

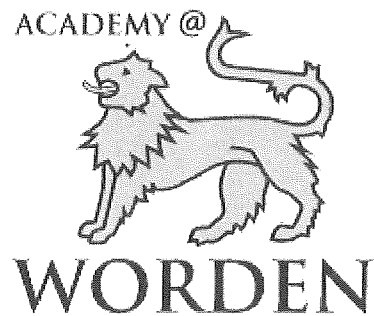
Company Registration No. 08360915 (England and Wales)

ACADEMY @ WORDEN

(A COMPANY LIMITED BY GUARANTEE)

GOVERNORS' REPORT AND AUDITED ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2017



ACADEMY @ WORDEN

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ACADEMY @ WORDEN

REFERENCE AND ADMINISTRATIVE DETAILS

Members

Mrs M T Woodall
Mrs L Fullbrook MP
Mr J Williams
Mr D Hewitt

Governors

Mrs M T Woodall (Chair & Community Governor)
Mr C Catherall (Headteacher and Accounting Officer)
Mrs J Bell (Community Governor) (Resigned 13 January 2017)
Mr C J Ferguson (Community Governor)
Mr A Hammersley (Co-Opted Governor)
Mr D J Hewitt (Community Governor)
Mrs A C Howden (Community Governor)
Mrs M Abbott (Community Governor)
Mr J Meers (Co-Opted Governor)
Mrs D Carr (Co-Opted Governor)
Mrs K Lovelady (Parent Governor)
Mrs L Woodburn (Staff Governor) (Resigned 1 February 2017)
Miss S MacPherson (Staff Governor) (Resigned 24 January 2017)
Mr M Tunesi (Parent Governor)
Mrs T Tunesi (Community Governor) (Resigned 8 December 2016)
Mrs S Gardner (Staff Governor)
Miss J C Bibby (Staff Governor) (Appointed 10 February 2017)
Mr D M Lovelady (Parent Governor) (Appointed 14 December 2016)

Senior leadership team

- Headteacher
- Deputy Headteacher
- Assistant Headteacher
- Assistant Headteacher
- Director of Business and Finance

Mr C Catherall
Mr A Hammersley
Mr D Blackledge
Mrs L Wood
Mr M Reed

Company secretary

Mr M Reed

Company name

Academy @ Worden

Company registration number

08360915 (England and Wales)

Registered office

Worden Sports College
Westfield Drive
Leyland
PR25 1QX

Independent auditor

MHA Moore and Smalley
Richard House
9 Winckley Square
Preston
PR1 3HP

ACADEMY @ WORDEN

REFERENCE AND ADMINISTRATIVE DETAILS

Solicitors

Lancashire County Council
County Hall
Preston
PR1 8XJ

ACADEMY @ WORDEN

GOVERNORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2017

The Governors present their annual report together with the accounts and independent auditor's report of the charitable company for the period 1 September 2016 to 31 August 2017. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The trust operates an academy for pupils aged 11-16 serving a catchment area in Leyland. It has a pupil capacity of 588 and had a roll of 503 as at 6th October 2017. The principal object and activity of the charitable company is the operation of a school to provide education for pupils of mixed abilities between the ages of 11 and 16. In accordance with the articles of association the charitable company has adopted a "Scheme of Government" approved by the Secretary of State for Education. The Scheme of Government specifies, amongst other things, the basis for admitting students to the Academy, the catchment area from which the students are drawn, and that the curriculum should comply with the substance of the national curriculum

Structure, governance and management

Constitution

Worden High School converted to Academy @ Worden ("The Academy") on 1 February 2013. The Academy 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.

The Academy was incorporated on 15 January 2013 and commenced its activities on transfer from the Local Authority on the conversion date stated above.

Two of the governors act as members for the charitable activities of the Academy. There are two additional members who are not governors. The Governors are the trustees of Academy @ Worden and are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Academy @ Worden.

Details of the Governors 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.

Governors' indemnities

The Academy has purchased indemnity insurance to protect governors and officers from claims arising in connection with Academy business. The insurance, via the Risk Protection Arrangement, provides unlimited cover for any claim.

Method of recruitment and appointment or election of Governors

The Governors are appointed by the following:

Parent governors	Elected by parents of the students of the Academy
Staff governors	Elected by staff of the Academy
Community governors	Appointed by Governing Body
Co-opted governors	Appointed by Governing Body
Trust governors	Appointed by the Trust

Policies and procedures adopted for the induction and training of Governors

On appointment all governors are provided with induction training organised and monitored by the Director of Business and Finance. Ongoing training is provided through Lancashire County Council who also provide the clerking service.

ACADEMY @ WORDEN

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Organisational structure

The Academy is governed by its Governing Body, whose members are directors of the Charitable Company for the purposes of the Companies Act 2006 and trustees for the purposes of charity legislation. The organisational structure of the Academy consists of four levels: the Members, the Governing Body, the Headteacher, the Senior Leadership Team and the Operational Leadership Team.

The Governing Body is responsible for setting general policies, adopting a school improvement plan and budget, monitoring the academy's performance, making major policy decisions and appointing senior staff. Certain elements of these responsibilities are delegated to the following sub committees who make recommendations to the full Governing Body:

Business and Resources

Pupil, Curriculum and Learning

Audit & Risk Management

The Headteacher, who is also the Accounting Officer, and Senior Leadership Team are responsible for the day to day operation of the school, mainly organising teaching and support staff, facilities and students.

The Senior Leadership Team comprises:

The Deputy Headteacher

Assistant Headteacher (Teaching and Learning)

Assistant Headteacher (Pastoral and Special Educational Needs)

Director of Business and Finance

Arrangements for setting pay and remuneration of key management personnel

The individual salary ranges (ISR) of key management personnel are set by the governing body and are related to the size of school in terms of pupil numbers. The governors have agreed ISR grade ranges for each of the key management personnel job roles and these are reviewed annually to ensure they are appropriate.

To progress through these ranges, the Assistant Heads and Deputy Head must pass their annual appraisal and be recommended by the Head for a pay increment. This pay recommendation along with associated evidence is taken to the governor Pay Committee for them to review. This committee has the power to approve or decline the recommendation. The Head will also be appraised annual by a number of governors and their recommendation will also go to the Pay Committee for consideration. The Director of Business & Finance is also appraised annually. However, this pay is linked to NJC terms, which is not performance incremented.

Related parties and other connected charities and organisations

Academy @ Worden is part of the Chorley and South Ribble Heads Group, which meets termly and works together to share information and good practice. Its purpose is to disseminate and discuss important information and to collaborate on activities aimed at improving provision for young people at Worden and in the area. The group involves colleges and other training providers which endeavour to develop projects and programmes which benefit young people who attend many of the participating schools. Another key element of this work is to provide additional services from agencies such as Young Persons Service to ensure appropriate support is put into place as swiftly as possible.

The school also attends meetings of representatives from Lancashire Academies and is part of the Preston Teaching School Alliance. Again, the work of these networks is to improve provision in the participating schools. Worden is the host school for the areas 'School Games Organiser' and has facilities for the community police officers to use as and when required for meetings and other related activities.

Worden joined the Preston Teaching School Alliance in August 2015 and is also a partner in the Red Rose Teaching School Alliance. In addition, throughout the year the academy worked in partnership with the North West Forum for Health and Wellbeing, and the Leyland Rotary Club to promote and host community events.

ACADEMY @ WORDEN

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Objectives and activities

Objects and aims

The Academy Trust's object is specifically restricted to the following: 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 offering a broad and balanced curriculum.

The principal aim of the Academy is to provide an outstanding learning environment that helps all students to fulfil their potential.

Academy @ Worden is a happy, purposeful and thriving school that provides excellent opportunities for all students to succeed. Learning is the central focus of all that is done at Worden and it is committed to developing the whole child, providing opportunities essential for personal, intellectual, emotional and social growth.

All students are supported by a strong pastoral system, which ensures they receive the individual care and attention they need. An extensive system of rewards encourages the pursuit of excellence and values, and celebrates achievements in all areas of school life. High expectations of attendance, punctuality, uniform and behaviour underpins success in school and lays the foundations for success in the wider community and life beyond school.

All members of the school community are encouraged to work and cooperate in an atmosphere of mutual respect which is integral to the school ethos.

Objectives, strategies and activities

The main objectives for the period were:

- To maximise student attainment and progress through the provision of teaching which is consistently good and outstanding
- To maximise student attainment and progress in any underperforming areas of the curriculum
- To maintain the growth in pupil numbers through effective marketing
- To further improve the quality of leadership at all levels

The vision of Worden is to be an outstanding school with outstanding outcomes for all. The Academy Trust's Improvement Plan for the period under review was produced to achieve this vision and to address the challenges and opportunities arising from national changes in education policy and academy status.

Key activities and targets have included the following:

1) Ensure that assessment and the quality of teaching and learning is outstanding

Teaching in all key stages and all subjects must be outstanding and never less than consistently good.

As a result, any uneven achievement across different subjects will be removed and ensure all students are fully challenged in all lessons. Lessons will embed numeracy and literacy skills across the school.

2) Ensure outstanding achievement and progress for all students

Provision will ensure high achievement and progress for all students regardless of ability and starting points. This will remove any attainment or progress gaps between different pupil groups including those qualifying for the Pupil Premium and those with SEND.

ACADEMY @ WORDEN

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Objectives, strategies and activities

3) Develop outstanding leaders and teams at all levels

Leaders at all levels across the academy to fully understand their role in driving up standards. They evaluate provision accurately and have clear plans to deliver sustained improvement.

4) Secure outstanding behaviour (including behaviour for learning) and safety

Provision ensures outstanding personal development, behaviour and welfare in a safe, stimulating and inclusive environment. Pupils say they feel safe in school and display excellent attitudes towards learning. Punctuality and attendance is better than national figures. Appropriate policies and procedures are in place for safeguarding all members of the school community.

5) Communication and information systems are rationalised to ensure outstanding provision in all areas

Communication between school and home is highly efficient and effective. Parents and carers are up to date with school activities and their child's progress. Internal communication and that with other stakeholders is also highly effective.

6) Establish outstanding academy, business and financial planning and evaluation to ensure a sustainable and flourishing future which involves and engages all stakeholders and promotes further collaboration

The three year academy and financial plans and accurate self-evaluation are in place and regularly updated and acted upon. Meetings and collaboration with other schools, colleges, universities, businesses, wider community and other stakeholders promote cohesion and help raise pupil aspirations, expectations and attainment. Generate increased income through community use.

Public benefit

The Governors are aware of the Charity Commission Guidance on providing public benefit and have had due regard to this in exercising their duties during the period. This advice has been referred to when reviewing the aims of Worden and planning future activities that are for the benefit of the public.

The Academy trust provides education to children and young people that:

- is broad and balanced,
- promotes spiritual, moral, cultural, mental and physical development of students at the school and of society,
- prepares students for opportunities and experiences of later life,
- promotes, sustains and increases individual and collective knowledge and understanding of specific areas of study, skills and expertise.

The school is open to the public five evenings per week offering the use of its many sporting facilities including its outdoor pitches.

During the day it offers limited use by the general public for meetings and other activities. In addition, Worden now works in partnership with School Lettings Solution Ltd to allow community hire seven days a week. Worden regularly hosts sporting festivals for partner primary schools and houses a defibrillator for use by the community in case of emergency. Worden has also worked in partnership with the Leyland Rotary Club and the National Forum for Health and Wellbeing to host the 2017 Leyland Health Mela.

ACADEMY @ WORDEN

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Strategic report

Achievements and performance

The latest Ofsted report, in the form of a letter to the Headteacher, confirmed that Worden "continues to be good". All stakeholders were extremely proud to have received such a positive letter, from Ofsted on Friday 4th March 2016, which reflects the fantastic work that goes on daily at Worden. The letter recognised the high quality of teaching and the excellent attitude and behaviour displayed by the pupils.

Some key phrases in the inspection letter are:

"Pupils benefit from good teaching"

"Pupils leave the school with brighter prospects due to a passionate leadership team working alongside teachers who care and meticulously plan for each unique cohort"

"Leaders and teachers know their pupils well and ensure that a purposeful thriving environment is provided to support high-quality learning"

".. a school where pupils can enjoy learning"

"Pupils take pride in their work and their school and develop raised aspirations from a good-quality teaching environment"

"Pupils speak warmly of the efforts that staff make to look after them; strong pastoral care nurtures pupils"

"Teachers and leaders have focused on improving pupils' literacy..... Reading is promoted well"

"Teachers' expectations of what pupils can achieve are consistently high across the school"

"Strong relationships exist between teachers and pupils and consequently pupils' attitudes to learning are consistently high"

"The ethos of the school is calm and built on respect for each other. All pupils spoken to by inspectors said that they felt safe in the school"

"Governors shine the light on any underperformance and insist on improvements that will continue to move the school forward"

"Governors hold an accurate view of the school that is informed by the school's robust systems for tracking school improvement"

Key performance indicators

The GCSE (and equivalents) results for 2017 are included in the table below. Previous years outcomes are also provided for comparison.

Indicator	2013	2014	2015	2016	2017
% 5+ A*-C inc English and Maths	56	28	38	44	58
% A*-C in English and Maths	56	33	50	60	60
% 1+ A*-G	100	100	100	98	100
% Students making three levels progress in English	72	59	83	85	N/A
% Students making three levels progress in Maths	61	43	54	63	N/A
P8 (new measure of pupil progress)	-0.49	-0.33	-0.30	0.06	-0.31

Progress 8 (P8) measures progress made by pupils in their best 8 GCSE subjects. A P8 score of 0 is the national average.

ACADEMY @ WORDEN

GOVERNORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

Key performance indicators

- Exam targets
- Attendance statistics
- Reserves targets
- Staff ratios

In September of 2015 Worden celebrated, as results saw a dramatic improvement from the previous year. All measures saw a significant increase including three levels of progress in English and Maths and the new P8 score. The programme of revision and support for pupils of all abilities was again extensive and took place before and after school as well as in curriculum time both on and off the school site. Staff gave up much of their own time to help both year 10 and 11 pupils to prepare for their exams and controlled assessments.

Pupil outcomes again improved in 2016 with a 10% increase in the proportion of pupils achieving A*-C grades in both English and Maths. English performed extremely well with 85% gaining A*-C and 85% making expected progress, which is around 25% higher than the national figure. In line with national performance, 63% of pupils made the expected progress in Maths.

In 2017, pupil outcomes improved with a 14% increase in pupils achieving 5 GCSEs A* - C including English and Maths. Very pleasing were the Science results of 69% A* - C and PE at 85% A* - C, demonstrating the investment in teaching and learning in all subject areas.

Headteacher's Report

Worden continued to promote and market the academy highly effectively and the number of pupils joining the school in September 2016 was again very pleasing at 125 due to the improving reputation of the school in the community.

The new academic year started with an INSET which served to further improve the quality of teaching and learning through collaboration and active engagement. We welcomed 11 new staff at the start of the academic year;

- Vanessa Burns – Geography
- Graham Lumsden – General Subjects
- Jade Bibby – English
- David Corner – Second in Science
- Zara Fergyson – Head of Modern Foreign Languages
- Liz Mann – Aspiring Leader in Maths
- Tony Garland – Teacher of Maths
- Rebecca Hodgkinson – Cover Supervisor
- Gemma MacMillan – Cover Supervisor
- Martin Green – Intervention Manager
- Tony Seymour – Learning Mentor

Our new year 7s' were screened using Accelerated Reader as we continue to target literacy across the school. We continue to use the scheme with targeted pupils in years 8, 9 and 10. Handwriting is also being screened and intervention put into place where improvement is required. A maths intervention programme was also implemented for years 7 to 9.

ACADEMY @ WORDEN

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Headteacher's Report (continued)

Presentation Evening was held at Wellington Park for a fifth consecutive year and again it proved to be a huge success with extremely positive feedback. The evening celebrated the 2016 GCSE results along with sporting achievements and academic progress and attainment for pupils in years 8 to 11. The Leyland Health Mela was held at Worden for the second time and all the hard work paid off with the event being extremely well organised and attended. Open Evening and Open Week were both highly successful events. Staff, pupils, parents, PTFA and governors ensured that all three occasions had a huge impact on public perception and helped continue to raise our profile and standing in the community. Feedback from visitors was extremely positive and our effective marketing has yet again had an impact on numbers applying for places at Worden. We expect to be oversubscribed again which is fantastic news.

The three year Academy Improvement Plan for 2016-19 has been developed with the goal of being recognised as outstanding by Ofsted when they next visit. As usual, it is focused on raising standards across the school and improving outcomes for all learners. Faculty improvement plans reflect the whole school drive to further improve achievement, the quality of teaching, communication, financial planning and curriculum development.

Our links with Mr Morris, Headteacher of Broughton High School, and the Preston Teaching Schools Alliance continues to strengthen as does our involvement in the Red Rose Teaching Schools Alliance. Penwortham Priory, Broughton and Worden are now working together on school improvement. We have formed a 'triad' and will be visiting each other's schools to visit lessons, speak to staff and pupils and conduct a work scrutiny.

We held our year 7 'Study Skill Blast Off' event for both pupils and parents back in September designed to get our new pupils off to a flying start and help parents understand how they can help their child to succeed at Worden. Year 7 parents were also invited to a 'Maths Mastery' evening so that they could find out about this new way of teaching and learning maths.

After school revision classes in all subjects started early in the academic year as one strategy to drive up standards across the school. Formal, half termly, assessments took place throughout the year with pupil progress being carefully monitored through individual teachers meeting with the Head after each assessment point to review data. The school also held a Year 11 GCSE Parent Support Evening. Charity events remained high on the agenda for Worden. Several charity events including NSPCC, Macmillan Coffee Mornings and our annual Santa Dash, in aid of St Catherine's Hospice, which raised a record total of £4500.

Work Related Learning Week for year 10 was a huge success. The pupils visited the Army, Runshaw College, Preston's College, Wigan Warriors Sports College and also had a health day. The week ran smoothly and helped to prepare year 10 pupils for their work experience week.

The Duke of Edinburgh Award Scheme grew again attracting its largest ever number of participants. From the 1st April 2017 the Academy is now a Directly Licensed Centre and will be running both the Bronze and the Silver Award (2018).

Worden held its fourth AGM on 21st February 2017 which was attended by myself, Mr Reed and members of the Academy Trust. The reports were accepted and no motions were submitted.

Half term revision sessions were held during February half term which were well attended by year 11 pupils. Revision sessions also took place during the Easter holiday.

ACADEMY @ WORDEN

GOVERNORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

Headteacher's Report (continued)

This year, the Academy had its most successful Leyland Festival to date, blessed by some good weather. Our float was highly commended by the organisers and was a visual delight, with music, staff, pupils and 2000 balloons. Winston the Lion led the float through the town with his pupil and staff helpers distributing the balloons and leaflets advertising our open night to the onlookers. Our marquee area was equally successfully, with a bat the rat, tombola, raffle and candyfloss machines. We had over 500 visitors to the marquee and engaged with the local businesses who donated many prizes for our raffle and tombola. Again, the festival showed great community spirit and was a very enjoyable day raising over £600 for the school fund.

The Leyland Guardian continues to support us and we were shortlisted in nine categories at the LEP Education Awards this June. After winning Secondary School of the Year in 2013 and 2015 we won three more awards this year. The Creative Arts Award, Klaudia Witkowska, the Young Scientist/Engineer Award, Kieran Gill and Lancashire Secondary School of the Year 2017.

The pupils also had a great year in terms of National competitions. A team from Worden reached the finals of the National Enterprise Challenge for a third consecutive year. They travelled to Telford to perform against 200 other schools in front of Theo Paphetis and his fellow judges.

Cheerleading Nationals were held on the 25th June 2017 at the Manchester Velodrome. This saw us placed 2nd nationally, which is a fantastic result and reflection of the hardwork and training by Miss Wade.

Staff professional development in teaching and learning was boosted by a series of weekly workshops run by our Assistant Head, Mr Blackledge. In addition several staff have enrolled to complete their NPQML and NPQSL qualifications.

Attendance for 2016-17 was ahead of target at 95.6%.

School continues to nurture pupils and provide a range of rewards, support and intervention strategies to help make them feel valued, inspire them to improve and to help them achieve. Some of these initiatives included:

- Nurture room open at breaks and lunch times for vulnerable pupils
- Intervention programme for underperforming pupils
- Non uniform days to raise money for rewards and charities
- College taster days and college assemblies
- Presentation assemblies rewarding progress, achievement and good attendance
- Young People's Services – a variety of visits and events aimed at students
- The school nurse visiting school on a weekly
- Year 6 transition meetings and year 5 visits for prospective pupils
- New intake evenings and taster days
- Community litter pick in partnership with McDonalds
- Barclays -Work, Money and Social Skills Day
- Half termly reward trips
- Lancashire Mind (Young People Mental Health)
- College visits for able, gifted and talented pupils
- Parents' evenings
- Valentines rose delivery
- Transition meetings for new intake

ACADEMY @ WORDEN

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Headteacher's Report (continued)

Intervention and support included:

- Behaviour tracking system initiated
- One to one mentoring for pupils on a weekly basis
- Breakfast club
- Parental meetings
- Personal support plans
- School nurse support
- Targeted support in lessons
- Governors intervention
- Looked After Children reviews
- Key Early Intervention Agency
- Access to the school counsellor
- Collaboration with Social Services, family support workers, Head of LAC support, the police, YOT/ GRIP etc.
- Child protection conference meetings
- TAC meetings

Worden's Leadership Academy

Worden's Leadership Academy continues to grow from strength to strength and in doing so has played a very prominent role in leading and officiating at many of the primary competitions, festivals and other organised PE events. It is only through the use of these leaders that we are able to organise and host the National School Games programme.

Events that Worden Leaders have been involved in this year include:

- 'Cricket Activators' umpiring course hosted at Worden
- Umpiring Year 6 mixed Kwik Cricket competitions
- KS1 Inclusion Festival – leading events at Worden
- KS1 Quad Kids Athletics – leading/scoring
- KS2 SEN PE Inclusion festival – leading events hosted for the Leyland Area.
- Dance from the Heart - a touring dance road show that travelled around the local primaries delivering a whole school dance event that enlisted the help of Worden leaders who had been involved in a previous training day that Worden hosted.

Once again, this year Worden has remained an enthusiastic, supportive and welcoming partner, host and base hub to the South Ribble School Sport Partnership as they continue to evolve and develop new initiatives for active schools in 2017- 2018.

Academy Environment

In this period the CIF funding for the window project has been delivered. We also completed the conversion of two rooms into new classrooms to accommodate the increasing pupil roll.

The academy is also working with E3 Cube to finalise Kitchen and Fire Safety Condition Improvement Fund bids for submission in December 2016.

Going concern

After making appropriate enquiries, the Governing Body has a reasonable expectation that the Academy has adequate resources to continue in operational existence for the foreseeable future. For this reason the Governing Body continues to adopt the going concern basis in preparing the accounts. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies.

ACADEMY @ WORDEN

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Financial review

The Academy's total incoming resources during the period were £3,568,469 (2016: £2,528,925). The majority of the Academy's income derives from central government funding via the Education Funding Agency, in the form of current grants. Total funding received for the Academy's educational operations in the period was £2,555,675 (2016: £2,504,8190) and further details are provided in the accounts.

Total outgoing resources for the period were £2,953,542 (2016: £2,570,113), which related to the direct provision of educational operations. The net movement in funds for the period was 802,927 (2016: deficit of £345,188). However if we exclude the actuarial movement on defined benefit pension scheme, the net income for the year was £614,927 (2016: net expenditure of £41,188).

At the period end the Academy's total reserves were £3,525,850 (2016: £2,722,923), including unrestricted funds of £38,773 (2016: £36,445) and restricted funds of £3,487,077 (2016: £2,686,478). Restricted funds include fixed assets of £4,021,247 (2016: £3,250,371), less the LGPS pensions scheme deficit of £610,000 (2016: £727,000). The level of restricted funds excluding fixed assets and the pension deficit was £75,830.

At 31st August 2017 all assets shown in the accounts were used exclusively for providing education and associated support services to students of the Academy.

Reserves policy

Restricted GAG reserves

The Governors have considered the level of GAG reserves which they believe will provide sufficient working capital to cover delays between the spending and receipt of grants and unexpected or planned future revenue and capital costs. The Governors believe that, under normal circumstances, the appropriate level of GAG reserve should be between 0.5% and 2.5% of GAG income, which equates to approximately £11,000 - £56,000 on an annual basis, and aim to keep the reserve within these parameters. The last few financial years have seen reductions in the restricted GAG reserves, due to the funding model upon which the academy is paid. The management have continued to diligently review all costs and contracts and created an additional £15,000 run rate savings within the year, which has helped to contain expenditure. Future reserves will be built as the academy numbers peak in the coming three years.

At 31 August 2017 the academy held £56,834 in restricted GAG reserves.

Unrestricted reserves

In addition to the GAG reserve, which can only be utilised for the restricted purposes set out in the Funding Agreement, the academy holds unrestricted free reserves, which provide additional working capital and are not committed or designated. It is the Governors' policy to aim to hold up to £160,000 - £170,000, approximately one months' expenditure in unrestricted reserves, to provide an additional cushion over and above the restricted GAG reserve. For the same reasoning stated in restricted GAG reserves, the level of unrestricted reserves had fallen, as the academy financed the shortfall in funding the growth in pupil numbers. Future forecasts show a rise increasing over the next few years.

At 31 August 2017 the level of unrestricted reserves held was £38,773.

ACADEMY @ WORDEN

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Pension reserve

On conversion, the School inherited a deficit of £476,000 in respect of the Local Government Pension Scheme, which many of the non-teaching staff belong to. This deficit having decreased to £398,000 in August 2015, then increased to £727,000 in 2016, mainly due to changes in actuarial assumptions. As at the 31st August 2017 the situation has improved and the deficit has reduced by £117,000 to £610,000. The level of any deficit payments have been reviewed by Lancashire County Council and Mercers, and have increased slightly to £13,400 for 2017/18, on a deficit total of £173,100. The estimated recovery period is 13-14 years. The School does not have an obligation to settle this liability immediately and there are no indications that it will crystallise in the foreseeable future. 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.

Investment policy and powers

All investments are agreed by the Governing Body, which has regard to the Charity Commission guidance in relation to charity investment policy. The school does not currently hold any investments other than cash, which is held for its normal operations. The Governing Body has adopted a low risk strategy to its cash holdings. All surplus cash is held in the main bank account to ensure that there is always access to sufficient cash to meet short and medium term requirements.

Principal risks and uncertainties

The principal risk the academy faces is loss of grant income due to a reduction in student numbers. The governors and academy have set up a Marketing Committee to help drive the marketing and publicity for the academy. A resulting factor is a key investment in this area, in terms of time, money and staff commitment.

Risk management

The Governors have assessed the major risks to which the Academy is exposed, in particular those relating to governance, operations, finance, safeguarding and health and safety. These risks are reviewed on a termly basis by the governing body. Certain risks are managed by the Business and Resources Committee and others by the Curriculum committee. The main risk overview is managed by the Audit and Risk Committee through the Risk Register.

The internal financial systems are based on the Academies Financial Handbook and are documented in the Academy Finance Manual and Scheme of Delegation. The systems are based on a framework of segregation of duties which include authorisation and approval. Financial management information is provided to the Headteacher on a monthly basis and to the Committee itself each term. The Academy and Governors have also completed a full review of the Risk Register .

The responsible officer role has been performed during the period by TLL Accountants and it is pleasing to note there have been no significant findings over the accounting period.

Financial and risk management objectives and policies

The academy has completed a four year projection of pupil numbers, income and expenditure. This has been discussed with Governors and scrutinised to ensure the academy balances the quality of its provision and value for money. The calculations allow for increasing staff numbers, aligning to the rising pupil numbers

ACADEMY @ WORDEN

GOVERNORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Plans for future periods

A summary of the 2016-19 Academy Improvement Plan which sets out the objectives for the forthcoming year is provided below.

1) Provide teaching over time that is outstanding

Most of the teaching in all key stages and all subjects must be outstanding and never less than consistently good. As a result, almost all pupils, including disabled pupils, those who have special educational needs, those for whom the pupil premium provides support and the most able, are making rapid and sustained progress.

2) Ensure outstanding achievement and progress for all students

The proportions of pupils making expected progress and the proportions exceeding expected progress in English and in mathematics are high compared with national figures. For pupils for whom the pupil premium provides support, the proportions are similar to, or above, those for other pupils in the school or are rapidly approaching them.

3) Develop outstanding leaders and teams at all levels

Leaders focus relentlessly on improving teaching and learning and provide focused professional development for all staff, especially those that are newly qualified and at an early stage of their careers. This is underpinned by searching performance management that encourages, challenges and supports teachers' improvement.

4) Secure outstanding behaviour (including behaviour for learning) and safety

All pupils consistently display a thirst for knowledge and a love of learning, including in independent, group and whole class work, which have a very strong impact on their progress in lessons. Pupils' behaviour in and outside of lessons is always impeccable. Pupils' pride in the school is shown by their excellent conduct, manners and punctuality.

5) Communication and information systems are rationalised to ensure outstanding provision in all areas

Communication systems including: SIMS, PARS, Texts, News@Worden, Website, School Network, Pupil voice, Parent voice, Show My Homework etc. to improve internal communications and strengthen home-school partnerships.

6) Establish outstanding academy, business and financial planning and evaluation to ensure a sustainable and flourishing future which involves and engages all stakeholders and promotes further collaboration

Three year academy and financial vision and plans, accurate self-evaluation are in place and regularly updated and acted upon. Meetings, collaboration with other schools, colleges, universities, businesses, wider community and other stakeholders promote cohesion and help raise pupil aspirations, expectations and

ACADEMY @ WORDEN

GOVERNORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

Auditor

In so far as the Governors are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Governors 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.

A resolution proposing that MHA Moore and Smalley be reappointed as auditor of the charitable company will be put to the members.

The Governors' report, incorporating a strategic report, was approved by order of the Governing Body, as the company directors, on7.12.17..... and signed on its behalf by:



.....
Mrs M T Woodall
Chair & Community Governor



.....
Mr D J Hewitt
Community Governor

ACADEMY @ WORDEN

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2017

Scope of responsibility

As Governors we acknowledge we have overall responsibility for ensuring that Academy @ Worden 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 Governing Body 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 Academy @ Worden and the Secretary of State for Education. They are also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Governors' Report and in the Statement of Governors' Responsibilities. The Governing Body has formally met three times during the year. Attendance during the year at meetings of the Governing Body was as follows:

Governors	Meetings attended	Out of possible
Mrs M T Woodall (Chair & Community Governor)	3	3
Mr C Catherall (Headteacher and Accounting Officer)	3	3
Mrs J Bell (Community Governor) (Resigned 13 January 2017)	0	1
Mr C J Ferguson (Community Governor)	3	3
Mr A Hammersley (Co-Opted Governor)	3	3
Mr D J Hewitt (Community Governor)	2	3
Mrs A C Howden (Community Governor)	3	3
Mrs M Abbott (Community Governor)	3	3
Mr J Meers (Co-Opted Governor)	1	3
Mrs D Carr (Co-Opted Governor)	2	3
Mrs K Lovelady (Parent Governor)	3	3
Mrs L Woodburn (Staff Governor) (Resigned 1 February 2017)	0	1
Miss S MacPherson (Staff Governor) (Resigned 24 January 2017)	0	1
Mr M Tunesi (Parent Governor)	1	3
Mrs T Tunesi (Community Governor) (Resigned 8 December 2016)	0	1
Mrs S Gardner (Staff Governor)	3	3
Miss J C Bibby (Staff Governor) (Appointed 10 February 2017)	2	2
Mr D M Lovelady (Parent Governor) (Appointed 14 December 2016)	3	3

ACADEMY @ WORDEN

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

The Business and Resources Committee is a sub-committee of the main Governing Body. Its purpose is to look at effective use of resources in the academy; finance, HR, estates, Health and Safety, and Business Development.

Attendance at meetings in the year was as follows:

Governors	Meetings attended	Out of possible
Mrs M T Woodall (Chair & Community Governor)	3	3
Mr C Catherall (Headteacher and Accounting Officer)	3	3
Mr C J Ferguson (Community Governor)	3	3
Mr A Hammersley (Co-Opted Governor)	1	3
Mr D J Hewitt (Community Governor)	1	3
Mrs A C Howden (Community Governor)	3	3
Mr J Meers (Co-Opted Governor)	0	3
Mrs L Woodburn (Staff Governor) (Resigned 1 February 2017)	0	1
Mr D M Lovelady (Parent Governor) (Appointed 14 December 2016)	1	1

The Audit & Risk Management Committee is a sub-committee of the main Governing Body. Its purpose is to review the academy's internal and external financial statements and reports to ensure their effectiveness and reflect best practice. In addition to ensure that internal control systems meet the key performance targets and monitor the academy's risk register.

Attendance at meetings in the year was as follows:

Governors	Meetings attended	Out of possible
Mr C Catherall (Headteacher and Accounting Officer)	2	3
Mr D J Hewitt (Community Governor)	3	3
Mrs M Abbott (Community Governor)	3	3
Mr J Meers (Co-Opted Governor)	1	1
Mrs D Carr (Co-Opted Governor)	3	3
Mrs K Lovelady (Parent Governor)	2	2
Mr M Tunesi (Parent Governor)	0	3
Mrs T Tunesi (Community Governor) (Resigned 8 December 2016)	0	0

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.

ACADEMY @ WORDEN

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

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 Governing Body where value for money can be improved, including the use of benchmarking data where available. The Accounting Officer for the Academy has delivered improved value for money during the year by:

- Continued use of the RPA Insurance policy saved us £18,000 per annum
- Tendering and selection of a good staff absence policy has yielded us £45,000 this year
- Successful Capital CIF grants of £1m for kitchen replacements and life safety.
- Renewal of the management of our lettings to a third party continues to yield us £7,000 per year whilst allowing to open the school longer for staff, without any caretaking costs.
- Continued use of operational leasing tied to periods of warranties. This avoids excessive use of capital reserves and allows the academy to be cost effective in purchasing the most suitable equipment for the best price. warranty.
- Renegotiation of the catering contract saving £11,000 per year.
- Savings by agreeing fixed recruitment cost with TES and supply agencies
- Use of casual cover supervisors, gives us a 50% saving against supply agency costs.
- Use of an energy broker has saved £4,000 per year.
- Fixing contract costs (Johnston Press £6,000 saving, Impero £5,000 saving)
- Purchasing refurbished IT equipment with guarantees.

The purpose of the system of internal control

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

Capacity to handle risk

The Governing Body 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 Governing Body 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 period 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the Governing Body.

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Governing Body;
- regular reviews by the Business and Resources 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.

ACADEMY @ WORDEN

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

The Governing Body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However the Governors have appointed TLL Accountants, as responsible officer (RO). The RO's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. On a quarterly basis, the RO will report to the Governing Body on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities.

The RO has completed a full year of reviews for 2016-17 and it is pleasing to note that there were no significant findings.

On a quarterly basis, the TLL Accountants report to the Governing Body through the Audit & Risk Management Committee on the operation of the systems of control and on the discharge of the financial responsibilities of the Governing Body. The reports are completed on a quarterly basis with management responses given to any findings disclosed. The findings throughout the year have been minor and categorised as low/medium risk.

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:

Risk Register

The Governing Body prepared a risk register which was approved in July 2014. The register identified key risks which have been reviewed on a termly basis by the Governing Body. Many of the risks have been allocated to the Business and Resources and Teaching, Learning and Curriculum committees. The risks have then been allocated to risk holders who have reviewed them on a termly basis.

Financial Management and Governance

The Governors have received a monthly financial report, prepared in accordance with Financial Regulations Handbook and adhering to the Academies Financial Handbook 2016. In addition RO reports have been completed quarterly as discussed below, as well as external audit of the financial accounts.

Responsible Officer (RO) Function

The Governors have appointed TLL Accountants to perform the RO function. They presented quarterly reports to the Business and Resources Committee on the systems of control within the academy. Recommendations arising from the reports have been implemented immediately after the reports are approved.

Internal Controls

During the year several actions have been taken to improve internal controls. These have included:

- agreement to run additional salary statements if delay in unions agreeing terms
- agreement to increase petty cash to £500

Approved by order of the Governing Body on7.12.17..... and signed on its behalf by:



.....
Mrs M T Woodall
Chair & Community Governor



.....
Mr C Catherall
Headteacher and Accounting Officer

ACADEMY @ WORDEN

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2017

As Accounting Officer of Academy @ Worden I have considered my responsibility to notify the Academy Governing Body and the Education Funding Agency of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the Academy and Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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

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



.....
Mr C Catherall
Accounting Officer

7.12.17
.....

ACADEMY @ WORDEN

STATEMENT OF GOVERNORS' RESPONSIBILITIES FOR THE YEAR ENDED 31 AUGUST 2017

The Governors (who act as trustees for Academy @ Worden and are also the directors of Academy @ Worden for the purposes of company law) are responsible for preparing the Governors' Report and the accounts in accordance with the Annual Accounts Direction issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Governors to prepare accounts for each financial year. Under company law the Governors must not approve the accounts 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 accounts, the Governors are required to:

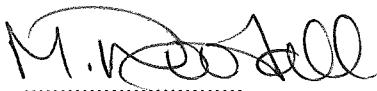
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting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

The Governors 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 accounts 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 Governors 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 that grants received from ESFA/DfE have been applied for the purposes intended.

The Governors 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 accounts may differ from legislation in other jurisdictions.

Approved by order of the Governing Body on7.12.17..... and signed on its behalf by:



Mrs M T Woodall
Chair & Community Governor



Mr D J Hewitt
Community Governor

ACADEMY @ WORDEN

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ACADEMY @ WORDEN

Opinion

We have audited the accounts of Academy @ Worden for the year ended 31 August 2017 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the notes to the accounts, 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, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

In our opinion the accounts:

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

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 accounts' section of our report. We are independent of the Academy in accordance with the ethical requirements that are relevant to our audit of the accounts 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 Governors' use of the going concern basis of accounting in the preparation of the accounts is not appropriate; or
- the Governors have not disclosed in the accounts 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 accounts are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the accounts and our auditor's report thereon. The Governors are responsible for the other information. Our opinion on the accounts 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 accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts 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 accounts 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Governors' Report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the Governors' Report including the incorporated strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors' Report, including the incorporated 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 accounts are not in agreement with the accounting records and returns; or
- certain disclosures of Governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Governors

As explained more fully in the Statement of Governors' Responsibilities, the Governors are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the Governors determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the Governors are responsible for assessing the Academy's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Governors either intend to liquidate the charitable company, 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 accounts 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 accounts.

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

ACADEMY @ WORDEN

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ACADEMY @ WORDEN (CONTINUED)

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act. Our audit work has been undertaken so that we might state to the charitable company'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 charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Tracey Johnson (Senior Statutory Auditor)
for and on behalf of MHA Moore and Smalley
Chartered Accountants
Statutory Auditor

Richard House
9 Winckley Square
Preston
PR1 3HP

13 December 2017

ACADEMY @ WORDEN

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ACADEMY @ WORDEN AND THE EDUCATION AND SKILLS FUNDING AGENCY

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

This report is made solely to Academy @ Worden and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Academy @ Worden 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 Academy @ Worden and the ESFA, for our work, for this report, or for the conclusion we have formed.

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

The accounting officer is responsible, under the requirements of Academy @ Worden's funding agreement with the Secretary of State for Education dated 30 January 2013 and the Academies Financial Handbook, extant from 1 September 2016, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2016 to 2017 issued by 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.

The work undertaken to draw to our conclusion includes an evaluation of the control environment of the school together with appropriate enquiry, analytical review and substantive testing of transactions.

ACADEMY @ WORDEN

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO ACADEMY @ WORDEN AND THE EDUCATION AND SKILLS FUNDING AGENCY (CONTINUED)

Conclusion

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

MHA Moore & Smalley

Reporting Accountant
MHA Moore and Smalley

13 December 2017

ACADEMY @ WORDEN

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2017

	Notes	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total 2017 £	Total 2016 £
Income and endowments from:						
Donations and capital grants	4	-	8,000	997,445	1,005,445	11,349
Charitable activities:						
- Funding for educational operations	5	2,065	2,553,610	-	2,555,675	2,504,819
Other trading activities	6	7,078	-	-	7,078	12,409
Investments	7	271	-	-	271	348
Total income and endowments		<u>9,414</u>	<u>2,561,610</u>	<u>997,445</u>	<u>3,568,469</u>	<u>2,528,925</u>
Expenditure on:						
Charitable activities:						
- Educational operations	9	7,086	2,874,846	71,610	2,953,542	2,570,113
Total expenditure	8	<u>7,086</u>	<u>2,874,846</u>	<u>71,610</u>	<u>2,953,542</u>	<u>2,570,113</u>
Net income/(expenditure)		2,328	(313,236)	925,835	614,927	(41,188)
Transfers between funds		-	154,959	(154,959)	-	-
Other recognised gains and losses						
Actuarial gains/(losses) on defined benefit pension schemes	20	-	188,000	-	188,000	(304,000)
Net movement in funds		<u>2,328</u>	<u>29,723</u>	<u>770,876</u>	<u>802,927</u>	<u>(345,188)</u>
Reconciliation of funds						
Total funds brought forward		36,445	(563,893)	3,250,371	2,722,923	3,068,111
Total funds carried forward	18	<u>38,773</u>	<u>(534,170)</u>	<u>4,021,247</u>	<u>3,525,850</u>	<u>2,722,923</u>

ACADEMY @ WORDEN

BALANCE SHEET

AS AT 31 AUGUST 2017

		2017		2016	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	13		3,213,619		3,250,371
Current assets					
Debtors	14	770,826		89,128	
Cash at bank and in hand		445,182		264,866	
		<u>1,216,008</u>		<u>353,994</u>	
Current liabilities					
Creditors: amounts falling due within one year	15	(261,377)		(114,842)	
Net current assets			<u>954,631</u>		<u>239,152</u>
Total assets less current liabilities			<u>4,168,250</u>		<u>3,489,523</u>
Creditors: amounts falling due after more than one year	16		(32,400)		(39,600)
Net assets excluding pension liability			<u>4,135,850</u>		<u>3,449,923</u>
Defined benefit pension liability	20		(610,000)		(727,000)
Net assets			<u><u>3,525,850</u></u>		<u><u>2,722,923</u></u>
Funds of the Academy:					
Restricted funds	18				
- Fixed asset funds			4,021,247		3,250,371
- Restricted income funds			75,830		163,107
- Pension reserve			(610,000)		(727,000)
Total restricted funds			<u>3,487,077</u>		<u>2,686,478</u>
Unrestricted income funds	18		<u>38,773</u>		<u>36,445</u>
Total funds			<u><u>3,525,850</u></u>		<u><u>2,722,923</u></u>

The accounts set out on pages 27 to 49 were approved by the Governing Body and authorised for issue on and are signed on its behalf by:

.....
Mrs M T Woodall
Chair & Community Governor

.....
Mr D J Hewitt
Community Governor

Company Number 08360915

ACADEMY @ WORDEN

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2017

	Notes	2017 £	£	2016 £	£
Cash flows from operating activities					
Net cash provided by (used in) operating activities	21		(775,342)		34,997
Cash flows from investing activities					
Dividends, interest and rents from investments		271		348	
Capital grants from DfE and ESFA		997,445		9,214	
Payments to acquire tangible fixed assets		(34,858)		-	
		<u> </u>	962,858	<u> </u>	9,562
Cash flows from financing activities					
Repayment of other loan		(7,200)		(7,200)	
		<u> </u>	(7,200)	<u> </u>	(7,200)
Change in cash and cash equivalents in the reporting period					
			<u>180,316</u>		<u>37,359</u>
Cash and cash equivalents at 1 September 2016			<u>264,866</u>		<u>227,507</u>
Cash and cash equivalents at 31 August 2017			<u><u>445,182</u></u>		<u><u>264,866</u></u>

ACADEMY @ WORDEN

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

1 Accounting policies

Academy @ Worden is a charitable company. The address of its principal place of business is given on page 1 and the nature of its operations are set out in the Governors' report.

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

1.1 Basis of preparation

The accounts of the Academy, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2015 to 2016 issued by ESFA, the Charities Act 2011 and the Companies Act 2006. Adoption of the new accounting standard FRS102 this year has resulted in some classification changes in the presentation of the comparative information from what was reported in the prior year.

Academy @ Worden meets the definition of a public benefit entity under FRS 102. The financial statements are prepared in sterling, which is the functional currency of the Academy. Monetary amounts in these financial statements are rounded to the nearest £.

1.2 Going concern

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

1.3 Income

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

Grants receivable

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 period 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.

ACADEMY @ WORDEN

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies

(Continued)

Sponsorship income

Sponsorship income provided to the Academy which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

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 has provided the goods or services.

Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

Donated fixed assets

Donated fixed assets are measured at fair value unless it is impractical to measure this reliably, in which case the cost of the item to the donor is used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Academy's accounting policies.

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 are 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 to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Charitable activities

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

ACADEMY @ WORDEN

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies

(Continued)

Governance costs

These include the costs attributable to the Academy's compliance with constitutional and statutory requirements, including audit, strategic management, Governors' meetings and reimbursed expenses.

1.5 Tangible fixed assets and depreciation

On conversion the School acquired the land and buildings from which it operates under a 99 year lease. No value was paid for the land and buildings, which have been incorporated into the accounts as a donated asset, based on a depreciated replacement cost valuation carried out as at 31 August 2013 on behalf of the Department for Education by Mouchel. This valuation has been adjusted to take account of depreciation in the period since conversion, to arrive at an estimate for the value of land and buildings acquired on conversion.

In addition, the School inherited the fixtures and fittings and other tangible fixed assets in use by the School at the date of conversion. Except for certain computer equipment recently purchased, the remaining assets had been held for a significant period of time and were fully depreciated. An estimate of the current fair value was not readily available and the cost of obtaining a valuation was considered to be disproportionate to the value of including such a valuation in the accounts. No value has therefore been included in the accounts for these assets. The insurance value of fixtures and fittings and other assets inherited on conversion was £1,890,000.

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. 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 such assets is charged to the restricted fixed asset fund in the statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy's depreciation policy.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset over its expected useful life, as follows:

Leasehold land and buildings	Over lease term/2% per annum
Computer equipment	33.3% per annum
Fixtures, fittings & equipment	25% per annum

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

1.6 Liabilities

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

1.7 Leasing and hire purchase commitments

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

ACADEMY @ WORDEN

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies

(Continued)

1.8 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. Prepayments are not financial instruments.

Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition.

Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.9 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.

1.10 Pensions benefits

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

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

ACADEMY @ WORDEN

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies

(Continued)

1.11 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 Governors.

Restricted fixed asset funds are resources which have been utilised in acquiring fixed assets. The initial funding may have arisen from unrestricted funds or other restricted funds, a transfer from the appropriate fund is made to the fixed asset fund to identify the capitalisation of an asset and future depreciation on these assets will be charged to the fixed asset fund.

Restricted general funds comprise all other restricted funds received and include grants from the Education and Skills Funding Agency/Department for Education.

2 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

The Academy 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.

Useful economic life of tangible fixed assets

The useful economic life of tangible fixed assets is judged at the point of purchase.

As standard, a useful economic life of 125 years is applied to land, 50 years for buildings, 3 years for computer equipment and 4 years for fixtures, fittings and equipment.

Impairment of fixed assets

At each balance sheet date, management undertake an assessment of the carrying value of tangible fixed assets to determine whether there is any indication that the value has been impaired. Where necessary, an impairment is recorded as an impairment loss.

Valuation of the Local Government Pension Scheme defined benefit liability

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement

Classification and valuation of long leasehold land and buildings

The academy's long leasehold land and buildings are held under a 125 year lease and are wholly used in the course of the academy's business and are held within the academy. No value was paid for the land and buildings, which have been incorporated into the accounts as a donated asset, based on a depreciated replacement cost valuation carried out as at 31 March 2013 on behalf of the Department for Education by DTZ. This valuation has been adjusted to take account of depreciation in the period since conversion, to arrive at an estimate for the value of land and buildings acquired on conversion.

ACADEMY @ WORDEN

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

3 General Annual Grant (GAG)

Under the funding agreement with the Secretary of State, the Academy was not subject to limits at 31 August 2017 on the amount of GAG that could be carried forward from one year to the next.

4 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Capital grants	-	997,445	997,445	9,214
Other donations	-	8,000	8,000	2,135
	-	1,005,445	1,005,445	11,349

The income from donations and capital grants was £1,005,445 (2016: £11,349) of which £8,000 was restricted (2016: £11,349) and £997,445 was restricted fixed assets (2016: £-).

5 Funding for the Academy's educational operations

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
DfE / ESFA grants				
General annual grant (GAG)	-	2,242,669	2,242,669	1,859,136
Other DfE / ESFA grants	-	176,168	176,168	505,398
	-	2,418,837	2,418,837	2,364,534
Other government grants				
Local authority grants	-	13,390	13,390	18,028
Special educational projects	-	53,667	53,667	43,920
	-	67,057	67,057	61,948
Other funds				
Other incoming resources	2,065	67,716	69,781	78,337
Total funding	2,065	2,553,610	2,555,675	2,504,819

The income from funding for educational operations was £2,555,675 (2016: £2,504,819) of which £2,065 was unrestricted (2016: £3,386) and £2,553,610 was restricted (2016: £2,501,433).

ACADEMY @ WORDEN

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

6 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Hire of facilities	3,740	-	3,740	8,204
Other income	3,338	-	3,338	4,205
	<u>7,078</u>	<u>-</u>	<u>7,078</u>	<u>12,409</u>

The income from other trading activities was £7,078 (2016: £12,409) of which £7,078 was unrestricted (2016: £12,409).

7 Investment income

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Short term deposits	271	-	271	348
	<u>271</u>	<u>-</u>	<u>271</u>	<u>348</u>

The income from funding for investment income was £271 (2016: £348) of which £271 was unrestricted (2016: £348).

8 Expenditure

	Staff costs £	Premises & equipment £	Other costs £	Total 2017 £	Total 2016 £
Academy's educational operations					
- Direct costs	1,823,844	1,935	194,146	2,019,925	1,729,944
- Allocated support costs	274,772	493,195	165,650	933,617	840,169
	<u>2,098,616</u>	<u>495,130</u>	<u>359,796</u>	<u>2,953,542</u>	<u>2,570,113</u>

Net income/(expenditure) for the year includes:

	2017 £	2016 £
Fees payable to auditor for:		
- Audit	6,100	5,900
- Other services	3,680	3,224
Operating lease rentals	21,536	17,977
Depreciation of tangible fixed assets	71,610	70,452
Net interest on defined benefit pension liability	15,000	14,000
	<u>108,526</u>	<u>113,553</u>

ACADEMY @ WORDEN

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

9 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Direct costs - educational operations	2,065	2,017,860	2,019,925	1,729,944
Support costs - educational operations	5,021	928,596	933,617	840,169
	<u>7,086</u>	<u>2,946,456</u>	<u>2,953,542</u>	<u>2,570,113</u>

The expenditure on educational operations was £2,953,542 (2016: £2,570,113) of which £7,086 was unrestricted (2016: £11,283), £2,874,846 was restricted (2016: £2,488,378) and £71,610 was restricted fixed assets (2016: £70,452).

	2017 £	2016 £
Analysis of support costs		
Support staff costs	274,772	229,709
Depreciation and amortisation	69,675	69,264
Premises costs	398,102	315,865
Other support costs	167,096	208,941
Governance costs	23,972	16,390
	<u>933,617</u>	<u>840,169</u>

10 Staff costs

	2017 £	2016 £
Wages and salaries	1,547,607	1,250,282
Social security costs	130,122	102,936
Operating costs of defined benefit pension schemes	318,366	228,651
Staff costs	<u>1,996,095</u>	<u>1,581,869</u>
Supply staff costs	74,999	130,045
Staff restructuring costs	27,522	18,876
Total staff expenditure	<u>2,098,616</u>	<u>1,730,790</u>

ACADEMY @ WORDEN

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

10 Staff costs

(Continued)

Staff numbers

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

	2017	2016
	Number	Number
Teachers	24	21
Administration and support	19	16
Management	5	5
	<u>48</u>	<u>42</u>

Higher paid staff

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

	2017	2016
	Number	Number
£60,001 - £70,000	<u>1</u>	<u>1</u>

Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £27,522 (2016: £18,876). Individually, the payments were: £3,656, £10,203, and £13,663.

Key management personnel

The key management personnel of the Academy comprise the Governors and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy was £335,389 (2016:£281,875).

ACADEMY @ WORDEN

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

11 Governors' remuneration and expenses

The headteacher and other staff Governors only receive remuneration in respect of services they provide undertaking the roles of headteacher and staff, and not in respect of their services as Governors. Other Governors did not receive any payments from the academy trust in respect of their role as Governors. During the year, travel and subsistence payments totalling £nil (2016 £nil) were reimbursed to Governors.

The value of Governors' remuneration and other benefits for the period was as follows:

C Catherall - Headteacher and Governor

Remuneration	£65,001 - £70,000 (2016: £65,001 - £70,000)
Employer's pension contributions	£10,001 - £15,000 (2016: £10,001 - £15,000)

A Hammersley - Deputy Head and Co-opted Governor

Remuneration	£55,001 - £60,000 (2016: £50,001 - £55,000)
Employer's pension contributions	£5,001 - £10,000 (2016: £5,001 - £10,000)

A Howden - Community Governor

Remuneration	£nil - £5,000 (2016: £nil - £5,000)
Employer's pension contributions	£nil (2016: £nil)

L Finley - Staff Governor to 1 February 2017

Remuneration	£10,001 - £15,000 (2016: £25,001 - £30,000)
Employer's pension contributions	£nil - £5,000 (2016: £nil - £5,000)

S Vorajee - Staff Governor to 24 January 2017

Remuneration	£5,001 - £10,000 (2016: £20,001 - £25,000)
Employer's pension contributions	£nil - £5,000 (2016: £nil - £5,000)

S Gardner - Staff Governor from 4 January 2016

Remuneration	£40,001 - £45,000 (2016: £25,001 - £30,000)
Employer's pension contributions	£5,001 - £10,000 (2016: £nil - £5,000)

J Bibby - Staff Governor from 10 February 2017

Remuneration	£10,001 - £15,000 (2016: £nil)
Employer's pension contributions	£nil - £5,000 (2016: £nil)

Other related party transactions involving the Governors are set out within the related parties note.

12 Governors 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 providers 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.

ACADEMY @ WORDEN

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

13 Tangible fixed assets

	Leasehold land and buildings £	Computer equipment £	Fixtures, fittings & equipment £	Total £
Cost				
At 1 September 2016	3,472,000	3,562	15,309	3,490,871
Additions	-	18,398	16,460	34,858
At 31 August 2017	3,472,000	21,960	31,769	3,525,729
Depreciation				
At 1 September 2016	227,337	2,638	10,525	240,500
Charge for the year	65,424	1,935	4,251	71,610
At 31 August 2017	292,761	4,573	14,776	312,110
Net book value				
At 31 August 2017	3,179,239	17,387	16,993	3,213,619
At 31 August 2016	3,244,663	924	4,784	3,250,371

The net book value of land and buildings comprises:

	2017 £	2016 £
Long leaseholds (over 50 years)	3,179,239	3,244,663

14 Debtors

	2017 £	2016 £
VAT recoverable	4,854	6,145
Other debtors	371	-
Prepayments and accrued income	765,601	82,983
	770,826	89,128

15 Creditors: amounts falling due within one year

	2017 £	2016 £
Other loans	7,200	7,200
Trade creditors	19,423	9,985
Other creditors	7,077	5,114
Accruals and deferred income	227,677	92,543
	261,377	114,842

ACADEMY @ WORDEN

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

16 Creditors: amounts falling due after more than one year	2017	2016
	£	£
Other loans	32,400	39,600
	<u>32,400</u>	<u>39,600</u>
Analysis of loans		
Wholly repayable within five years	39,600	46,800
Less: included in current liabilities	(7,200)	(7,200)
	<u>32,400</u>	<u>39,600</u>
Amounts included above	<u>32,400</u>	<u>39,600</u>
Loan maturity		
Debt due in one year or less	7,200	7,200
Due in more than one year but not more than two years	7,200	7,200
Due in more than two years but not more than five years	21,600	21,600
Due in more than five years	3,600	10,800
	<u>39,600</u>	<u>46,800</u>

The academy is repaying a Salix loan of £57,600 over eight years. Bi-annual repayments of £3,600 commenced in March 2015. No interest is charged on the loan.

17 Deferred income	2017	2016
	£	£
Deferred income is included within:		
Creditors due within one year	21,933	13,240
	<u>21,933</u>	<u>13,240</u>
Deferred income at 1 September 2016	13,240	28,480
Released from previous years	(13,240)	(28,480)
Amounts deferred in the year	21,933	13,240
	<u>21,933</u>	<u>13,240</u>
Deferred income at 31 August 2017	<u>21,933</u>	<u>13,240</u>

At the balance sheet date the academy trust was holding funds received in advance for educational projects, which cover the period from September 2017 to March 2018.

ACADEMY @ WORDEN

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

18 Funds

	Balance at 1 September 2016 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2017 £
Restricted general funds					
General Annual Grant	157,006	2,242,669	(2,497,799)	154,959	56,835
Other DfE / ESFA grants	-	176,168	(176,168)	-	-
Other government grants	4,200	67,057	(55,987)	-	15,270
Other restricted funds	1,901	75,716	(73,892)	-	3,725
	<u>163,107</u>	<u>2,561,610</u>	<u>(2,803,846)</u>	<u>154,959</u>	<u>75,830</u>
Funds excluding pensions	163,107	2,561,610	(2,803,846)	154,959	75,830
Pension reserve	(727,000)	-	(71,000)	188,000	(610,000)
	<u>(563,893)</u>	<u>2,561,610</u>	<u>(2,874,846)</u>	<u>342,959</u>	<u>(534,170)</u>
Restricted fixed asset funds					
Transferred on conversion	3,244,663	-	(65,424)	-	3,179,239
DfE / ESFA capital grants	-	997,445	-	(177,381)	820,064
Capital expenditure from GAG and other funds	5,708	-	(6,186)	22,422	21,944
	<u>3,250,371</u>	<u>997,445</u>	<u>(71,610)</u>	<u>(154,959)</u>	<u>4,021,247</u>
Total restricted funds	<u>2,686,478</u>	<u>3,559,055</u>	<u>(2,946,456)</u>	<u>188,000</u>	<u>3,487,077</u>
Unrestricted funds					
General funds	36,445	9,414	(7,086)	-	38,773
	<u>36,445</u>	<u>9,414</u>	<u>(7,086)</u>	<u>-</u>	<u>38,773</u>
Total funds	<u>2,722,923</u>	<u>3,568,469</u>	<u>(2,953,542)</u>	<u>188,000</u>	<u>3,525,850</u>

ACADEMY @ WORDEN

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

18 Funds

(Continued)

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 the year end.

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

General Annual Grant must be used for the normal running expenses of the School and any amounts carried forward at the end of a financial period must be used in accordance with the terms of the Funding Agreement.

Other DfE/ESFA grants comprise additional funding received for the furtherance of education, which must be used in accordance with the specific terms of each grant.

Other government grants includes LEA funding for Special Educational Needs which was fully expended in the period along with central funding for other special educational projects.

Other restricted funds include contributions received for school trips and non public donations & grants and their related expenditure.

The pension reserve represents the value of the School's share of the deficit in the Local Government Pension Scheme. The value of the deficit inherited in conversion was £476,000, and had risen to £610,000 at the year end.

Restricted fixed asset funds include assets inherited on conversion and expenditure out of GAG and other grants during the period. Depreciation is charged against the fund.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

18 Funds (Continued)

Movements in funds - previous year

	Balance at 1 September 2015 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2016 £
Restricted general funds					
General Annual Grant	-	1,859,136	(1,702,130)	-	157,006
Other DfE / ESFA grants	93,803	514,612	(608,415)	-	-
Other government grants	19,005	61,948	(76,753)	-	4,200
Other restricted funds	895	77,086	(76,080)	-	1,901
	<u>113,703</u>	<u>2,512,782</u>	<u>(2,463,378)</u>	<u>-</u>	<u>163,107</u>
Funds excluding pensions	113,703	2,512,782	(2,463,378)	-	163,107
Pension reserve	(398,000)	-	(25,000)	(304,000)	(727,000)
	<u>(284,297)</u>	<u>2,512,782</u>	<u>(2,488,378)</u>	<u>(304,000)</u>	<u>(563,893)</u>
Restricted fixed asset funds					
Transferred on conversion	3,310,087	-	(65,424)	-	3,244,663
Capital expenditure from GAG and other funds	10,736	-	(5,028)	-	5,708
	<u>3,320,823</u>	<u>-</u>	<u>(70,452)</u>	<u>-</u>	<u>3,250,371</u>
Total restricted funds	<u>3,036,526</u>	<u>2,512,782</u>	<u>(2,558,830)</u>	<u>(304,000)</u>	<u>2,686,478</u>
Unrestricted funds					
General funds	31,585	16,143	(11,283)	-	36,445
	<u>31,585</u>	<u>16,143</u>	<u>(11,283)</u>	<u>-</u>	<u>36,445</u>
Total funds	<u>3,068,111</u>	<u>2,528,925</u>	<u>(2,570,113)</u>	<u>(304,000)</u>	<u>2,722,923</u>

19 Analysis of net assets between funds

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total 2017 £
Fund balances at 31 August 2017 are represented by:				
Tangible fixed assets	-	-	3,213,619	3,213,619
Current assets	38,773	369,607	807,628	1,216,008
Creditors falling due within one year	-	(261,377)	-	(261,377)
Creditors falling due after one year	-	(32,400)	-	(32,400)
Defined benefit pension liability	-	(610,000)	-	(610,000)
	<u>38,773</u>	<u>(534,170)</u>	<u>4,021,247</u>	<u>3,525,850</u>

ACADEMY @ WORDEN

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

19 Analysis of net assets between funds

(Continued)

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total 2016 £
Fund balances at 31 August 2016 are represented by:				
Tangible fixed assets	-	-	3,250,371	3,250,371
Current assets	36,445	317,549	-	353,994
Creditors falling due within one year	-	(114,842)	-	(114,842)
Creditors falling due after one year	-	(39,600)	-	(39,600)
Defined benefit pension liability	-	(727,000)	-	(727,000)
	<u>36,445</u>	<u>(563,893)</u>	<u>3,250,371</u>	<u>2,722,923</u>

20 Pensions and similar obligations

The Academy'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 Lancashire County Pension Fund. Both are multi-employer defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012, and that of the LGPS related to the period ended 31 March 2016.

Contributions amounting to £7,077 (2016: £5,114) were payable to the schemes at 31 August 2017 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' 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.

ACADEMY @ WORDEN

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

20 Pensions and similar obligations

(Continued)

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

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

The employer's pension costs paid to the TPS in the period amounted to £183,041 (2016: £148,491).

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

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 the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 14.6% for employers and 6.5% for employees. The estimated value of employer contributions for the forthcoming year based on the latest actuarial report is £64,000. Additional deficit contributions of £13,600, £14,200 and £14,800 are due in the following three years.

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.

Total contributions made	2017	2016
	£	£
Employer's contributions (rounded)	64,000	55,000
Employees' contributions (rounded)	21,000	18,000
Total contributions	<u>85,000</u>	<u>73,000</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

20 Pensions and similar obligations

(Continued)

Principal actuarial assumptions	2017 %	2016 %
Rate of increases in salaries	3.7	3.3
Rate of increase for pensions in payment	2.2	1.9
Discount rate	2.5	2.1
Inflation assumption (CPI)	2.2	1.8

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

	2017 Years	2016 Years
Retiring today		
- Males	22.6	23.0
- Females	25.2	25.6
Retiring in 20 years		
- Males	24.9	25.2
- Females	27.9	27.9

Sensitivity analysis at 31 August 2017:

	Central £000	Sensitivity 1 + 0.1% p.a. discount rate £000	Sensitivity 2 + 0.1% p.a. inflation £000	Sensitivity 3 + 0.1% p.a. pay growth £000	Sensitivity 4 1 year increase in life expectancy £000
Liabilities	1,438	1,403	1,474	1,445	1,464
Assets	(828)	(828)	(828)	(828)	(828)
Deficit/(surplus)	610	575	646	617	636
Projected Service Cost for next year	116	112	120	116	118
Projected Net Interest Cost for next year	14	14	15	15	

The Academy's share of the assets in the scheme

	2017 Fair value £	2016 Fair value £
Equities	363,000	254,000
Government bonds	16,000	-
Other bonds	19,000	17,000
Cash	38,000	23,000
Property	86,000	63,000
Other assets	306,000	303,000
Total market value of assets	828,000	660,000
Actual return on scheme assets - gain/(loss)	92,000	125,000

ACADEMY @ WORDEN**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 AUGUST 2017****20 Pensions and similar obligations****(Continued)****Amounts recognised in the statement of financial activities**

	2017	2016
	£	£
Current service cost	118,000	65,000
Interest income	(15,000)	(20,000)
Interest cost	30,000	34,000
Administration expenses	2,000	1,000
	<u>135,000</u>	<u>80,000</u>

Changes in the present value of defined benefit obligations

	2017	2016
	£	£
Obligations at 1 September 2016	1,387,000	869,000
Current service cost	118,000	65,000
Interest cost	30,000	34,000
Employee contributions	21,000	18,000
Actuarial (gain)/loss	(111,000)	409,000
Benefits paid	(7,000)	(8,000)
	<u>1,438,000</u>	<u>1,387,000</u>

Changes in the fair value of the Academy's share of scheme assets

	2017	2016
	£	£
Assets at 1 September 2016	660,000	471,000
Interest income	15,000	20,000
Actuarial gain	77,000	105,000
Employer contributions	64,000	55,000
Employee contributions	21,000	18,000
Benefits paid	(7,000)	(8,000)
Effect of non-routine settlements and administration expenses	(2,000)	(1,000)
	<u>828,000</u>	<u>660,000</u>

ACADEMY @ WORDEN

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

21 Reconciliation of net income/(expenditure) to net cash flows from operating activities

	2017	2016
	£	£
Net income/(expenditure) for the reporting period	614,927	(41,188)
Adjusted for:		
Capital grants from DfE/ESFA and other capital income	(997,445)	(9,214)
Investment income receivable	(271)	(348)
Defined benefit pension costs less contributions payable	56,000	11,000
Defined benefit pension net finance cost	15,000	14,000
Depreciation of tangible fixed assets	71,610	70,452
(Increase)/decrease in debtors	(681,698)	35,715
Increase/(decrease) in creditors	146,535	(45,420)
Net cash used in operating activities	<u>(775,342)</u>	<u>34,997</u>

22 Commitments under operating leases

At 31 August 2017 the total future minimum lease payments under non-cancellable operating leases were as follows:

	2017	2016
	£	£
Amounts due within one year	13,997	17,630
Amounts due in two and five years	12,828	19,489
	<u>26,825</u>	<u>37,119</u>

23 Related party transactions

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

During the year Mrs A C Howden was appointed as an invigilator in the School and was paid £380 (2016: £293) for her services.

No other related party transactions took place in the period of account.

24 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 or she is a member, or within one year after he or she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he or she ceases to be a member.

