
THE WOODLANDS ACADEMY SCARBOROUGH
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

THE WOODLANDS ACADEMY SCARBOROUGH
(A company limited by guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2018

Members

K I Mackenzie (appointed 13 September 2018)
G B Weekes
M Woodburn
M Jenkinson
M A Lee (resigned 18 September 2017)
W A Cowen (resigned 19 September 2017)

Trustees

K I Mackenzie, Chairman
G B Weekes, (Chairman 1 September 2017 until 12 September 2018)
D L Billing (Resigned 9 February 2018)
A Caton, Interim Headteacher and Accounting Officer (Appointed 5 October 2017)
W Chatt
A K Fearn (Resigned 29 March 2018)
V L Gough, Staff Trustee (Resigned 18 September 2018)
M Jenkinson (Resigned 20 July 2018)
D Raper (Resigned 25 May 2018)
M Woodburn, Parent Trustee Term of Office ended 30 June 2018 (Resigned 30 June 2018)
R Askew (Appointed 5 October 2017)
P Gates (Resigned 25 September 2017)
Mrs S Gibbons (Appointed 7 December 2017, Resigned 16 February 2018)
L Ponter (Appointed 5 July 2018)
L St Pierre (Appointed 5 July 2018)
R A Instone, Parent Trustee (Appointed 3 September 2018)
S L Mason, Parent Trustee (Appointed 3 September 2018, Resigned 18 October 2018)

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 Caton, Headteacher
A Fearn, Senior Lead for Strategy & Development
J Hampshire, Assistant Headteacher
D Layton, Academy Business Manager

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2018**

Advisers (continued)

Independent auditors

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

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 2018

The Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 6 December 2018 and signed on its behalf by:

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2017 to 31 August 2018. 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 and East Riding of Yorkshire. It is funded for 74 placements for the financial period 1 September 2017 to 31 August 2018 and had a roll of 85 on school census on 19 January 2018.

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

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

parent of a child of compulsory school age.

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

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

The Governing Body considers its effectiveness and endeavours to ensure there is a mix of skills and experience represented.

POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING AND GOVERNORS

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

ORGANISATIONAL STRUCTURE

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

In April 2017, the Trustees introduced Co-Headteacher arrangements which ended on 16 January 2018, with the appointment of an Interim Headteacher who is the nominated Accounting Officer. The Headteacher is supported by the Leadership Team which has operational and leadership responsibility for the Academy, implementing the policies and strategies set and ensuring that there is propriety, regularity and value for money.

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

ARRANGEMENTS FOR SETTING PAY AND REMUNERATION OF KEY MANAGEMENT PERSONNEL

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

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

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

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

Support staff roles are allocated a banding from the scales contained within the NYCC Scheme of Conditions of

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FOR THE YEAR ENDED 31 AUGUST 2018

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 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.

A panel of three governors 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.

TRADE UNION FACILITY TIME

There are no union officials who are employees of the Academy.

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.

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.

A register of interest for all trustees and senior staff of the Academy is maintained and published on the website. Every formal meeting of the Board and its committees include an agenda item to require interests of relevance to the agenda to be expressly declared.

OBJECTIVES AND ACTIVITIES

OBJECTS AND AIMS

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

It is the aim of the academy trust to:

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

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

OBJECTIVES, STRATEGIES AND ACTIVITIES

The main objectives for the period to 31st August 2018 were incorporated into the School Development and Improvement Plan.

Following a full evaluation of need, including progress data and to ensure inclusion, the Academy has reorganised the curriculum and organisation of classes into: Semi-Formal classes, KS 2/3 Formal and KS 3/4 Formal. The staff for these groups work as class teams. The designation of the class and team determines curriculum, planning, organisation and assessment which ensures an individualised approach.

The Leadership Team, with support from the Senior Management Team and Subject Leaders, continually drive improvement and development for all pupils. The Academy continues to move forward and evaluate at all times with significant changes to meet changing needs. This capacity to keep moving is due to belief in what is the ethos of the school by all staff members and the commitment and innovation shown by the majority is exceptional.

The Governing Body has changed considerably in the last year with a significant amount of skills and expertise to build on. From September 2018, the Governing Body has now established three Committees two of which have delegated powers; Teaching, Learning and Safeguarding Committee, Resources Committee and Strategy Group.

The school has continued to develop its provision via the school budget as well as fundraising. Improvements to provision have included extending provision to the first and second floor for KS 3 / 4 classes and new ICT hardware and software. Continuous development of the school site has ensured areas have been designed to enhance both personalised learning and life skills including catering.

School development planning is consistent at all levels. Senior Managers' termly action plans identify priorities from the school development plan, and, like the school development plan, have SMART targets and outcomes, which are RAG, rated. Senior Managers hold responsibility for implementing them and expect to be held accountable.

The pupils at Woodlands have excellent outcomes, some with extremely low starting points. The strength of the school is the clear understanding of individuals' needs and constant re - evaluation of what those individuals require re teaching, accommodation, and staffing for effective learning, which is inclusive and ensures the engagement and opportunity to meet high expectations.

The Woodlands Academy continues to be a reflective organisation and uses an enquiry led approach, where research is considered and used to inform development across the organisation. The SCERTS model, which is a research, based educational approach and multi-disciplinary framework that directly addresses the core challenges faced by individuals with ASC is now embedded throughout many parts of the school.

Rigorous Safeguarding of all pupils is ensured through meticulous systems that are constantly reviewed and monitored. All staff and governors have regular training on Safeguarding.

The Academy has introduced Personalised Learning Intention Maps for all pupils, linking the aspirational outcomes from pupils EHCP's to what they are learning and the functional application of skills and knowledge. Parents are made aware of these targets at Parent Evenings and asked to contribute. From September 2018 all

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pupils will have Personalised Learning Journals which will contain the pupils PLIM, how these reflect outcomes identified in the EHCP and evidence of the pupils progress which could include pupils annotated work, MAPP tracking sheets, SCERTS assessments, Boxall, any Intervention data/ reports and 'Shout Outs'.

Staff receive training both internally and externally, peer-to-peer support continues to impact on staff practice, their teaching skills and therefore pupil outcomes. Training includes Non-Abusive Physiological and Physical Intervention, ASC awareness, Pathological Demand Avoidance Awareness, SCERTS training, Food Hygiene, Rebound Therapy, 1st Class @ Number training, Dyslexia awareness, 'Literacy through Film', 'Inference training' and 'Teach Meets'.

Pupil voice is an integral part of the school's ethos throughout the school as we value the pupil's views in every part of school life where possible. We want to continue to nurture an environment where pupils feel listened to, valued, respected and empowered. We have an active School Council who meet regularly to discuss school matters. Those pupils who might struggle in such an environment are given the opportunity to participate in other ways. We have several pupils helping others across the school day. Some of these peer support and buddying systems include lunchtimes when pupils help with some of the semi-formal pupils. The value of this is evident with an increase in independence, self-esteem and awareness of others.

Parent View is important to the school. The Parent Questionnaires (Autumn 2017 / Spring 2018) show that that the vast majority of parents are extremely happy with many aspects of The Woodlands Academy, what it offers and the progress their child makes. Families continue to be at the centre of our work through regular meetings, parent assemblies, reviews and parent groups. From September 2018 we have a Parent Support Adviser who will support parents and families regarding a range of issues and facilitate parent training / workshops.

The Leadership Team is committed to improving staff work-life balance and prioritise staff welfare. Initiatives such as after school well-being classes; staff welfare team and shared planning have all contributed in a positive way.

The Academy continues to develop community links and partnerships with local groups and businesses.

As a result of local pressure for specialist SEN provision and the inability of the Academy to admit above its allocated places as detailed in the Funding Agreement, the Academy consulted with stakeholders in order to submit a business case to increase the number of places from 77 to 142. As a result, the Secretary for Sate approved a Deed of Variation (dated 2 October 2018) to the Funding Agreement, specifying that the planned number of places at the Academy will increase from 77 to 100 places. The business case outlined that no physical changes to the premises were required in order to accommodate increased place numbers.

In addition to increasing student numbers the Academy has liaised with North Yorkshire Local Authority officers to develop an offer of specialist Social Emotional Mental Health (SEMH) places for which there is high demand locally. This has led to the Local Authority funding 8 additional places across Key Stage 2 for September 2018. It has been necessary to review the organisation of teaching and learning and staffing in order accommodate the changes to the pupil population.

Major roofing works through CIF funding continued into the 2017/18 Financial Year. Other major premises works included a full plant room asbestos clean at a cost of £20K. Funding of £27K was earmarked for additional furniture and technology to support changes to the pupil population.

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

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The impact of the developments (described under 'Aims and Objectives') has shown:

When considering their starting point all pupils make substantial and sustained progress across the curriculum.

Careful analysis and scrutiny of data by using CASPA (Comparison and Analysis of Special Pupil Attainment) enables the comparison of achievement between pupils from a range of cohorts including LAC, pupils in receipt of Pupil Premium and informs individual, group and whole school interventions allowing the impact of these to be measured and evaluated. Effective systems are in place, which tracks, monitors, supports, and evaluates the teaching and learning of a diverse cohort of need.

Semi-formal teachers look at class based MAPP (Mapping and Assessing Personal Progress) information at a termly Pupil Progress Meeting. Teachers in formal classes review progress made towards their personalised targets.

Parents/ Carers are well informed of their child's progress across all areas of the curriculum, personal development, behaviour and welfare. Education, Health and Care Plan (EHCP) reviews and Personalised Learning Intention Reports (PLIM) concisely and clearly identify progress and targets. Parents / Carers feel supported and highly involved in identifying aspirational outcomes. The latest parent questionnaire shows that 92% of parents are pleased with their child's progress and 100% pleased with how progress is reported.

Interventions include those to target pupils who require specific support in reading; these include phonics, inference training and comprehension. Maths Interventions use the First Class @ Number 2 approach. The YARC (York Assessment of Reading for Comprehension) assessment identifies difficulties with word recognition, reading fluency and comprehension and is used to track progress and flag up possible intervention work. In Maths, the Sandwell Early Numeracy Test is used to baseline a Maths intervention. Regular 'SCERTS' meetings take place during which teams discuss targets and progress made. A holistic approach to measuring progress for the SEMH cohort has been agreed with the LA. This includes the use of Boxall or Thrive entry baseline assessment. Each child will have a case study to identify needs actions and progress / impact. There will be target setting and tracking through MAPP and Thrive.

After the academic year 2016-2017, the decision was made to move from PIVATS 2 to the more rigorous form of assessment, PIVATS 5. This was in order to reflect the changes in the National Curriculum and the Rochford Review; in line with our increased expectations and further challenge we are now offering our pupils revised curriculum pathways.

Through improved tracking and intervention meetings with Subject leaders for English and Maths, SMART targets have had an impact on pupil performance and progress achieved. Subsequent revision of expectations at every assessment point has led to increased attainment.

Higher expectations have led to a reduction in pupils who are attaining below the expected outcome across all aspects of literacy and numeracy.

The current data reflects the aspirational outcomes the school has for our pupils and the confidence we have in our ability to set appropriate stretch and challenge within lessons.

We have taken the decision to remove semi-formal learners from the whole schools PIVATS assessment cycle. This is because the pupils on this curriculum pathway have a bespoke and individualised assessment system (MAPP) which better reflects their learning needs. We are currently developing a system to summarise the information collected on individual students to reflect the semi-formal cohort. This will allow us to share best practice and further enhance pupil progress for non-linear learners.

KEY PERFORMANCE INDICATORS

The Board has reviewed performance through various reporting mechanisms during the year.

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There have been significant changes to the school population over the past few years and there continues to be year on year increases in placement requests. After a period of consultation in the summer term a business plan was submitted to the ESFA to increase pupil numbers, the plan was approved for 100 places.

We have worked closely with the Local Authority to secure 8 additional places for pupils with significant SEMH needs, which has changed our curriculum offer further and required adaptations to the physical environment, including the setting up of a nurture area to enable these pupils to access the necessary specialist provision.

The staffing structure has been reviewed and changes made around the needs of the Academy and to recognise the change in needs of the pupil population.

The Academy has focused on achieving financial stability during this period through effective monitoring and reporting procedures.

An internal audit completed by external auditor Veritau for 2017/18, reported that the control system in place afforded the Governing Body substantial assurance.

GOING CONCERN

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

FINANCIAL REVIEW

The Academy Trust held fund balances at 31 August 2018 comprising £63,641 of restricted funds, a pension reserve deficit of £1,338,000, restricted fixed asset funds of £3,102,677 and £74,876 of unrestricted general funds. The operating surplus for the year (i.e. the movement on restricted general funds excluding pension reserve plus unrestricted funds) was £155,775.

During the period ended 31 August 2018, the Academy's income was obtained from the ESFA in the form of GAG and other recurrent grants (£830,514), and from the Local Authority in the form of funding to meet individual needs identified in education health care plans (EHCPs) (£1,003,781). All such grants and payments and associated expenditure are shown as restricted funds (non-fixed assets) in the statement of financial activities.

During the period, the total expenditure of £1,739,246 was less than recurrent restricted grant funding from the ESFA together with other restricted incoming resources. The excess of income over expenditure for the period was £155,775.

The main financial performance indicator is the level of restricted funds and unrestricted general reserves held at the balance sheet date as a proportion of total annual revenue funding. At 31 August 2018, these balances were £63,641 and £74,876 respectively, representing together 7.5% of revenue funding.

The Trust holds reserves to protect it from volatility in its funding. The Trust's funding is volatile because it has a relatively small pupil base each of whom generates a relatively large level of funding. Any change in the pupil base can have a disproportionate effect on revenue that may not be matched by a similar change in costs. The current level of 7.5% of annual revenue funding held as reserves is considered adequate to mitigate the risk of volatility, and is within an acceptable range of the trustees' target of 10%.

The Trust pays special attention to the management of spending against General Annual Grant and monitors the proportion carried forward. In the period under review, £63,641 was carried forward representing 8.4% of GAG.

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This figure is high because it is not possible for the Trust to accumulate reserves against local authority funding (which accounts for 55% of total revenue funding) as this funding is awarded to meet specific, identified needs. The burden of building an adequate level of reserves and meeting the target described above must therefore fall exclusively on its general grant, despite it representing only 41% of revenue funding.

The Trust also monitors staffing costs as a percentage of revenue funding. For 2018 this was 82%. The Trusts staffing cost ratio is high because many of the needs identified in EHCPs for which local authority funding is provided can only be met by the provision of additional staff, with strictly limited scope for efficiency savings.

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 Academy's balance sheet shows a net liability of £1,338,000.

RESERVES POLICY

The Academy's policy is to carry forward a prudent level of resources subject to ESFA constraints on permitted balances.

In determining a prudent level, the Trust keeps in mind the need to mitigate the risks generated by the volatile structure of its funding, in which any change in pupil numbers can have a material impact on its budgets. If additional staffing has been provided to meet individual need, there is the risk of a lag between the loss of funding caused by the departure of a pupil and any consequential saving in staff cost. Similarly, it can be necessary to make use of reserves to recruit staff, or to refurbish and re-equip facilities, in advance of the receipt of funding for newly admitted pupils with particular needs.

With these considerations in mind, the Trust's policy is therefore to set a target of 10% of annual revenue funding held in the form of restricted and unrestricted reserves.

At 31 August 2018, free reserves held amount to £74,876, and restricted general funds amount to £63,641, the whole representing 7.5% of revenue funding for the year.

The amount of funds which can only be realised by disposing of fixed tangible assets amounted to £3,102,677. No funds are in deficit except the pension reserve of £1,338,000.

Total funds at 31 August 2018 amount to £1,903,919 and the combined balance on restricted general funds plus unrestricted funds at 31 August 2018 is £138,517.

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

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status of key risks and controls.

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

The principal risks and uncertainties facing the Academy Trust are SEND reforms and the impact of the NYCC funding resource allocation system. It is hoped that a proposed new NYCC funding model will overcome the current issues regarding the determination of appropriate funding which is currently being managed through an exceptional funding application process. The current funding model impacts on the ability to plan.

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

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

FUNDRAISING

The Academy undertakes fundraising activities to advance the education of pupils at the school by providing or assisting the provision of educational, recreational and other charitable facilities in augmentation of such facilities financed through the ESFA and Local Education Authorities.

Trustees delegate day to day activities and their management to the Headteacher. There is an established role within school with fundraising responsibilities and there is financial oversight and monitoring through the Finance Committee. The Academy does not use the services of volunteers, professional fundraisers or commercial participators to raise funds.

Principal sources of income are through donations, Academy events and charitable grants.

Risk management processes are in operation and procedures around fundraising complaints are available on the Academy website.

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.

Key priorities will be:

- to recruit a new Headteacher and develop the senior leadership structure;
- fully embed the monitoring and evaluation of the assessment framework;
- continue the development of SEMH provision;
- develop outdoor learning spaces and
- Investigate the development of a community café to enable students to develop skills for both employment and independent living.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The Academy does not hold such funds.

AUDITOR

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Insofar as the trustees are aware;

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

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

Trustees' report, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 6 December 2018 and signed on the board's behalf by:

K I Mackenzie
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
K I Mackenzie, Chairman	2	2
G B Weekes, (Chairman 1 September 2017 until 12 September 2018)	7	7
D L Billing	0	4
A Caton, Interim Headteacher and Accounting Officer	4	5
W Chatt	4	7
A K Fearn	2	4
V L Gough	6	6
M Jenkinson	7	7
D Raper	1	6
M Woodburn, Parent Trustee Term of Office ended 30 June 2018	4	6
R Askew	7	7
P Gates	0	0
Mrs S Gibbons	0	2
L Ponter	1	1
L St Pierre	1	1
R A Instone, Parent Trustee	0	0
S L Mason, Parent Trustee	0	0

There has been a significant change to the membership of the board over the course of the year with one governor retiring and 6 resignations. One of the key requirements was to complete a skills audit and undertake a recruitment process; this resulted in the appointment of 7 new governors with expertise within the areas of business and finance, education and safeguarding.

The board has received regular reports from the Headteacher which focused on the action points arising from the school development plan, the progress made towards completion and their impact. Areas reported included Staffing/Governance, Attendance, Pupil Premium, Pupil Achievement and Standards, Leadership and Management, Quality of Teaching, Learning and Assessment, Safeguarding, Behaviour and Safety, Curriculum Enrichment and Working with Parents.

The board received training linked to measuring pupil progress with a review of the assessment cycle and pupil data analysis within the CASPA system. Governors were able to review data and understand the target setting process. Governors were satisfied that practice was being reviewed to bring about improvements in assessment

THE WOODLANDS ACADEMY SCARBOROUGH
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GOVERNANCE STATEMENT (continued)

and tracking to increase confidence in the data.

Governors reviewed the Autism Education Trust Standards which would enable the school to self-evaluate their working practice in addressing the needs of children on the autistic spectrum and provide direction moving forward. In addition, Link Governors reported on a number of key areas, including British Values, compliance with safeguarding requirements and review of a new marking system which had been hi-lighted through a 'Learning Walk'

The board has consulted with stakeholders and supported the submission of a business case to increase the number of school places from 77 in order to alleviate the pressure for additional special school places locally. The Academy was successful in gaining consent from the Secretary of State to increase places to 100.

During the year, due to ill health, one of the Co-Headteachers stood down, the school has been led under Interim Headship arrangements pending a substantive appointment. A recruitment process is currently in hand. Governors are satisfied that existing arrangements maintain continuity and effective leadership.

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.

Governors have undertaken a self-evaluation process with a focus of governor roles and responsibilities, self-evaluation, school development and setting the strategic direction. The process informed training requirements and developed a greater understanding of requirements within Link Governor Roles. Governors have undertaken target based visits reporting regularly to the board.

As a result of the board going through a significant period of transition and the need to succession plan for a new Chair and Vice Chair a review was undertaken to examine the operation and effectiveness of the board and how it was discharging its duties. This resulted in proposals for a revised committee structure with executive leads for September 2018.

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

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

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

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
G B Weekes	7	8
D L Billing	0	4
W Chatt	5	8
M Jenkinson	3	4
R Askew	7	8
K I Mackenzie	3	3

THE WOODLANDS ACADEMY SCARBOROUGH
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GOVERNANCE STATEMENT (continued)

Mrs A Fearn (Accounting Officer until 29 March 2018)	3	5
Miss A Caton (Accounting Officer from 30 March 2018)	8	8

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;
- 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. All building improvement works were tendered, with works under the threshold being subject to 3 quotations in accordance with financial procedures.
- Submission of a business case to increase place numbers thus enabling the Academy to provide more specialist school places in the local area.
- Plan for specialist SEMH provision in Key Stage 2 for which there is high demand locally.

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 2017 to 31 August 2018 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 2017 to 31 August 2018 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:

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GOVERNANCE STATEMENT (continued)

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

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

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

- Payroll: the process for making amendments to pay was reviewed, and also the checks carried out on the accuracy of the pay run.
- Payments to suppliers: a sample of payments made to suppliers for each term in the last year was checked to source documentation to ensure that they were for goods and services that had been received and were appropriately authorised. Expenditure over £5,000 was also reviewed in order to ensure that appropriate procurement arrangements had been followed.
- Income: all funding payments from NYCC and the ESFA were reviewed to ensure the appropriate remittances could be traced to bank statements and the finance system. A sample of miscellaneous income for each term in the last year was also reviewed,
- Accounting systems: budget monitoring processes were reviewed, including the reports to Governors and Trustees
- The findings from the previous audit were also followed up to ensure the agreed actions had been implemented.

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

- 'Payments should be made via payroll or to named business suppliers. If taxable payments are made to individuals outside of the payroll system the Academy must take action to protect itself from any potential tax liability' In response, the Academy has evidence of compliance provided by business which is retained on file and adjustments have been made to payee details.

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

The overall opinion given was 'The arrangements for managing risk were good with few weaknesses identified. An effective control environment is in operation, but there is scope for further improvement in the areas identified. Our overall opinion of the controls within the system at the time of the audit was that they provided Substantial Assurance'

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 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

THE WOODLANDS ACADEMY SCARBOROUGH
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GOVERNANCE STATEMENT (continued)

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 6 December 2018 and signed on their behalf, by:

K I Mackenzie
Chair of Trustees

A Caton
Accounting Officer

THE WOODLANDS ACADEMY SCARBOROUGH
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of The Woodlands Academy Scarborough I have considered my responsibility to notify the academy trust board of trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, 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 2017.

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 2017.

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

A Caton
Accounting Officer

THE WOODLANDS ACADEMY SCARBOROUGH
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STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2018

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of trustees on 6 December 2018 and signed on its behalf by:

K I Mackenzie
Chair of Trustees

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

OPINION

We have audited the financial statements of The Woodlands Academy Scarborough (the 'Academy') for the year ended 31 August 2018 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2018 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 2017 to 2018 issued by the Education and Skills Funding Agency.

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

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

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

OTHER INFORMATION

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

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

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

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

RESPONSIBILITIES OF TRUSTEES

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

In preparing the financial statements, the Trustees are responsible for assessing the Academy's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going

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

concern basis of accounting unless the Trustees either intend to liquidate the Academy or to cease operations, or have no realistic alternative but to do so.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

USE OF OUR REPORT

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

Robert Anderson (Senior statutory auditor)

for and on behalf of

Streets Audit LLP

Halifax House
30 George Street
Hull
East Yorkshire
HU1 3AJ
6 December 2018

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

In accordance with the terms of our engagement letter dated 18 October 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, 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 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The Accounting Officer is responsible, under the requirements of The Woodlands Academy Scarborough's funding agreement with the Secretary of State for Education dated 27 March 2013, and the Academies Financial Handbook extant from 1 September 2017, 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 2017 to 2018. 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 2017 to 31 August 2018 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 2017 to 2018 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

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

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

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Robert Anderson (Senior statutory auditor)

Streets Audit LLP

Halifax House
30 George Street
Hull
East Yorkshire
HU1 3AJ

6 December 2018

THE WOODLANDS ACADEMY SCARBOROUGH
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**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2018**

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
INCOME FROM:						
Donations and capital grants	2	4,378	-	188,123	192,501	218,294
Charitable activities	3	17,723	1,834,295	-	1,852,018	1,669,303
Other trading activities	4	10,378	-	-	10,378	2,930
Investments	5	151	-	-	151	130
TOTAL INCOME		32,630	1,834,295	188,123	2,055,048	1,890,657
EXPENDITURE ON:						
Charitable activities	6	-	1,864,158	35,115	1,899,273	1,876,192
TOTAL EXPENDITURE	7	-	1,864,158	35,115	1,899,273	1,876,192
NET BEFORE OTHER RECOGNISED GAINS AND LOSSES						
		32,630	(29,863)	153,008	155,775	14,465
Actuarial gains on defined benefit pension schemes	20	-	174,000	-	174,000	713,000
NET MOVEMENT IN FUNDS		32,630	144,137	153,008	329,775	727,465
RECONCILIATION OF FUNDS:						
Total funds brought forward		42,246	(1,418,496)	2,949,669	1,573,419	845,954
TOTAL FUNDS CARRIED FORWARD		74,876	(1,274,359)	3,102,677	1,903,194	1,573,419

THE WOODLANDS ACADEMY SCARBOROUGH
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REGISTERED NUMBER: 08436037

BALANCE SHEET
AS AT 31 AUGUST 2018

	Note	£	2018 £	£	2017 £
FIXED ASSETS					
Tangible assets	12		3,102,677		2,949,413
CURRENT ASSETS					
Debtors	13	105,269		80,804	
Cash at bank and in hand		141,904		372,370	
		<u>247,173</u>		<u>453,174</u>	
CREDITORS: amounts falling due within one year	14	<u>(108,656)</u>		<u>(399,168)</u>	
NET CURRENT ASSETS			<u>138,517</u>		<u>54,006</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>3,241,194</u>		<u>3,003,419</u>
Defined benefit pension scheme liability	20		<u>(1,338,000)</u>		<u>(1,430,000)</u>
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u>1,903,194</u>		<u>1,573,419</u>
FUNDS OF THE ACADEMY					
Restricted income funds:					
Restricted income funds	15	63,641		11,504	
Restricted fixed asset funds	15	3,102,677		2,949,669	
Restricted income funds excluding pension liability		<u>3,166,318</u>		<u>2,961,173</u>	
Pension reserve		<u>(1,338,000)</u>		<u>(1,430,000)</u>	
Total restricted income funds			<u>1,828,318</u>		<u>1,531,173</u>
Unrestricted income funds	15		<u>74,876</u>		<u>42,246</u>
TOTAL FUNDS			<u>1,903,194</u>		<u>1,573,419</u>

The financial statements on pages 25 to 51 were approved by the Trustees, and authorised for issue, on 6 December 2018 and are signed on their behalf, by:

K I Mackenzie
Chair of Trustees

THE WOODLANDS ACADEMY SCARBOROUGH
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2018

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	17	<u>(220,804)</u>	<u>206,928</u>
Cash flows from investing activities:			
Dividends, interest and rents from investments		151	130
Purchase of tangible fixed assets		(197,936)	(248,266)
Capital grants from DfE Group		188,123	212,664
Net cash used in investing activities		<u>(9,662)</u>	<u>(35,472)</u>
Change in cash and cash equivalents in the year		(230,466)	171,456
Cash and cash equivalents brought forward		<u>372,370</u>	<u>200,914</u>
Cash and cash equivalents carried forward		<u><u>141,904</u></u>	<u><u>372,370</u></u>

THE WOODLANDS ACADEMY SCARBOROUGH
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES

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

1.1 Basis of preparation of financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

1.2 Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by funders where the asset acquired or created is held for a specific purpose.

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

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

THE WOODLANDS ACADEMY SCARBOROUGH
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.3 Income

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

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

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

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

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

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

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

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.4 Expenditure

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

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

All expenditure is inclusive of irrecoverable VAT.

1.5 Going concern

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

1.6 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

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

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

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FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

Leasehold property	-	Not depreciated
Furniture and fixtures	-	10% straight line
Property Improvements	-	4% straight line
Motor vehicles	-	20% straight line

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

1.7 Operating leases

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

1.8 Debtors

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

1.9 Cash at Bank and in hand

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

1.10 Liabilities and provisions

Liabilities and provisions are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.11 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 13. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

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

1.12 Taxation

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

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FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.13 Pensions

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

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

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

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

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

1.14 Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

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

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

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	<i>Total funds 2017 £</i>
Other donations	4,378	-	-	4,378	5,630
Capital Grants	-	-	188,123	188,123	212,664
	4,378	-	188,123	192,501	<i>218,294</i>
<i>Total 2017</i>	<i>5,630</i>	<i>-</i>	<i>212,664</i>	<i>218,294</i>	

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	758,199	758,199	766,534
Other DfE/ESFA grants	-	72,315	72,315	66,238
	-	830,514	830,514	832,772
Other government grants				
Local authority grants	-	1,003,781	1,003,781	827,411
	-	1,003,781	1,003,781	827,411
Other funding				
Catering income	9,513	-	9,513	9,120
School fund income	8,210	-	8,210	-
	17,723	-	17,723	9,120
	17,723	1,834,295	1,852,018	1,669,303
<i>Total 2017</i>	9,120	1,660,183	1,669,303	

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Catering income	2,879	-	2,879	2,930
Other income	7,499	-	7,499	-
	10,378	-	10,378	2,930
<i>Total 2017</i>	2,930	-	2,930	

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

5. INVESTMENT INCOME

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Bank interest receivable	151	-	151	130
<i>Total 2017</i>	130	-	130	

6. CHARITABLE ACTIVITIES

	2018 £	2017 £
DIRECT COSTS		
Wages and salaries	977,674	954,291
National insurance	77,819	72,331
Pension cost	237,978	258,872
Depreciation	27,368	19,759
Other direct costs	83,883	100,061
	<u>1,404,722</u>	<u>1,405,314</u>
SUPPORT COSTS		
Wages and salaries	170,113	201,006
National insurance	10,917	13,469
Pension costs	25,487	26,883
Depreciation	17,304	10,917
Technology costs	25,187	11,946
Premises costs	172,449	147,746
Other support costs	61,810	50,286
Governance costs	11,284	8,625
	<u>494,551</u>	<u>470,878</u>
TOTAL EXPENDITURE ON CHARITABLE ACTIVITIES	<u><u>1,899,273</u></u>	<u><u>1,876,192</u></u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

7. EXPENDITURE

	Staff costs 2018 £	Premises 2018 £	Other costs 2018 £	Total 2018 £	<i>Total 2017 £</i>
Academy's educational operations:					
Direct costs	1,245,471	27,368	83,883	1,356,722	1,405,315
Support costs	254,516	189,753	98,282	542,551	470,877
	<u>1,499,987</u>	<u>217,121</u>	<u>182,165</u>	<u>1,899,273</u>	<u>1,876,192</u>
<i>Total 2017</i>	<u>1,526,852</u>	<u>178,422</u>	<u>170,918</u>	<u>1,876,192</u>	

8. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2018 £	<i>2017 £</i>
Depreciation of tangible fixed assets:		
- owned by the charity	44,672	30,676
Auditors' remuneration - audit	5,750	5,750
Operating lease rentals	1,084	2,928
	<u>51,506</u>	<u>39,354</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

9. STAFF COSTS

a. Staff costs

Staff costs were as follows:

	2018	2017
	£	£
Wages and salaries	1,147,787	1,150,023
Social security costs	88,735	85,800
Operating costs of defined benefit pension schemes	263,465	285,755
	1,499,987	1,521,578
Agency staff costs	-	5,274
Staff restructuring costs	-	9,700
	1,499,987	1,536,552

Staff restructuring costs comprise:

Severance payments	-	9,700
	-	9,700

b. Non-statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £Nil (2017: £9,700).

c. Staff numbers

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

	2018	2017
	No.	No.
Teachers	11	12
Administration and support	49	48
Management	4	4
	64	64
	64	64

d. Higher paid staff

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

	2018	2017
	No.	No.
In the band £60,001 - £70,000	0	1

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

e. Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

9. STAFF COSTS (continued)

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 £237,813 (2017 - £231,882).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

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:

		2018	<i>2017</i>
		£	£
A K Fearn, Headteacher and Accounting Officer	Remuneration	35,000-40,000	<i>65,000-70,000</i>
	Pension contributions paid	5,000-10,000	<i>10,000-15,000</i>
V L Gough, Staff Trustee	Remuneration	35,000-40,000	<i>35,000-40,000</i>
	Pension contributions paid	5,000-10,000	<i>5,000-10,000</i>
A Caton, Interim Headteacher and Accounting Officer	Remuneration	55,000-60,000	
	Pension contributions paid	5,000-10,000	

During the year ended 31 August 2018, 1 Trustee received £74 as reimbursement of expenses (2017 - £NIL to 0 Trustees).

11. TRUSTEES' AND OFFICERS' INSURANCE

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

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**NOTES TO THE FINANCIAL STATEMENTS
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12. TANGIBLE FIXED ASSETS

	Leasehold property £	Property improvements £	Property improvements £	Total £
Cost				
At 1 September 2017	2,544,000	39,000	446,469	3,029,469
Additions	-	-	197,936	197,936
At 31 August 2018	<u>2,544,000</u>	<u>39,000</u>	<u>644,405</u>	<u>3,227,405</u>
Depreciation				
At 1 September 2017	-	15,170	64,886	80,056
Charge for the year	-	3,900	40,772	44,672
At 31 August 2018	<u>-</u>	<u>19,070</u>	<u>105,658</u>	<u>124,728</u>
Net book value				
At 31 August 2018	<u>2,544,000</u>	<u>19,930</u>	<u>538,747</u>	<u>3,102,677</u>
At 31 August 2017	<u>2,544,000</u>	<u>23,830</u>	<u>381,583</u>	<u>2,949,413</u>

13. DEBTORS

	2018 £	2017 £
VAT recoverable	19,438	49,976
Prepayments and accrued income	85,831	30,828
	<u>105,269</u>	<u>80,804</u>

14. CREDITORS: Amounts falling due within one year

	2018 £	2017 £
Trade creditors	20,148	246,028
Other taxation and social security	-	20,960
Other creditors	-	23,888
Accruals and deferred income	88,508	108,292
	<u>108,656</u>	<u>399,168</u>

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FOR THE YEAR ENDED 31 AUGUST 2018

14. CREDITORS: Amounts falling due within one year (continued)

	2018	2017
	£	£
Deferred income		
Deferred income at 1 September 2017	83,279	4,359
Resources deferred during the year	41,102	83,279
Amounts released from previous years	(83,279)	(4,359)
	<hr/>	<hr/>
Deferred income at 31 August 2018	41,102	83,279
	<hr/> <hr/>	<hr/> <hr/>

At the balance sheet date the Academy Trust was holding funds received in advance for devolved capital income received for the period 1 September 2018 to 31 March 2019, Universal Free School Meal Income received for the 2018/19 academic year, and capital grants for work not undertaken as at 31 August 2018.

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NOTES TO THE FINANCIAL STATEMENTS
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15. STATEMENT OF FUNDS

	Balance at 1 September 2017 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds					
General funds	42,246	32,630	-	-	74,876
Restricted funds					
General Annual Grant (GAG)	11,504	758,199	(706,062)	-	63,641
Other DfE/ESFA grants	-	72,315	(72,315)	-	-
Local authority grants	-	1,003,781	(1,003,781)	-	-
Pension reserve	(1,430,000)	-	(82,000)	174,000	(1,338,000)
	<u>(1,418,496)</u>	<u>1,834,295</u>	<u>(1,864,158)</u>	<u>174,000</u>	<u>(1,274,359)</u>
Restricted fixed asset funds					
Transfer on conversion	2,544,000	-	-	-	2,544,000
Capital grants	348,863	181,609	(35,115)	-	495,357
Capital expenditure from GAG	28,648	-	-	-	28,648
Devolved capital expenditure	28,158	6,514	-	-	34,672
	<u>2,949,669</u>	<u>188,123</u>	<u>(35,115)</u>	<u>-</u>	<u>3,102,677</u>
Total restricted funds	<u>1,531,173</u>	<u>2,022,418</u>	<u>(1,899,273)</u>	<u>174,000</u>	<u>1,828,318</u>
Total of funds	<u><u>1,573,419</u></u>	<u><u>2,055,048</u></u>	<u><u>(1,899,273)</u></u>	<u><u>174,000</u></u>	<u><u>1,903,194</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.

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

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

Restricted Fixed Asset funds

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

15. STATEMENT OF FUNDS (continued)

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.

Summary

The combined balance on restricted general funds (excluding pension reserve) plus unrestricted general funds at 31 August 2018 is £137,792.

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 2018.

STATEMENT OF FUNDS - PRIOR YEAR

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

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A CURRENT YEAR 12 MONTHS AND PRIOR YEAR 12 MONTHS COMBINED POSITION IS AS FOLLOWS:

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds						
General funds	44,021	17,810	(19,585)	-	-	42,246
	-	32,630	-	-	-	32,630
Restricted funds						
General Annual Grant (GAG)	89,617	1,524,733	(1,523,873)	(26,836)	-	63,641
Other DfE/ESFA grants	2,237	138,554	(132,025)	(8,766)	-	-
Local authority grants	-	1,831,191	(1,831,191)	-	-	-
Pension reserve	(2,022,000)	-	(203,000)	-	887,000	(1,338,000)
	(1,930,146)	3,494,478	(3,690,089)	(35,602)	887,000	(1,274,359)
Restricted fixed asset funds						
Transfer on conversion	2,545,006	-	(1,006)	-	-	2,544,000
Capital grants	148,051	394,273	(46,967)	-	-	495,357
Capital expenditure from GAG	7,986	-	(6,173)	26,835	-	28,648
Devolved capital expenditure	31,036	6,514	(11,645)	8,767	-	34,672
	2,732,079	400,787	(65,791)	35,602	-	3,102,677
	801,933	3,895,265	(3,755,880)	-	887,000	1,828,318
Total of funds	845,954	3,945,705	(3,775,465)	-	887,000	1,903,194

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NOTES TO THE FINANCIAL STATEMENTS
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16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	3,102,677	3,102,677
Current assets	183,532	63,641	-	247,173
Creditors due within one year	(108,656)	-	-	(108,656)
Provisions for liabilities and charges	-	(1,338,000)	-	(1,338,000)
	<u>74,876</u>	<u>(1,274,359)</u>	<u>3,102,677</u>	<u>1,903,194</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

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

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

	2018 £	2017 £
Net income for the year (as per Statement of Financial Activities)	155,775	14,465
Adjustment for:		
Depreciation charges	44,672	30,676
Dividends, interest and rents from investments	(151)	(130)
(Increase)/decrease in debtors	(24,465)	35,911
(Decrease)/increase in creditors	(290,512)	217,670
Capital grants from DfE and other capital income	(188,123)	(212,664)
Defined benefit pension scheme cost less contributions payable	48,000	81,000
Defined benefit pension scheme finance cost	34,000	40,000
Net cash (used in)/provided by operating activities	<u>(220,804)</u>	<u>206,928</u>

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18. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2018	<i>2017</i>
	£	£
Cash in hand	141,904	<i>372,370</i>
Total	141,904	<i>372,370</i>

19. CONTINGENT LIABILITIES

The Academy had no contingent liabilities at 31 August 2018.

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

20. PENSION COMMITMENTS

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

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

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

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

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20. PENSION COMMITMENTS (continued)

- employer contribution rates set at 16.48% of pensionable pay, including a 0.08% employer administration charge.
- 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%.

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

The employer's pension costs paid to TPS in the period amounted to £83,182 (2017 - £83,593).

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 2018 was £170,000 (2017 - £159,000), of which employer's contributions totalled £134,000 (2017 - £124,000) and employees' contributions totalled £36,000 (2017 - £35,000). The agreed contribution rates for future years are 15.6% for employers and various% for employees.

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

	2018	<i>2017</i>
Discount rate for scheme liabilities	2.80 %	<i>2.50 %</i>
Rate of increase in salaries	3.25 %	<i>3.15 %</i>
Rate of increase for pensions in payment / inflation	2.00 %	<i>1.90 %</i>
Inflation assumption (CPI)	2.00 %	<i>1.90 %</i>

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20. PENSION COMMITMENTS (continued)

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

	2018	<i>2017</i>
Retiring today		
Males	22.9	22.8
Females	26.4	26.3
Retiring in 20 years		
Males	25.1	25.0
Females	28.7	28.6

Sensitivity analysis	At 31 August 2018	<i>At 31 August 2017</i>
	£	£
Discount rate +0.1%	(60,000)	<i>(56,000)</i>
Discount rate -0.1%	62,000	<i>58,000</i>
Mortality assumption - 1 year increase	(65,000)	<i>(62,000)</i>
Mortality assumption - 1 year decrease	65,000	<i>62,000</i>

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

	Fair value at 31 August 2018	<i>Fair value at 31 August 2017</i>
	£	£
Equities	581,506	470,730
Gilts	155,196	90,880
Corporate bonds	-	21,300
Property	75,682	57,510
Cash and other liquid assets	2,874	3,550
Other	142,742	66,030
Total market value of assets	958,000	<i>710,000</i>

The actual return on scheme assets was £86,000 (2017 - £118,000).

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20. PENSION COMMITMENTS (continued)

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

	2018	<i>2017</i>
	£	<i>£</i>
Current service cost	(182,000)	<i>(205,000)</i>
Interest income	20,000	<i>10,000</i>
Interest cost	(54,000)	<i>(50,000)</i>
	<hr/>	<hr/>
Total	(216,000)	<i>(245,000)</i>
	<hr/> <hr/>	<hr/> <hr/>

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

	2018	<i>2017</i>
	£	<i>£</i>
Opening defined benefit obligation	2,140,000	<i>2,462,000</i>
Current service cost	182,000	<i>205,000</i>
Interest cost	54,000	<i>50,000</i>
Employee contributions	36,000	<i>35,000</i>
Actuarial gains	(108,000)	<i>(605,000)</i>
Benefits paid	(8,000)	<i>(7,000)</i>
	<hr/>	<hr/>
Closing defined benefit obligation	2,296,000	<i>2,140,000</i>
	<hr/> <hr/>	<hr/> <hr/>

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

	2018	<i>2017</i>
	£	<i>£</i>
Opening fair value of scheme assets	710,000	<i>440,000</i>
Interest income	20,000	<i>10,000</i>
Actuarial losses	66,000	<i>108,000</i>
Employer contributions	134,000	<i>124,000</i>
Employee contributions	36,000	<i>35,000</i>
Benefits paid	(8,000)	<i>(7,000)</i>
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Closing fair value of scheme assets	958,000	<i>710,000</i>
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

21. OPERATING LEASE COMMITMENTS

At 31 August 2018 the total of the Academy trust's future minimum lease payments under non-cancellable operating leases was:

	2018 £	2017 £
Amounts payable:		
Within 1 year	144	-
Between 1 and 5 years	-	580
Total	<u>144</u>	<u>580</u>

22. MEMBERS' LIABILITY

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

23. RELATED PARTY TRANSACTIONS

Owing to the nature of the academy trust 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 Trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and with the trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

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

During the period Mr S Fearn, spouse of Mrs A Fearn (Headteacher and Accounting Officer), was employed by the Academy Trust. Mr Fearn's employment began on 3 March 2014, and his annualised salary band is £20k - £25k. We confirm that Mr Fearn was fairly recruited and his performance has been managed in the normal way; his employment is considered to be of benefit to the trust. Mrs A Fearn resigned her role in March 2018.

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