

Winterton Community Academy

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2018

Winterton Community Academy

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Winterton Community Academy

Reference and Administrative Details

Members	S Driver A Walker (appointed 1 September 2018) K Francis S Burns (resigned 31 August 2018) J Fitzgerald (resigned 20 June 2018) C Garratt (resigned 28 May 2018)
Governors and Trustees (Directors)	T Johns T Bartlett S Driver, Finance and Audit Committee C Peters, Finance and Audit Committee J Simpson A Walker, Chair of Governors A Dalowsky, Finance and audit committee (appointed 26 November 2017) C Hunt (appointed 1 September 2018) K Rowlands (appointed 30 April 2018) M Knapton, Finance and Audit Committee (resigned 2 July 2018) K Francis, Acting Chair of Governors, Finance and Audit Committee (resigned 31 August 2018) P Townsley, Finance and Audit Committee (resigned 10 July 2018) P Davies, Finance and Audit Committee (resigned 30 October 2017) G Morris, Finance and Audit Committee (resigned 25 January 2018) R Maud (resigned 31 August 2018)
Senior Management Team	K Rowlands, Headteacher L Daveran, Assistant Headteacher R Featherstone, Deputy Headteacher J Hodge, Finance Manager
Principal and Registered Office	Winterton Community Academy Newport Drive Winterton Scunthorpe North Lincolnshire DN15 9QD
Company Registration Number	08140747
Auditors	Forrester Boyd 26 South St Mary's Gate Grimsby N E Lincs DN31 1LW
Bankers	Lloyds Bank 106 High Street Scunthorpe South Humberside DN15 6HG

Winterton Community Academy

Reference and Administrative Details (continued)

Solicitors

Wilkin Chapman LLP
Cartergate House
26 Chantry Lane
Grimsby
North East Lincolnshire
DN31 2LJ

Winterton Community Academy

Trustees' Annual Report for the Year Ended 31 August 2018

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year ended 31 August 2018. The annual report serves the purposes of both a trustees' report, incorporating a strategic report, and a directors' report under company law.

The trust operates an academy for pupils aged 11-16 serving a catchment area in North Lincolnshire. It has pupil capacity of 720 and had a roll of 516 in the school census in Spring 2018.

Structure, governance and management

Constitution

The Academy Trust is a company limited by guarantee and is an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust. The company registration number is 08140747.

The governors act as the trustees for the charitable activities of Winterton Community Academy and are also the directors of the charitable company for the purposes of company law.

Details of the Trustees who served during the year, and to the date these accounts are approved 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 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.

Trustees' indemnities

The academy trust through its Articles has indemnified its Trustees to the fullest extent permissible by law. During the period the Academy also purchased and maintained liability insurance for its Trustees.

Method of recruitment and appointment or election of Trustees

The Members may appoint up to 12 Trustees. The Head Teacher shall be treated as being an ex officio Trustee. Up to 4 Staff Trustees may be appointed. A minimum of 2 Parent Trustees may be appointed. Elections for Parent Trustees allow one ballot paper for each parent to complete irrespective of the number of children they have attending the school. The Trustees may appoint up to 3 co-opted Trustees.

The term of office for any Trustee shall be 4 years, save that this time limit shall not apply to the Headteacher. Subject to remaining eligible to be a particular type of Trustee, any Trustee may be re-appointed or re-elected.

Policies and procedures adopted for the induction and training of Trustees

The training and induction for Trustees is personalised and dependent on their existing experience. One Trustee has the responsibility for coordinating all the training and development for Trustees. The Academy participates with Local Authority organised training sessions when appropriate and all Trustees are invited. All Trustees involved in the appointment of staff attend training on safer recruitment and the Trustees responsible for the performance management of the Head Teacher attend specific training on this before they take up this duty.

In accordance with normal commercial practice the Academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions whilst on Academy business.

Organisational structure

The Academy Trust consists of three members and a Board of Trustees who lead on the strategic direction of the school and then there is a senior leadership team who manages the day-to-day running of the school and reports to the Board of Trustees.

The Trustees are responsible for setting the general policy, adopting the annual school improvement plan and budget, monitoring the Academy by use of the budgets and making decisions about the strategic direction of the Academy and teaching staff appointments.

The Senior Leadership Team consist of the Headteacher, one Deputy Headteacher, one Assistant Headteacher and the Finance Manager. This group lead the Academy at an executive level implementing policies laid down by the Trustees and reporting back to them. As a group they are responsible for the monitoring of the spending within agreed budgets, designing and implementing the school improvement plan, ensuring that all pupils enjoy and achieve their personal best.

Winterton Community Academy

Trustees' Annual Report for the Year Ended 31 August 2018 (continued)

Arrangements for setting pay and remuneration of key management personnel

The pay and remuneration of key management personnel is set according to the School Teachers' pay and conditions document which is reviewed annually. All senior leadership's salaries are set within the boundaries of school's ISR and this is agreed by Trustees. The Academy's appraisal policy is used to determine any pay increase within the parameters set for members of the senior leadership team.

Trade union facility time

There was no trade union facility time in the period.

Risk management

The Academy has a system of internal control including financial, operational and risk management which is designed to protect the Academy's assets and reputation.

Each year members of the finance sub-committee undertake a comprehensive review of risks to which the Academy may be exposed. They identify systems and procedures, including specific preventable actions which should mitigate any potential impact on the Academy. The internal controls are then implemented.

A risk register is on-going and maintained by the Academy which will be reviewed annually by the finance sub-committee.

Connected organisations, including related party relationships

There are no connected organisations.

Objectives and activities

Objects and aims

Winterton Community Academy Trust's principal object is to advance for the public benefit education in the United Kingdom, in particular but without prejudice, establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum. To this end it now runs an academy aspiring towards the highest standards for pupils between the ages of 11-16.

Objectives, strategies and activities

The overriding object of Winterton Community Academy is to provide first class education to pupils of all abilities in the 11-16 age range. Obviously linked to this purpose is the aim that the Academy contributes to the public good through the provision of educational activities and extra-curricular activities and aims to be of considerable benefit to the local community.

Winterton Community Academy is a community "Driven by the belief that we will be Outstanding" and aspire to achieve "personal success for all through high quality learning".

Our staff, Trustees and parents have high expectations of ourselves and our children. We want them to be given the opportunities to succeed and to challenge them to greater heights.

With this in mind, we have dedicated, talented, enthusiastic staff who work together to ensure that the teaching and quality of provision is organised to meet the need of each individual pupil.

We are proud of our achievements and we are keen to celebrate success at all levels. We place high standards of discipline within the context of care, warmth and good humour. It is important to us that all members of the Academy community are treated with respect and are allowed to thrive as individuals. We have gained a national reputation for our achievement with our peer mentoring program.

We are committed to providing the highest quality of education for all of our pupils to prepare them for life in the twenty-first century as active, healthy, caring and well-skilled members of the global community.

The main strategies for improvement for academic year 2017/18 are:

- Improve the Outcomes of All Students
- Improve the Quality of Teaching & Learning
- Enhance the culture of the school at all levels, promoting positive attitudes to learning and social development for all students.
- Further develop leadership at all levels including governance.

Winterton Community Academy

Trustees' Annual Report for the Year Ended 31 August 2018 (continued)

Public benefit

The academy trust provides educational services to all children in the local area. The Trustees confirm that they have complied with the duty in Section 17 of the Charities Act 2011 to have due regard to the public benefit guidance provided by the Charity Commission.

Trustees' Annual Report for the Year Ended 31 August 2018 (continued)

Strategic Report

Achievements and performance

The Academy results demonstrate that pupils have made progress broadly in line with expectations for the cohort leaving in 2018. With Progress 8 predicted to be around the zero grade, this would demonstrate that overall, pupils have made expected progress. This demonstrates a significant improvement on 2017 results for the same measure.

These results have been achieved largely due to a significant improvement in the number of pupils achieving a level 5 in Mathematics. English results were similar to the previous year.

In addition, the key basics measure for a good pass in English and Maths has improved significantly and is broadly in line with National Average. This is a positive result given that this cohort was below National on entry at year 7. Furthermore, the Academy has demonstrated a positive response to the EBACC measure, with improvements in both the EBACC standard (31%) and EBACC strong measure (20%).

In comparison with 2016 and 2017, the Academy has demonstrated significant improvements in 2018 overall.

However, in terms of the performance of key groups, those pupils eligible for pupil premium continue to under-perform when compared with other students. Also, the performance of boys compares less well than girls and in terms of progress, the middle KS2 banding pupils made less than expected progress.

Whilst the Progress 8 measure demonstrates that pupils made expected progress and this is reflected across the broad range of subjects, pupils continued to under-perform in Engineering, Product Design, Art and Resistant Materials.

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 continues to operate in the educational environment that the school operated in. As a result, the sources of income are not dissimilar; the expenditure is channelled in the same format.

The main source of funding is the General Annual Grant (GAG) which provides funding for pupils aged 11-16 and the Education Services Grant which is a grant allowing the academy to source educational and support services from bodies other than the Local Authority. This funding is administered by the Education and Skills Funding Agency (ESFA). In addition the Local Authority continues to manage the higher need SEN (Special Educational Needs) funding. The ESFA also administers the Pupil Premium funding. Smaller ad hoc grants continue to be available such as non-domestic rates (NNDR).

During the year ended 31st August 2018, total expenditure of £3,857,723 (2017: £3,228,791) was covered by incoming resources, together with the brought forward reserves.

There is an in year surplus of £9,064 (2017: £45,399) on unrestricted and restricted general funds giving a total free reserves balance on these funds of £114,995 (2017: £105,931).

Financial and risk management objectives and policies

The Academy is subject to a number of risks and uncertainties in common with other academies. The Academy has in place procedures which identify and mitigate financial risks. These are discussed further in the Risk Management section of this report and in the Governance Statement.

Winterton Community Academy

Trustees' Annual Report for the Year Ended 31 August 2018 (continued)

Strategic Report

Reserves policy

The Trustees review the reserves on an annual basis. This review encompasses the nature of income and expenditure streams, the need to matching income with commitments and the nature of reserves.

The Academy held fund balances at 31 August 2018 of £5,472,262 (2017: £5,211,367) comprising £104,810 (2017: £73,434) of unrestricted funds, £10,185 (2017: £32,497) of restricted general funds, £5,830,267 (2017: £5,731,436) of restricted fixed asset funds and an additional pension reserve deficit of £473,000 (2017: £626,000).

Of this amount, £5,510,254 can only be realised by disposing of tangible fixed assets.

Included within the Restricted Fixed Asset Fund is £296,994 (2017: £160,383) of ESFA funding available to spend on specific capital projects in the 2018/19 year.

Investment policy

The Trustees review the reserve levels of the Academy annually. This review encompasses the nature of the income and expenditure streams, the need to match income with commitments and the nature of reserves.

The priority is to avoid high levels of risk by ensuring any investment vehicle has adequate credit rating, measured by a reputable credit rating agency. The Academy will avoid volatile investment instruments, ensuring security of funds takes precedence over revenue generation.

Once reserves in the bank regularly exceed £300,000, the investment strategy below should be considered.

- Regularly monitor cash flow and current account balances to ensure immediate financial commitments can be met (payroll and payment runs) and that the current account has adequate balances to meet forthcoming commitments.
- The Academy will not allow its current account to go overdrawn.
- Identify funds surplus to immediate cash requirements.
- Periodically, at least annually, review interest rates and compare with other investment opportunities and consider alternative secure investments.
- To only invest funds in risk free and short term, accessible deposit accounts.

Principal risks and uncertainties

Chief risks identified include:

- Demographic changes resulting in a significant reduction in pupil numbers within catchment area
- Deficit in the local authority pension scheme and uncertainty over future pooling arrangements
- Reduction in pupil numbers due to the opening of new University Technical College, Leggott Academy and local demographics
- Demographic changes resulting in a significant increase in pupil numbers within catchment area, especially within year groups that, although are not at PAN, are at capacity with regard the teaching groups and numbers of teachers in the school.

Fundraising

A small level of fundraising is carried out at the Academy. It is not carried out by a commercial participator or professional fundraiser. No complaints have been received about the fundraising carried out at the Academy.

The Academy does not heavily promote fundraising activities and there is no undue pressure placed on a person to give money or other property. The fundraising activities are not formally monitored due to the small scale of activities carried out.

Plans for future periods

Winterton Community Academy will continue to strive to improve further the educational achievement and attainment of all pupils and to offer an enriched educational experience, preparing pupils for post-16 learning.

Winterton Community Academy

Trustees' Annual Report for the Year Ended 31 August 2018 (continued)

Auditor

In so far as the Trustees are aware:

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

Reappointment of auditor

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of Forrester Boyd as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

Trustees' Annual Report, incorporating the directors' report and strategic report, was approved by order of the members of the Board of Trustees, as company directors, on 14 December 2018 and signed on its behalf by:

.....

A Walker
Governor and trustee

.....

K Rowlands
Governor and trustee

Winterton Community Academy

Governance Statement

Scope of responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that Winterton Community Academy has an effective and appropriate system of control, financial and otherwise. However such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The Board of Trustees has delegated the day-to-day responsibility to K Rowlands, 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 Winterton Community Academy and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Annual Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 3 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
S Driver	3	3
M Knapton	0	2
T Johns	2	3
T Bartlett	2	3
K Francis	3	3
C Peters	2	3
J Simpson	2	3
G Morris	1	1
P Townsley	0	3
R Maud	1	3
A Walker	3	3
K Rowlands	2	2
A Dalowsky	3	3
P Davies	0	0

Governance reviews

The Academy continues to actively encourage the appointment of Governors with essential skills.

The Board monitors its own standards of governance to identify any areas of weakness. Training plans are implemented to improve such areas as identified.

Winterton Community Academy

Governance Statement (continued)

The Finance and Audit Committee is a sub-committee of the main Board of Trustees. Its purpose is to review actual financial reports compared to the budget, authorise expenditure over a certain amount, and to ensure the systems and controls are working efficiently and effectively. Attendance at meetings during the year was as follows:

Trustee	Meetings attended	Out of a possible
S Driver	4	4
G Morris	1	1
M Knapton	0	3
K Rowlands	2	2
A Dalowsky	1	2
K Francis	3	4
R Maud	2	4
C Peters	4	4
P Townsley	2	4

Review of value for money

As accounting officer the headteacher has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The accounting officer considers how the trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the Academy Trust has delivered improved value for money during the year by:

- Monitoring and evaluating all postage needs and charges throughout the Academy. The Academy has now changed its franking machine supplier, in order to facilitate reduced postal charges and a more efficient system.
- The Academy undertook a review of its energy use and charges went out to tender with "Switched On" energy broker. As a result of this tender the Academy has changed its gas provider for the next 2 years.
- The Academy is an active member of the North Lincolnshire Education Consortium and has made full use of this group for teacher training, support and liaison in leadership transition, teaching practices and assessment in order to secure improve outcomes for pupils

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 Trust 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 Winterton Community Academy for the year ended 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 Trust 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 Trust's significant risks that has been in place for the year ending 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 Trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;

Winterton Community Academy

Governance Statement (continued)

- regular reviews by the Finance and Audit Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has decided:

- not to appoint an internal auditor. However the Trustees have appointed T Bartlett as internal reviewer.

The reviewer's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. On a termly basis, the reviewer should report to the Board of Trustees on the operation of the systems of control and on the discharge of the Board of Trustees's financial responsibilities.

The reviewer has delivered the planned reviews in the following areas:

- Petty cash;
- Cash income; and
- Electronic income.

There were no material control or other issues reported to date.

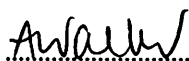
Review of effectiveness

As Accounting Officer, K Rowlands 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 reviewer ;
- the work of the external auditor;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the Board of Trustees on 14 December 2018 and signed on its behalf by:



A Walker
Governor and trustee



K Rowlands
Accounting officer
Governor and trustee

Winterton Community Academy

Statement on Regularity, Propriety and Compliance

As Accounting Officer of Winterton Community Academy 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.



.....
K Rowlands
Accounting officer

14 December 2018

Winterton Community Academy

Statement of Trustees' Responsibilities

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

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

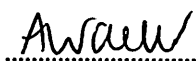
- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have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

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

The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the 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 on 14 December 2018 and signed on its behalf by:


.....

A Walker
Governor and trustee

Independent Auditor's Report on the Financial Statements to the Members of Winterton Community Academy

Opinion

We have audited the financial statements of Winterton Community Academy (the 'Academy Trust') for the year ended 31 August 2018, which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, Balance Sheet, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 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 Trust'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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Academy Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Trustee's annual report (incorporating the Strategic Report and the Directors' Report), other than the financial statements and our auditor's 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' Annual Report (incorporating the Strategic Report and Directors' Report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' 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 Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and Directors' Report.

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

Independent Auditor's Report on the Financial Statements to the Members of Winterton Community Academy (continued)

- 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 directors' 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 [set out on page 13], the Trustees (who are also the directors of the Academy Trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the Academy Trust'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 Trust's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy Trust and the Academy Trust's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Kevin Hopper FCA (Senior Statutory Auditor)
For and on behalf of Forrester Boyd, Statutory Auditor

26 South St Mary's Gate
Grimsby
N E Lincs
DN31 1LW

Date: 14 December 2018

Winterton Community Academy

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

In accordance with the terms of our engagement letter dated 11 September 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 Winterton Community Academy during the period 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 Winterton Community Academy and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we may state to Winterton Community Academy 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 Winterton Community Academy and the ESFA, for our work, for this report, or for the conclusion we have formed.

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

The Accounting Officer is responsible, under the requirements of the Winterton Community Academy's funding agreement with the Secretary of State for Education dated 1 October 2012 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 from 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 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 Trust's income and expenditure.

The work undertaken to draw to our conclusion includes:

- Evaluating the systems and control environment;
- Assessing the risk of irregularity, impropriety and non-compliance;
- Confirming that the activities of the Academy Trust are in keeping with the Academy's framework and the charitable objectives;
- Obtaining representations from the Accounting Officer and Key Management personnel.

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 from 1 September 2017 to 31 August 2018 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Kevin Hopper FCA, Reporting Accountant
For and on behalf of Forrester Boyd,

26 South St Mary's Gate
Grimsby
N E Lincs
DN31 1LW

14 December 2018

Winterton Community Academy

Statement of Financial Activities for the Year Ended 31 August 2018 (including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	2017/18 Total £
Income and endowments from:					
Donations and capital grants	2	77,014	-	824,067	901,081
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	-	2,845,885	-	2,845,885
Other trading activities	4	47,953	86,460	-	134,413
Investments	5	239	-	-	239
Total		125,206	2,932,345	824,067	3,881,618
Expenditure on:					
Raising funds	6	70,582	-	-	70,582
<i>Charitable activities:</i>					
Academy trust educational operations	7	2,089	3,059,816	725,236	3,787,141
Total		72,671	3,059,816	725,236	3,857,723
Net income/(expenditure)		52,535	(127,471)	98,831	23,895
Transfers between funds		(21,159)	21,159	-	-
Other recognised gains and losses					
Actuarial gains on defined benefit pension schemes	24	-	237,000	-	237,000
Net movement in funds		31,376	130,688	98,831	260,895
Reconciliation of funds					
Total funds/(deficit) brought forward at 1 September 2017		73,434	(593,503)	5,731,436	5,211,367
Total funds/(deficit) carried forward at 31 August 2018		104,810	(462,815)	5,830,267	5,472,262

Comparative figures are stated on page 21.

Winterton Community Academy

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

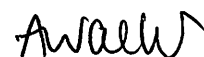
	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	2016/17 Total £
Income and endowments from:					
Donations and capital grants	2	81,315	-	379,122	460,437
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	-	2,840,583	-	2,840,583
Other trading activities	4	46,038	33,012	-	79,050
Investments	5	358	-	-	358
Total		127,711	2,873,595	379,122	3,380,428
Expenditure on:					
Raising funds	6	81,036	-	-	81,036
<i>Charitable activities:</i>					
Academy trust educational operations	7	-	2,937,871	209,884	3,147,755
Total		81,036	2,937,871	209,884	3,228,791
Net income/(expenditure)		46,675	(64,276)	169,238	151,637
Other recognised gains and losses					
Actuarial gains on defined benefit pension schemes	24	-	481,000	-	481,000
Net movement in funds		46,675	416,724	169,238	632,637
Reconciliation of funds					
Total funds/(deficit) brought forward at 1 September 2016		26,759	(1,010,227)	5,562,198	4,578,730
Total funds/(deficit) carried forward at 31 August 2017		73,434	(593,503)	5,731,436	5,211,367

Winterton Community Academy

(Registration number: 08140747)
Balance Sheet as at 31 August 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	11	5,510,254	5,571,053
Current assets			
Debtors	12	518,734	115,498
Cash at bank and in hand		<u>267,943</u>	<u>647,718</u>
		786,677	763,216
Creditors: Amounts falling due within one year	13	<u>(333,482)</u>	<u>(466,588)</u>
Net current assets		<u>453,195</u>	<u>296,628</u>
Total assets less current liabilities		5,963,449	5,867,681
Creditors: Amounts falling due after more than one year	14	<u>(18,187)</u>	<u>(30,314)</u>
Net assets excluding pension liability		5,945,262	5,837,367
Pension scheme liability	24	<u>(473,000)</u>	<u>(626,000)</u>
Net assets including pension liability		<u>5,472,262</u>	<u>5,211,367</u>
Funds of the Academy:			
Restricted funds			
Restricted general fund		10,185	32,497
Restricted fixed asset fund		5,830,267	5,731,436
Restricted pension fund		<u>(473,000)</u>	<u>(626,000)</u>
		5,367,452	5,137,933
Unrestricted funds			
Unrestricted general fund		<u>104,810</u>	<u>73,434</u>
Total funds	15	<u>5,472,262</u>	<u>5,211,367</u>

The financial statements on pages 17 to 39 were approved by the Trustees, and authorised for issue on 14 December 2018 and signed on their behalf by:


.....
A Walker
Governor and trustee

Winterton Community Academy

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	19	(1,034,668)	282,032
Cash flows from investing activities	21	667,020	26,899
Cash flows from financing activities	20	<u>(12,127)</u>	<u>(12,128)</u>
Change in cash and cash equivalents in the year		(379,775)	296,803
Cash and cash equivalents at 1 September		<u>647,718</u>	<u>350,915</u>
Cash and cash equivalents at 31 August	22	<u><u>267,943</u></u>	<u><u>647,718</u></u>

Winterton Community Academy

Notes to the Financial Statements for the Year Ended 31 August 2018

1 Accounting policies

General information

The academy trust is a private company limited by guarantee and incorporated in the United Kingdom.

The address of its registered office is:

Winterton Community Academy
Newport Drive
Winterton
Scunthorpe
North Lincolnshire
DN15 9QD

These financial statements were authorised for issue by the Board on 3 December 2018.

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

Basis of preparation

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (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 financial statements are prepared in sterling which is the functional currency of the company and have been rounded to the nearest pound.

The financial statements cover the individual entity Winterton Community Academy.

Winterton Community Academy meets the definition of a public benefit entity under FRS102.

Going concern

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The 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 although the Trustees understand the tight budgets they are currently working to, they are confident that small surplus amounts will be achievable in the short term, due to careful budget planning and adherence and therefore 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.

Income

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

Winterton Community Academy

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

1 Accounting policies (continued)

Grants

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

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

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

Donations

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

Other income

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

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.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

This includes all expenditure incurred by the Academy Trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Charitable activities

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

Winterton Community Academy

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

1 Accounting policies (continued)

Tangible fixed assets

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities. Where tangible assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund. Depreciation is provided on all tangible assets other than freehold land, at rates calculated to write off the cost of each asset over its expected useful lives, per the table below.

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

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

Asset class	Depreciation method and rate
Furniture and Equipment	5 and 3 year straight line basis
Computer Equipment	3 year straight line basis
Leasehold Buildings	26 year straight line basis
Leasehold Land	125 year straight line basis

Liabilities

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

Provisions

Provisions are recognised when the Academy Trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

Leased assets

Rentals under operating leases are charged on a straight line basis over the lease term.

Long term leasehold properties:

The land and buildings are held on a 125 year lease with North Lincolnshire Council. They were recognised as an asset on conversion and are being depreciated accordingly.

Financial Instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at transaction price less any provision for impairment. 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 transaction price. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

1 Accounting policies (continued)

Taxation

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

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

Pension benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

Fund accounting

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

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

Critical accounting estimates and areas of judgement

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

Winterton Community Academy

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

1 Accounting policies (continued)

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 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 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.

2 Donations and capital grants

	Unrestricted funds £	Restricted fixed asset funds £	2017/18 Total £	2016/17 Total £
Educational trips and visits	77,014	-	77,014	81,315
Capital grants	-	824,067	824,067	379,122
	<u>77,014</u>	<u>824,067</u>	<u>901,081</u>	<u>460,437</u>

3 Funding for the Academy Trust's educational operations

	Restricted funds £	2017/18 Total £	2016/17 Total £
DfE/ESFA revenue grants			
General Annual Grant	2,673,180	2,673,180	2,668,890
Pupil Premium	124,759	124,759	130,276
Other DfE revenue grant	31,100	31,100	11,264
	<u>2,829,039</u>	<u>2,829,039</u>	<u>2,810,430</u>
Other government grants			
SEN Funding	16,846	16,846	22,653
Other Government Grants	-	-	7,500
	<u>16,846</u>	<u>16,846</u>	<u>30,153</u>
Total grants	<u>2,845,885</u>	<u>2,845,885</u>	<u>2,840,583</u>

Winterton Community Academy

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

4 Other trading activities

	Unrestricted funds £	Restricted funds £	2017/18 Total £	2016/17 Total £
Hire of facilities	4,302	-	4,302	6,193
Recharges and reimbursements	14,012	-	14,012	12,514
Other income	29,639	86,460	116,099	60,343
	<u>47,953</u>	<u>86,460</u>	<u>134,413</u>	<u>79,050</u>

5 Investment income

	Unrestricted funds £	2017/18 Total £	2016/17 Total £
Short term deposits	239	239	358

6 Expenditure

	Non Pay Expenditure			2017/18 Total £	2016/17 Total £
	Staff costs £	Premises £	Other costs £		
Expenditure on raising funds					
Direct costs	-	-	70,582	70,582	81,036
Academy's educational operations					
Direct costs	2,167,307	-	161,117	2,328,424	2,190,396
Allocated support costs	280,066	953,088	225,563	1,458,717	957,359
	<u>2,447,373</u>	<u>953,088</u>	<u>457,262</u>	<u>3,857,723</u>	<u>3,228,791</u>

Winterton Community Academy

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

6 Expenditure (continued)

Net income/(expenditure) for the year includes:

	2017/18 £	2016/17 £
Fees payable to auditor - audit	6,975	6,750
Fees payable to auditor - other services	1,890	1,275
Depreciation	218,085	209,883
Operating leases	<u>24,982</u>	<u>24,691</u>

7 Charitable activities

	2017/18 £	2016/17 £
Direct costs - educational operations	2,328,424	2,190,396
Support costs - educational operations	<u>1,458,717</u>	<u>957,359</u>
	<u>3,787,141</u>	<u>3,147,755</u>

	Educational operations £	2017/18 Total £	2016/17 Total £
Analysis of support costs			
Support staff costs	280,066	280,066	269,575
Depreciation	218,175	218,175	209,884
Technology costs	31,935	31,935	87,708
Premises costs	734,913	734,913	186,446
Other support costs	171,153	171,153	186,647
Governance costs	<u>22,475</u>	<u>22,475</u>	<u>17,099</u>
Total support costs	<u>1,458,717</u>	<u>1,458,717</u>	<u>957,359</u>

8 Staff

Staff costs

	2017/18 £	2016/17 £
Staff costs during the year were:		
Wages and salaries	1,707,909	1,686,551
Social security costs	166,146	162,949
Pension costs	<u>369,816</u>	<u>328,844</u>
	2,243,871	2,178,344
Supply teacher costs	177,502	118,464
Staff restructuring costs	<u>26,000</u>	<u>-</u>
	<u>2,447,373</u>	<u>2,296,808</u>

Staff restructuring costs comprise:

Severance payments	<u>26,000</u>
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Winterton Community Academy

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

8 Staff (continued)

Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £25,750 (2017: £Nil). Individually, the payments were:

Non-contractual payments £13,000

Non-contractual payments £12,750

Staff numbers

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

	2017/18 No	2016/17 No
Charitable Activities		
Teachers	31	32
Administration and support	23	30
Management	4	3
	<u>58</u>	<u>65</u>

Higher paid staff

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

	2018 No	2017 No
£60,001 - £70,000	1	1
£70,001 - £80,000	-	1
	<u>-</u>	<u>1</u>

The key management personnel of the Academy Trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £402,447 (2017: £255,998).

9 Related party transactions - trustees' remuneration and expenses

One or more trustees has been paid remuneration or has received other benefits from employment with the Academy Trust. The Headteacher and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff members under their contracts of employment. The value of trustees' remuneration and other benefits was as follows:

L Daveran (Assistant Headteacher (resigned as a trustee)):

Remuneration: £Nil (2017 - £0 - £5,000)

Employer's pension contributions: £Nil (2017 - £0 - £5,000)

J Simpson (Teaching Assistant):

Remuneration: £25,000 - £30,000 (2017 - £25,000 - £30,000)

Employer's pension contributions: £0 - £5,000 (2017 - £0 - £5,000)

P Davies (Teacher - resigned):

Remuneration: £5,000 - £10,000 (2017 - £35,000 - £40,000)

Employer's pension contributions: £0 - £5,000 (2017 - £5,000 - £10,000)

G Morris (Headteacher - resigned):

Remuneration: £60,000 - £65,000 (2017 - £70,000 - £75,000)

Employer's pension contributions: £5,000 - £10,000 (2017 - £10,000 - £15,000)

Winterton Community Academy

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

9 Related party transactions - trustees' remuneration and expenses (continued)

K Rowlands (Headteacher):

Remuneration: £35,000 - £40,000 (2017 -)

Employer's pension contributions: £5,000 - £10,000 (2017 -)

A Dalowsky (Teacher):

Remuneration: £45,000 - £50,000 (2017 -)

Employer's pension contributions: £5,000 - £10,000 (2017 -)

During the year ended 31 August 2018, travel and subsistence expenses totalling £21 (2017 - £18) were reimbursed or paid directly to 1 trustees (2017 - 1).

Other related party transactions involving the trustees are set out in note 25.

10 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.

11 Tangible fixed assets

	Leasehold land and buildings £	Furniture and fixtures £	Plant and equipment £	Total £
Cost				
At 1 September 2017	6,537,328	145,078	67,955	6,750,361
Additions	153,643	-	3,643	157,286
At 31 August 2018	6,690,971	145,078	71,598	6,907,647
Depreciation				
At 1 September 2017	976,997	142,549	59,762	1,179,308
Charge for the year	211,825	1,806	4,454	218,085
At 31 August 2018	1,188,822	144,355	64,216	1,397,393
Net book value				
At 31 August 2018	5,502,149	723	7,382	5,510,254
At 31 August 2017	5,560,331	2,529	8,193	5,571,053

Included within leasehold land and buildings is £5,502,149 (2017: £5,560,331) relating to long leasehold land and building

12 Debtors

	2018 £	2017 £
Trade debtors	3,259	1,091
Prepayments	36,225	37,476
Accrued grant and other income	407,434	21,298
VAT recoverable	71,816	55,633
	518,734	115,498

Winterton Community Academy

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

13 Creditors: amounts falling due within one year

	2018 £	2017 £
Trade creditors	206,150	356,575
Other taxation and social security	42,229	41,542
Other creditors	12,128	12,128
Accruals	34,641	9,142
Deferred income	-	9,660
Pension scheme creditor	38,334	37,541
	<u>333,482</u>	<u>466,588</u>

	2018 £	2017 £
Deferred income		
Deferred income at 1 September 2017	9,660	12,983
Resources deferred in the period	-	9,660
Amounts released from previous periods	<u>(9,660)</u>	<u>(12,983)</u>
Deferred income at 31 August 2018	<u>-</u>	<u>9,660</u>

In 2017 the deferred income related to income received in advance for school trips.

Included within other creditors is a loan of £12,128 from Salix which is provided on the following terms: The interest free loan will be repaid on a straight line basis over 7 years, out of the annual savings made from the improved lighting.

14 Creditors: amounts falling due after one year

	2018 £	2017 £
Other creditors	<u>18,187</u>	<u>30,314</u>

Included within other creditors is a loan of £18,187 from Salix which is provided on the following terms: The interest free loan will be repaid on a straight line basis over 7 years, out of the annual savings made from the improved lighting.

Winterton Community Academy

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

15 Funds

	Balance at 1 September 2017 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2018 £
Restricted general funds					
General Annual Grant	11,209	2,673,180	(2,705,548)	21,159	-
Pupil Premium	21,288	124,759	(135,862)	-	10,185
SEN Funding	-	7,220	(7,220)	-	-
Other Government Grants	-	40,726	(40,726)	-	-
Other Income	-	86,460	(86,460)	-	-
	<u>32,497</u>	<u>2,932,345</u>	<u>(2,975,816)</u>	<u>21,159</u>	<u>10,185</u>
Restricted fixed asset funds					
Capital Funding	494,146	824,067	(519,306)	-	798,907
Assets Transferred from Local Authority	5,215,633	-	(198,711)	-	5,016,922
Capital Expenditure from GAG	<u>21,657</u>	<u>-</u>	<u>(7,219)</u>	<u>-</u>	<u>14,438</u>
	5,731,436	824,067	(725,236)	-	5,830,267
Restricted pension funds					
Pension Reserve	<u>(626,000)</u>	<u>-</u>	<u>(84,000)</u>	<u>237,000</u>	<u>(473,000)</u>
Total restricted funds	5,137,933	3,756,412	(3,785,052)	258,159	5,367,452
Unrestricted funds					
Unrestricted general funds	<u>73,434</u>	<u>125,206</u>	<u>(72,671)</u>	<u>(21,159)</u>	<u>104,810</u>
Total funds	<u>5,211,367</u>	<u>3,881,618</u>	<u>(3,857,723)</u>	<u>237,000</u>	<u>5,472,262</u>

Winterton Community Academy

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

15 Funds (continued)

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

	Balance at 1 September 2016 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2017 £
Restricted general funds					
General Annual Grant	10,996	2,668,890	(2,668,677)	-	11,209
Pupil Premium	22,777	130,276	(131,765)	-	21,288
SEN Funding	-	22,653	(22,653)	-	-
Other Government Grants	-	18,764	(18,764)	-	-
Other Income	-	33,012	(33,012)	-	-
	<u>33,773</u>	<u>2,873,595</u>	<u>(2,874,871)</u>	<u>-</u>	<u>32,497</u>
Restricted fixed asset funds					
Capital Funding	123,197	379,122	(8,173)	-	494,146
Assets Transferred from Local Authority	5,417,344	-	(201,711)	-	5,215,633
Capital Expenditure from GAG	21,657	-	-	-	21,657
	<u>5,562,198</u>	<u>379,122</u>	<u>(209,884)</u>	<u>-</u>	<u>5,731,436</u>
Restricted pension funds					
Pension Reserve	<u>(1,044,000)</u>	<u>-</u>	<u>(63,000)</u>	<u>481,000</u>	<u>(626,000)</u>
Total restricted funds	4,551,971	3,252,717	(3,147,755)	481,000	5,137,933
Unrestricted funds					
Unrestricted general funds	<u>26,759</u>	<u>127,711</u>	<u>(81,036)</u>	<u>-</u>	<u>73,434</u>
Total funds	<u><u>4,578,730</u></u>	<u><u>3,380,428</u></u>	<u><u>(3,228,791)</u></u>	<u><u>481,000</u></u>	<u><u>5,211,367</u></u>

Winterton Community Academy

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

15 Funds (continued)

A current year 12 months and prior year 12 months combined position is as follows:

	Balance at 1 September 2016 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2018 £
Restricted general funds					
General Annual Grant	10,996	5,342,070	(5,374,225)	21,159	-
Pupil Premium	22,777	255,035	(267,627)	-	10,185
SEN Funding	-	29,873	(29,873)	-	-
Other Government Grants	-	59,490	(59,490)	-	-
Other Income	-	119,472	(119,472)	-	-
	<u>33,773</u>	<u>5,805,940</u>	<u>(5,850,687)</u>	<u>21,159</u>	<u>10,185</u>
Restricted fixed asset funds					
Capital Funding	123,197	1,203,189	(527,479)	-	798,907
Assets Transferred from Local Authority	5,417,344	-	(400,422)	-	5,016,922
Capital Expenditure from GAG	<u>21,657</u>	<u>-</u>	<u>(7,219)</u>	<u>-</u>	<u>14,438</u>
	5,562,198	1,203,189	(935,120)	-	5,830,267
Restricted pension funds					
Pension Reserve	<u>(1,044,000)</u>	<u>-</u>	<u>(147,000)</u>	<u>718,000</u>	<u>(473,000)</u>
Total restricted funds	4,551,971	7,009,129	(6,932,807)	739,159	5,367,452
Unrestricted funds					
Unrestricted general funds	<u>26,759</u>	<u>252,917</u>	<u>(153,707)</u>	<u>(21,159)</u>	<u>104,810</u>
Total funds	<u>4,578,730</u>	<u>7,262,046</u>	<u>(7,086,514)</u>	<u>718,000</u>	<u>5,472,262</u>

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

Restricted General Funds are made up of various revenue grants which are defrayed throughout the year on specific educational needs. The academy trust was not subject to a limit on GAG carry forward.

Restricted Fixed Asset Funds represent reserves of the charity that are specifically designated for capital.

Inherited assets are principally the land and buildings from the former school. Transfer from GAG is the result of GAG money being spent on capital.

Restricted Pension funds represents the LGPS pension deficit.

Winterton Community Academy

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

16 Analysis of net assets between funds

Fund balances at 31 August 2018 are represented by:

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	5,510,254	5,510,254
Current assets	125,969	195,287	465,421	786,677
Current liabilities	-	(206,261)	(127,221)	(333,482)
Creditors over 1 year	-	-	(18,187)	(18,187)
Pension scheme liability	-	(473,000)	-	(473,000)
Total net assets	125,969	(483,974)	5,830,267	5,472,262

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

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	5,571,053	5,571,053
Current assets	83,094	477,297	202,825	763,216
Current liabilities	(9,660)	(444,800)	(12,128)	(466,588)
Creditors over 1 year	-	-	(30,314)	(30,314)
Pension scheme liability	-	(626,000)	-	(626,000)
Total net assets	73,434	(593,503)	5,731,436	5,211,367

17 Capital commitments

	2018 £	2017 £
Contracted for, but not provided in the financial statements	306,221	130,300

Winterton Community Academy

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

18 Commitments under operating leases

Operating leases

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

	2018 £	2017 £
Amounts due within one year	22,921	24,982
Amounts due between one and five years	5,032	25,559
	<u>27,953</u>	<u>50,541</u>

19 Reconciliation of net income to net cash inflow/(outflow) from operating activities

	2018 £	2017 £
Net income	23,895	151,637
Depreciation	218,085	209,883
Capital grants from DfE and other capital income	(824,067)	(379,122)
Interest receivable	(239)	(358)
Defined benefit pension scheme less contributions paid	68,000	42,000
Defined benefit pension scheme finance cost	16,000	21,000
Increase in debtors	(403,236)	(11,708)
(Decrease)/increase in creditors	<u>(133,106)</u>	<u>248,700</u>
Net cash (used in)/provided by Operating Activities	<u>(1,034,668)</u>	<u>282,032</u>

Winterton Community Academy

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

20 Cash flows from financing activities

	2018 £	2017 £
Repayments of borrowing	(12,127)	(12,128)
Net cash used in financing activities	<u>(12,127)</u>	<u>(12,128)</u>

21 Cash flows from investing activities

	2018 £	2017 £
Purchase of tangible fixed assets	(157,286)	(352,581)
Investment income	239	358
Capital grants from DfE	824,067	379,122
Net cash provided by investing activities	<u>667,020</u>	<u>26,899</u>

22 Analysis of cash and cash equivalents

	2018 £	2017 £
Cash at bank and in hand	267,943	647,718
Total cash and cash equivalents	<u>267,943</u>	<u>647,718</u>

23 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.

24 Pension and similar obligations

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

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

Contributions amounting to £38,334 (2017 - £37,541) were payable to the schemes at 31 August and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

24 Pension and similar obligations (continued)

Valuation of the Teachers' Pension Scheme

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

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge)
- 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 September 2019.

The employer's pension costs paid to TPS in the period amounted to £213,172 (2017: £194,563).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

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

Local government pension scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £110,000 (2017 - £112,000), of which employer's contributions totalled £88,000 (2017 - £91,000) and employees' contributions totalled £22,000 (2017 - £21,000). The agreed contribution rates for future years are 23 per cent for employers and 5 - 7 per cent for employees.

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

Winterton Community Academy

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

24 Pension and similar obligations (continued)

Principal actuarial assumptions

	2017/18 %	2016/17 %
Rate of increase in salaries	2.60	2.60
Rate of increase for pensions in payment/inflation	2.40	2.40
Discount rate for scheme liabilities	2.80	2.50

Sensitivity analysis

	At 31 August 2018 £	At 31 August 2017 £
0.5% decrease in real discount rate	261,000	254,000
0.5% increase in salary increase rate	380,000	40,000
Mortality assumption – 1 year increase	84,000	102,000
0.5% increase in the pension increase rate	221,000	210,000

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

	2017/18	2016/17
Retiring today		
Males retiring today	21.70	21.70
Females retiring today	24.20	24.20
Retiring in 20 years		
Males retiring in 20 years	23.70	23.70
Females retiring in 20 years	26.40	26.40

The Academy Trust's share of the assets in the scheme were:

	2017/18 £	2016/17 £
Equities	1,508,000	1,365,000
Other bonds	272,000	250,000
Property	251,000	212,000
Cash and other liquid assets	63,000	96,000
Total market value of assets	2,094,000	1,923,000

The actual return on scheme assets was £132,000 (2017 - £361,000).

Winterton Community Academy

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

24 Pension and similar obligations (continued)

Amounts recognised in the statement of financial activities

	2017/18 £	2016/17 £
Current service cost	156,000	133,000
Interest income	(49,000)	(31,000)
Interest cost	65,000	52,000
Total amount recognised in the SOFA	<u>172,000</u>	<u>154,000</u>

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

	2017/18 £	2016/17 £
At start of period	2,549,000	2,538,000
Current service cost	156,000	133,000
Interest cost	65,000	52,000
Employee contributions	22,000	21,000
Actuarial (gain)/loss	(154,000)	(151,000)
Benefits paid	<u>(71,000)</u>	<u>(44,000)</u>
At 31 August	<u>2,567,000</u>	<u>2,549,000</u>

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

	2017/18 £	2016/17 £
At start of period	1,923,000	1,494,000
Interest income	49,000	31,000
Actuarial gain/(loss)	83,000	330,000
Employer contributions	88,000	91,000
Employee contributions	22,000	21,000
Benefits paid	<u>(71,000)</u>	<u>(44,000)</u>
At 31 August	<u>2,094,000</u>	<u>1,923,000</u>

25 Related party transactions

There were no related party transactions in the year, other than certain trustees' remuneration and expenses already disclosed in note 9.