AS AT 31 AUGUST 2016

	Note	£	2016 £	£	2015 £
FIXED ASSETS					
Tangible assets	12		2,731,822		2,594,330
CURRENT ASSETS					
Debtors	13	116,715		61,524	
Cash at bank and in hand		200,914		198,461	
			<u>317,629</u>		<u>259,985</u>
CREDITORS: amounts falling due within one year	14	(181,497)		(192,062)	
NET CURRENT ASSETS			136,132		67,923
TOTAL ASSETS LESS CURRENT LIABILITIES			2,867,954		2,662,253
Defined benefit pension scheme liability	20		(2,022,000)		(1,069,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			845,954		1,593,253
FUNDS OF THE ACADEMY					
Restricted funds:					
Restricted funds	15	91,854		24,881	
Restricted fixed asset funds	15	2,732,079		2,594,330	
Restricted funds excluding pension liability		2,823,933		2,619,211	
Pension reserve		(2,022,000)		(1,069,000)	
Total restricted funds			801,933		1,550,211
Unrestricted funds	15		44,021		43,042
TOTAL FUNDS			845,954		1,593,253

The financial statements were approved by the Trustees, and authorised for issue, on 14 December 2016 and are signed on their behalf, by:

G B Weekes
Chair of Trustees

The notes on pages 24 to 44 form part of these financial statements.

THE WOODLANDS ACADEMY SCARBOROUGH
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2016

	Note	2016 £	2015 £
Cash flows from operating activities			
Net cash provided by operating activities	17	<u>157,637</u>	<u>40,999</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		229	207
Purchase of tangible fixed assets		<u>(155,413)</u>	<u>(6,912)</u>
Net cash used in investing activities		<u>(155,184)</u>	<u>(6,705)</u>
Change in cash and cash equivalents in the year		2,453	34,294
Cash and cash equivalents brought forward		<u>198,461</u>	<u>164,167</u>
Cash and cash equivalents carried forward		<u><u>200,914</u></u>	<u><u>198,461</u></u>

THE WOODLANDS ACADEMY SCARBOROUGH
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES

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

1.1 Basis of preparation 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 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

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

First time adoption of FRS 102

These financial statements are the first financial statements of The Woodlands Academy Scarborough prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Charities SORP 2015 (SORP 2015). The financial statements of The Woodlands Academy Scarborough for the year ended 31 August 2015 were prepared in accordance with previous Generally Accepted Accounting Practice ('UK GAAP') and SORP 2005.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the Trustees have amended certain accounting policies to comply with FRS 102 and SORP 2015.

Reconciliations to previous UK GAAP for the comparative figures are included in note 24.

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 Funding Agency.

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

THE WOODLANDS ACADEMY SCARBOROUGH
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

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 there is certainty of receipt and it is measurable.

Donations are recognised on a receivable basis where there is certainty of receipt 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.

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.

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

All resources expended are inclusive of irrecoverable VAT.

THE WOODLANDS ACADEMY SCARBOROUGH
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

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.

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.

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.

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

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

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

1.7 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Academy; this is normally upon notification of the interest paid or payable by the Bank.

THE WOODLANDS ACADEMY SCARBOROUGH
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

1.8 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.

1.9 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.

1.10 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.

1.11 Liabilities and provisions

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

1.12 Financial instruments

The Academy only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

1.13 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.

THE WOODLANDS ACADEMY SCARBOROUGH
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

1.14 Pensions

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

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

THE WOODLANDS ACADEMY SCARBOROUGH
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

1. ACCOUNTING POLICIES (continued)

1.15 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions:

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

The 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 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement:

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 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	<i>Total funds 2015 £</i>
Other donations	15,001	-	10,000	25,001	14,691
Capital grants	-	-	113,625	113,625	-
	<u>15,001</u>	<u>-</u>	<u>113,625</u>	<u>113,625</u>	<u>-</u>

In 2015, of the total income from donations and capital grants, £14,691 was to unrestricted funds and £ Nil was to restricted funds

THE WOODLANDS ACADEMY SCARBOROUGH
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	<i>Total funds 2015 £</i>
Academy's educational operations	7,779	1,587,460	1,595,239	1,463,958
Boarding activities	-	-	-	148,678
	<u>7,779</u>	<u>1,587,460</u>	<u>1,595,239</u>	<u>1,612,636</u>

In 2015, of the total income from charitable activities, £8,702 was to unrestricted funds and £1,603,934 was to restricted funds.

FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	<i>Total funds 2015 £</i>
DfE/EFA grants				
General Annual Grant (GAG)	-	792,949	792,949	800,495
Other DfE/EFA grants	-	81,871	81,871	82,680
	<u>-</u>	<u>874,820</u>	<u>874,820</u>	<u>883,175</u>
Other government grants				
Local authority grants	-	712,640	712,640	572,081
	<u>-</u>	<u>712,640</u>	<u>712,640</u>	<u>572,081</u>
Other funding				
Catering income	7,779	-	7,779	8,702
	<u>7,779</u>	<u>-</u>	<u>7,779</u>	<u>8,702</u>
	<u>7,779</u>	<u>1,587,460</u>	<u>1,595,239</u>	<u>1,463,958</u>

THE WOODLANDS ACADEMY SCARBOROUGH
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	<i>Total funds 2015 £</i>
Catering income	2,403	-	2,403	2,466

In 2015, of the total income from other trading activities, £2,466 was to unrestricted funds and £ NIL was to restricted funds.

5. INVESTMENT INCOME

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	<i>Total funds 2015 £</i>
Bank interest receivable	229	-	229	207

In 2015, of the total investment income, £ 207 was to unrestricted funds and £ NIL was to restricted funds.

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6. CHARITABLE ACTIVITIES

	2016 £	2015 £
DIRECT COSTS		
Wages and salaries	826,717	981,181
National insurance	55,543	54,587
Pension cost	169,820	172,402
Depreciation	10,364	10,245
Other direct costs	85,934	86,915
	1,148,378	1,305,330
SUPPORT COSTS		
Wages and salaries	179,860	177,404
National insurance	11,484	7,649
Pension costs	23,589	21,591
Depreciation	7,557	5,615
Technology costs	5,317	6,189
Premises costs	143,401	137,009
Other support costs	59,217	54,596
Governance costs	6,993	12,536
	437,418	422,589
	1,585,796	1,727,919
TOTAL EXPENDITURE ON CHARITABLE ACTIVITIES		

7. EXPENDITURE

	Staff costs 2016 £	Premises 2016 £	Other costs 2016 £	Total 2016 £	Total 2015 £
Academy's educational operations:					
Direct costs	1,052,080	10,364	85,934	1,148,378	1,305,330
Support costs	214,933	150,958	71,527	437,418	422,589
	1,267,013	161,322	157,461	1,585,796	1,727,919
	1,267,013	161,322	157,461	1,585,796	1,727,919

In 2016, of the total expenditure, £24,433 (2015 - £26,013) was to unrestricted funds and £1,561,363 (2015 - £1,701,906) was to restricted funds.

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FOR THE YEAR ENDED 31 AUGUST 2016

8. NET INCOMING RESOURCES/(RESOURCES EXPENDED)

This is stated after charging:

	2016	<i>2015</i>
	£	£
Depreciation of tangible fixed assets:		
- owned by the charity	17,921	<i>15,860</i>
Auditors' remuneration - audit	5,750	<i>5,750</i>
Operating lease rentals	1,084	<i>1,120</i>
	=====	=====

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

9. STAFF COSTS

Staff costs were as follows:

	2016	<i>2015</i>
	£	<i>£</i>
Wages and salaries	1,000,819	<i>1,099,738</i>
Social security costs	67,027	<i>62,704</i>
Operating costs of defined benefit pension schemes	193,409	<i>195,947</i>
	1,261,255	<i>1,358,389</i>
Supply teacher costs	918	<i>16,177</i>
Staff restructuring costs	4,840	<i>41,454</i>
	1,267,013	<i>1,416,020</i>

☑ Staff restructuring costs comprise:

Redundancy payments	4,840	<i>41,454</i>
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The average number of persons employed by the Academy during the year was as follows:

	2016	<i>2015</i>
	No.	<i>No.</i>
Teachers	11	<i>11</i>
Administration and support	41	<i>49</i>
Management	4	<i>3</i>
	56	<i>63</i>

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

	2016	<i>2015</i>
	No.	<i>No.</i>
In the band £60,001 - £70,000	0	<i>2</i>
In the band £70,001 - £80,000	1	<i>0</i>

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 £232,123 (2015 - £180,788).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

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:

		2016	<i>2015</i>
		£	£
A K Fearn, Headteacher and	Remuneration	70,000-75,000	<i>60,000-65,000</i>
Accounting Officer	Pension contributions paid	10,000-15,000	<i>5,000-10,000</i>
V L Gough, Staff Trustee	Remuneration	30,000-35,000	<i>35,000-40,000</i>
	Pension contributions paid	5,000-10,000	<i>5,000-10,000</i>

During the year, no Trustees received any reimbursement of expenses (2015 - £NIL).

11. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £1,000,000 on any one claim and the cost for the year ended 31 August 2016 was £535 (2015 - £511).

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

12. TANGIBLE FIXED ASSETS

	Long-term leasehold property £	Property improvements £	Fixtures and fittings £	Furniture and equipment £	Computer equipment £
Cost					
At 1 September 2015	2,544,000	4,885	39,000	12,058	25,846
Additions	-	120,855	-	3,277	21,281
At 31 August 2016	<u>2,544,000</u>	<u>125,740</u>	<u>39,000</u>	<u>15,335</u>	<u>47,127</u>
Depreciation					
At 1 September 2015	-	2,280	7,370	6,372	15,437
Charge for the year	-	3,258	3,900	3,177	7,253
At 31 August 2016	<u>-</u>	<u>5,538</u>	<u>11,270</u>	<u>9,549</u>	<u>22,690</u>
Net book value					
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>
<i>At 31 August 2015</i>	<u>2,544,000</u>	<u>2,605</u>	<u>31,630</u>	<u>5,686</u>	<u>10,409</u>
				Motor vehicles £	Total £
Cost					
At 1 September 2015				-	2,625,789
Additions				10,000	155,413
At 31 August 2016				<u>10,000</u>	<u>2,781,202</u>
Depreciation					
At 1 September 2015				-	31,459
Charge for the year				333	17,921
At 31 August 2016				<u>333</u>	<u>49,380</u>
Net book value					
At 31 August 2016				<u>9,667</u>	<u>2,731,822</u>
<i>At 31 August 2015</i>				<u>-</u>	<u>2,594,330</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

13. DEBTORS

	2016 £	2015 £
VAT recoverable	13,787	3,879
Prepayments and accrued income	102,928	57,645
	116,715	61,524

14. CREDITORS: Amounts falling due within one year

	2016 £	2015 £
Trade creditors	59,191	2,127
Other taxation and social security	19,189	19,059
Other creditors	20,601	21,507
Accruals and deferred income	82,516	149,369
	181,497	192,062
	2016 £	2015 £
Deferred income		
Deferred income at 1 September 2015	77,533	7,663
Resources deferred during the year	4,359	77,533
Amounts released from previous years	(77,533)	(7,663)
Deferred income at 31 August 2016	4,359	77,533

At the balance sheet date the Academy Trust was holding funds received in advance for devolved capital income received for the period 1 September 2016 to 31 March 2017 and Universal Free School Meal Income received for the 2016/17 academic year.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

15. STATEMENT OF FUNDS

	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds						
General funds	43,042	25,412	(24,433)	-	-	44,021
Restricted funds						
General Annual Grant (GAG)	376	792,951	(700,433)	(3,277)	-	89,617
Other DfE/EFA grants	24,505	81,870	(75,370)	(28,768)	-	2,237
Local authority grants	-	712,639	(712,639)	-	-	-
Pension reserve	(1,069,000)	-	(55,000)	-	(898,000)	(2,022,000)
	<u>(1,044,119)</u>	<u>1,587,460</u>	<u>(1,543,442)</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>1,711,085</u>	<u>(1,561,363)</u>	<u>-</u>	<u>(898,000)</u>	<u>801,933</u>
Total of funds	<u><u>1,593,253</u></u>	<u><u>1,736,497</u></u>	<u><u>(1,585,796)</u></u>	<u><u>-</u></u>	<u><u>(898,000)</u></u>	<u><u>845,954</u></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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

15. STATEMENT OF FUNDS (continued)

Other DfE/EFA 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.

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 2016.

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	<i>Total funds 2015 £</i>
Tangible fixed assets	-	-	2,731,822	2,731,822	2,594,330
Current assets	44,021	273,351	257	317,629	259,985
Creditors due within one year	-	(181,497)	-	(181,497)	(192,062)
Provisions for liabilities and charges	-	(2,022,000)	-	(2,022,000)	(1,069,000)
	<u>44,021</u>	<u>(1,930,146)</u>	<u>2,732,079</u>	<u>845,954</u>	<u>1,593,253</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

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

	2016 £	2015 £
Net income/(expenditure) for the year (as per Statement of financial activities)	150,701	(97,919)
Adjustment for:		
Depreciation charges	17,921	15,860
Dividends, interest and rents from investments	(229)	(207)
Increase in debtors	(55,191)	(3,928)
(Decrease)/increase in creditors	(10,565)	79,193
Defined benefit pension scheme cost less contributions payable	17,000	10,000
Defined benefit pension scheme finance cost	38,000	38,000
Net cash provided by operating activities	157,637	40,999

18. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2016 £	2015 £
Cash in hand	200,914	198,461
Total	200,914	198,461

19. CONTINGENT LIABILITIES

The Academy had no contingent liabilities at 31 August 2016.

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 2013.

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

Teachers' Pension Scheme

Introduction

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

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

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

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

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

The employer's pension costs paid to TPS in the period amounted to £73,571 (2015 - £66,474).

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 2016 was £145,000 (2015 - £144,000), of which employer's contributions totalled £115,000 (2015 - £111,000) and employees' contributions totalled £30,000 (2015 - £33,000). The agreed contribution rates for future years are 13.7% for employers and variable rates 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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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

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:

	2016	<i>2015</i>
Discount rate for scheme liabilities	2.00 %	<i>3.80 %</i>
Rate of increase in salaries	3.40 %	<i>3.60 %</i>
Rate of increase for pensions in payment / inflation	1.90 %	<i>2.10 %</i>
Inflation assumption (CPI)	1.90 %	<i>2.10 %</i>

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

	2016	<i>2015</i>
Retiring today		
Males	23.3	<i>23.2</i>
Females	25.8	<i>25.7</i>
Retiring in 20 years		
Males	25.6	<i>25.4</i>
Females	28.1	<i>28.0</i>

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

	Fair value at 31 August 2016 £	<i>Fair value at 31 August 2015 £</i>
Equities	276,320	<i>163,707</i>
Debt instruments	125,840	<i>93,349</i>
Property	37,840	<i>19,944</i>
Total market value of assets	440,000	<i>277,000</i>

The actual return on scheme assets was £56,000 (2015 - £13,000).

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

	2016 £	<i>2015 £</i>
Current service cost (net of employee contributions)	(132,000)	<i>(121,000)</i>
Net interest cost	(38,000)	<i>(38,000)</i>
Total	(170,000)	<i>(159,000)</i>
Actual return on scheme assets	56,000	<i>13,000</i>

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20. PENSION COMMITMENTS (continued)

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

	2016 £	2015 £
Opening defined benefit obligation	1,346,000	1,099,000
Current service cost	132,000	121,000
Interest cost	51,000	47,000
Contributions by employees	30,000	33,000
Actuarial losses	941,000	68,000
Benefits paid	(38,000)	(22,000)
	<u>2,462,000</u>	<u>1,346,000</u>
Closing defined benefit obligation	<u>2,462,000</u>	<u>1,346,000</u>

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

	2016 £	2015 £
Opening fair value of scheme assets	277,000	144,000
Return on plan assets (excluding net interest on the net defined pension liability)	13,000	9,000
Actuarial gains and (losses)	43,000	2,000
Contributions by employer	115,000	111,000
Contributions by employees	30,000	33,000
Benefits paid	(38,000)	(22,000)
	<u>440,000</u>	<u>277,000</u>
Closing fair value of scheme assets	<u>440,000</u>	<u>277,000</u>

21. OPERATING LEASE COMMITMENTS

At 31 August 2016 the total of the Academy trust's future minimum lease payments under non-cancellable operating leases was:

	2016 £	2015 £
Amounts payable:		
Between 1 and 5 years	<u>580</u>	<u>1,084</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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

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 £15k - £20k. 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.

24. FIRST TIME ADOPTION OF FRS 102

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

The policies applied under the Academy's previous accounting framework are not materially different to FRS 102 and have not impacted on funds or net income/expenditure.

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**ACADEMY BOARDING TRADING ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2016**

		2016 £	2015 £
INCOME			
Local authority grants	-	145,573	
Residential income	-	3,105	
	-----	-----	
TOTAL INCOME	-		148,678
LESS: DIRECT COSTS			
Wages and salaries	-	125,207	
National Insurance	-	6,117	
Pension costs	-	23,868	
	-----	-----	
TOTAL DIRECT COSTS	-		155,192
		-----	-----
		-	(6,514)
LESS: SUPPORT COSTS			
Wages and salaries	-	14,597	
National Insurance	-	468	
Pension costs	-	1,954	
Maintenance of premises	-	1,075	
Maintenance of equipment	-	1,233	
Occupancy costs	-	186	
Cleaning	-	6,086	
Rent and rates	-	565	
Energy costs	-	11,226	
Insurance	-	2,256	
Security and transport	-	2,089	
Catering	-	1,855	
Other support costs	-	3,286	
	-----	-----	
TOTAL SUPPORT COSTS	-		46,876
		-----	-----
NET BOARDING INCOME FOR THE YEAR	-	-----	(53,390)
		=====	=====