

Company No. 07904096 (England & Wales)

**WAKEFIELD DIOCESAN ACADEMIES TRUST**  
(A Company limited by guarantee)

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2014**

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**Wakefield Diocesan Academies Trust**

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**Wakefield Diocesan Academies Trust**

**Reference And Administrative Details of the Academy – Trustees, Directors and Advisors**

<b>Trustees/Members</b>	The Venerable Peter Townley Reverend Canon Ian Wildey John McLeod
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<b>Directors</b>	Kevin Jones
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<b>Company Secretary</b>	Schofield Sweeney LLP
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<b>Registered Office</b>	Church Bank House Church Bank Bradford BD1 4DY
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<b>Principal Office</b>	Church House 1 South Parade Wakefield WF1 1LP
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<b>Company Registration Number</b>	07904096 (England and Wales)
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<b>Independent Auditor</b>	Paylings 7 The Office Campus Paragon Business Village Red Hall Court Wakefield WF1 2UY
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<b>Bankers</b>	Lloyds TSB Westgate Wakefield Branch P O Box 1000 BX1 1LT
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## **Wakefield Diocesan Academies Trust**

### **Report Of The Trustees – for the year ended 31 August 2014**

The Trustees present their third annual report together with the financial statements and auditor's report of the charitable company for the year ended 31 August, 2014. The annual report services the purposes of both trustees' report, and a directors' report under company law.

On the 1 September 2013 the Trust operated five primary academies and this increased to six on the 1 February 2014. Using the data used by the EFA for funding during the year the six academies had 1502 pupils aged between 4 to 11 on roll and an additional 301 part time nursery pupils.

## **Structure, Governance and Management**

### **Constitution**

The Wakefield Diocesan Academies Trust (the "Academy Trust") was incorporated on 10 January 2012 with company number 07904096. It was established to act as sponsor for Church of England, and other schools mainly within the Diocesan area, that were required to become sponsored academies with the first of these opened on 1 September 2012 with a further four academies being sponsored prior to the 31 August 2013. A sixth sponsored academy joined the Trust on 1 February 2014. This report and financial statements represent the transactions undertaken by the Academy Trust during the period ended 31 August 2014.

The Academy Trust is a private company limited by guarantee and an exempt charity. The Charitable Company's Memorandum and Articles of Association are the primary governing documents of the Academy Trust. On the 20 April 2014 the Diocese of Wakefield was merged with two other dioceses to form the Diocese of West Yorkshire and the Dales. To date this has had no impact on the objectives and operations of the Trust.

The Academy Trust is governed by its Trustees who can delegate their responsibilities to the Director and to each Local Governing Body, or if this is not appropriate they can establish Advisory Boards, in accordance with the Articles of Association of the company. During 2013-14 Local Governing Bodies were in place in each academy.

Details of the Trustees and Directors given on page 2. The role of the Trustees is more of an over-arching, and strategic role, ensuring that their vision for the character and ethos of the Academy Trust, and its role in the local education system, is carried forward.

The financial statements have been prepared in accordance with the accounting policies on pages 20 to 22 of the attached financial statements, and comply with the charitable company's Memorandum and Articles of Association, and applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Annual Accounts Direction 2014 issued by the Education Funding Agency.

### **Trustees' Liability**

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

### **Trustees' Indemnity**

As disclosed in note 10, professional indemnity insurance giving £2 million of cover has been obtained on behalf of the Trustees and Directors.

**Wakefield Diocesan Academies Trust**

**Report of the Trustees – for the year ended 31 August 2014**

(Continued)

**Recruitment and Appointment of Trustees and Directors**

The Trustees are appointed as stated in the Articles of Association number 12.

The Articles of Association numbered 45 to 63 deal with the appointment of Trustees and Directors. The Articles state that the number of Trustees shall not be less than three but shall not be subject to any maximum unless otherwise determined by ordinary resolution. Full details relating to the appointment and removal of Trustees are contained in the Articles of Association.

**Policies and Procedures Adopted for the Induction and Training of Governors**

The current Trustees and Director have a broad and detailed understanding of their role as sponsors and therefore no formal induction and training has been provided. They have been involved in the development of this Academy Trust, and others, and have taken advice from external parties when deemed appropriate.

**Organisational Structure and Management**

The Articles of Association establish the organisational structure for the Trustees. Many of their responsibilities are undertaken by the Director who works closely with each of the sponsored Academies who are then run on a day to day basis by a Local Governing Body. The academies operate under a Scheme of Delegation agreed by the Trustees which delegates responsibilities to them but also reserves a number of key decisions that have to be agreed with the Trust. Each of the Academies is responsible to the Trustees for a range of educational and management responsibilities covered by the Scheme of Delegation. The key reserved decisions include securing appropriate school improvement partners; the appointment of key personnel within each academy, and financial reporting arrangements. The Trustees are ultimately responsible to the Secretary of State through the Trust's Master Funding Agreement.

**Connected Organisations**

The Academy Trust currently is connected to a company known as the Wakefield Diocesan Umbrella Trust. However, to date this company has been dormant. Two of the Trustees also had a link to the Church of England Diocese of Wakefield through its Diocesan Board of Education which has been replaced with similar links to the Board of Education of the Diocese of West Yorkshire and the Dales.

**Objectives and Aims**

The main objectives since incorporation were to ensure the smooth integration of each academy into the Trust without any impact on the enjoyment and achievement of learners and to facilitate a smooth transfer of staff to the Academy Trust. These are then immediately linked into the fundamental aim of delivering improved educational outcomes for every pupil at each of the Trust's Academies.

Five of the Trust's academies have now been open for the whole of this financial/academic year with the sixth academy opening 1 February 2014. This year has therefore had a much stronger focus on educational outcomes and working with key partners to deliver measureable and sustainable educational improvements whilst having to recognise that the recruitment and retention of good and outstanding teachers created another challenge to our objectives. Improvement strategies have been developed and actioned for each academy dependent upon their specific needs.

**Wakefield Diocesan Academies Trust**

**Report of the Trustees – for the year ended 31 August 2014**

(Continued)

**Equal Opportunities Policy**

The Trustees recognise that equal opportunities should be an integral part of good practice within the workplace. The Academy Trust aims to establish equal opportunity in all areas of its activities including creating a working environment in which the contribution and needs of all people are fully valued.

**Disabled Persons**

The policy of the Academy is to support recruitment and retention of students and employees with disabilities. The Academy supports this by adapting the physical environment wherever possible, by making support resources available and through training and career development.

**Public Benefit**

We have referred to the public benefit guidance contained in section 4 of the Charities Act 2011 to have due regard to the Charity Commission's published general and relevant sub-sector guidance when reviewing the Academy's aims and objectives and in planning future activities.

**Achievements and Performance**

The main achievements for the year ended 31 August 2014 were linked to delivering educational improvements in each academy and to making improvements to the financial accounting system. Wakefield Diocesan Academies Trust is an unusual multi-academy trust as all of its academies join it either in an Ofsted category or at risk of being placed in one and serve diverse and disadvantaged communities.

Upon conversion to a sponsored academy much of the predecessor school's historic pupil progress data cannot be utilised and progress is measured almost from the date of conversion. This means that comparisons can only be made between the summer 2013 and the summer 2014 achievement data. For the five academies that have Key Stage 2 pupils all five delivered improved results for those pupils achieving level 4 for the combined headline reading, writing and mathematics measure. Results for two of the academies were still below floor targets but the gap between the floor targets and actual results has narrowed from 26% points to 1 and 11% points

Improved outcomes for all six academies in Key Stage 1 results were also achieved but the overall improvements were slightly below those delivered in Key Stage 2. However, there is now much more focus on each pupil's progress throughout their education not just at the end of each key stage and consistent and continuous progress is expected.

In May 2014 the first Ofsted inspection of one of the Trust's academies took place. The academy was deemed to require improvement, slightly below our expectations, but during the follow-up visit undertaken by one of Her Majesty's Inspector of Schools plans to move towards good within two years were deemed to be effective. It is likely that a further four academies will be inspected before 31 August 2015.

**Going Concern**

The Trustees and Director have a reasonable expectancy that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it has adopted the going concern basis in preparing these financial statements.

**Wakefield Diocesan Academies Trust**

**Report of the Trustees – for the year ended 31 August 2014**

(Continued)

**Key Financial Performance Objectives**

The key financial objective was to use the balances brought forward to help deliver improved educational outcomes whilst at the same time ensuring that each individual academy operated with a balanced budget and ensuring that the Trust's overall revenue budget was in surplus. Prior to the income included in the accounts for assets transferred; depreciation and the pension fund deficit transactions this was achieved within the Education Funding Agency's (EFA) regulations. The on-going plan is to maintain this position although there may be the need to set an in-year deficit budget using balances carried forward, at a singly academy level, to ensure educational improvement targets are delivered.

The Trustees do have concerns about the suitability of the design and materials used to build one of its academies and work is ongoing through the appropriate Local Authority to minimise the ongoing impact of these concerns. The Trust considers that some of the current ongoing issues could utilise resources, time and money, at the expense of delivering educational improvements.

**Financial Review**

The majority of the Academy's income for the period to 31 August 2014 was comprised of Education Funding Agency grants or balances transferred from the LA due to the sponsorship of another academy. The activities for generating funds income derived from pupils paid for meals and the operation of day care facilities.

Although the financial statements show that there was a net surplus for the year ended 31 August 2014 the detailed figures show that this year was different from the previous year.

The accounts for the period ended 31 August 2014 show a much lower level of income than the previous year due to lower balances transferred from newly transferred academies offset in part by much higher levels of grant income. On the other hand expenditure is much higher with 66% of this being associated with staff employed by the Trust. The differences are associated to the fact that five of the Trust's six academies operated for a full year in 2014 whilst in 2013 only one academy was operating for a full year. In 2014 one new academy was sponsored by the Trust.

The Pension Reserve shows a net liability of £1,484,000 at 31 August 2014 and changes to this liability, linked to a revaluation of the LGPS (administered by The City of Bradford MDC) will be kept under regular review. The net liability at 31 August 2013 was £1,321,000 and the new academy's deficit on transfer was £246,000. Therefore by the end of the year there has been a reduction in the overall pension liability of £103,000. The Academy Trust will need to keep the pension liability under review and if it does not appear to be reducing consider increasing its employers' contribution rate in future years. The Trust will also have the option prior to 2016, to consider if it should consolidate all its pension fund assets and liabilities – at this stage each academy has been treated as a small separate mini pension fund.

**Reserves and Funds Policy**

The accounts show that there is a Restricted General Fund balance of £376,000 at the end of the year and an Unrestricted General Fund balance of £708,000. The Trustees and Director anticipate that the majority of these funds will be used to support delivery of improved educational outcomes.

**Wakefield Diocesan Academies Trust**

**Report of the Trustees – for the year ended 31 August 2014**

(Continued)

**Investment Policy**

There is currently no investment policy. The majority of surplus funds are held by each academy however, the use of surplus funds is to be agreed by the Trustees and Director, in consultation with each Local Governing Body, and are released for educational and building developments.

**Principal Risks and Uncertainties**

The main risk to the Academy Trust is failure to deliver the improved educational outcomes for pupils. This is a significant risk linked to any sponsor and has a higher significance for this Trust as all of its academies were required to be sponsored. The Trust are well aware of this risk and are constantly striving to minimise its impact on any Academy within the Trust and therefore its impact on the Trust overall.

The Trustees and Director review the major risks to which the Academy Trust is exposed at each of their meetings, in particular those relating to educational improvements; its capacity to deliver continuous improvement; the recruitment and retention of key staff; and to its finances and those of each academy. They have introduced a number of systems to assess the risks that each Academy faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. Many of the risks are covered by the Scheme of Delegation and further systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls in order to minimise risk are being developed. Where there is likely to be a significant risk remaining the Trustees will ensure that they have adequate insurance cover.

The Trustees confirm that as part of an on-going process they will identify the major risks to which the Academy Trust is likely to be exposed and will establish and review systems to mitigate any risks identified.

The principal risks relate to future levels of funding. These risks can be split into two parts. The first relates to actual pupil numbers as much of the Academy's income is derived from pupil numbers and if numbers decrease so does income. Reductions in pupil numbers can also be associated with the perception of the academy within the community it serves and Trustees use changes in pupil numbers as one of their measures in assessing this.

The second risk relates to the changes in the funding regime for schools and academies implemented by the Department of Education through the Education Funding Agency. These changes can relate to policy developments such as the introduction of universal free school meals for pupils up to the end of Year 2 or they relate to general austerity measures. There are funding consequences associated with policy developments and the Trust is very aware that the universal free school meals initiative could reduce the number of parents registering their entitlement for free school meals which then reduces the pupil premium funding. Actions have been taken to minimise such risks. There are protection factors built into the new funding regime, mainly through a minimum funding guarantee per pupil methodology, but the level of protection does reduce over time.

However, many of these changes and other known planned being introduced by the EFA do have an adverse impact on the Academy Trust's medium and long term position and they will need to be managed as plans for future years are developed.

**Financial Position**

The Academy held a restricted and unrestricted fund balances at 31 August 2014 of £1,084,000. The Academy Trust does have a rolling five year financial plan that aims to keep the revenue budget in balance and these funds will be taken account of as the five year plan is reviewed.



**Wakefield Diocesan Academies Trust**

**Report of the Trustees – for the year ended 31 August 2014**

(Continued)

**Financial and Risk Management Objectives and Policies**

**Plans for Future Periods**

The Academy aims to ensure that it will provide an enlightening educational experience for its learners and a rewarding and developmental experience for its staff. Each Academy now has a five year plan to facilitate these aims but its delivery is dependent on developing the standing of each academy within its community; raising educational outcomes; being able to recruit and retain staff; and on having stability in the main Government funding streams. More detailed plans are included in the detailed Development Plans for each Academy.

**Auditor**

In so far as the Trustees and Governors are aware:

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

**Independent Auditors**

The appointment of the Trust's auditor Paylings is currently on an annual basis and is until the completion of the accounts for the year ending 31 August 2014.

The Director, Kevin Jones, has been appointed as accounting officer, and has been advised of the implications of any internal control system review and of the need for plans to address weaknesses and to ensure continuous improvement of the system are in place.

Approved by order of the Trustees and Governors on 17 December 2014 and signed on their behalf by:-



The Venerable Peter Townley  
Trustee

## Wakefield Diocesan Academies Trust

### Governance Statement – for the year ended 31 August 2014

#### **Scope of Responsibility**

As Trustees we acknowledge we have overall responsibility for ensuring that Wakefield Diocesan Academies Trust has an effective and appropriate system of control, financial and otherwise. Such systems are designed to manage rather than eliminate the risk of failing to achieve business objectives and can only provide reasonable, not absolute, assurance against material misstatement or loss.

The Trustees have delegated day-to-day responsibility to the Director, as Accounting Officer, to ensure that financial controls conform with the requirements of both propriety and good financial management and are in accordance with the requirements and responsibilities assigned to them in the funding agreement between the Academy Trust and the Secretary of State for Education. The Director is also responsible for reporting any material weaknesses or breakdowns in internal control to Trustees.

#### **Governance**

The information on governance included here supplements that described in the Report of the Trustees and in the Statement of Trustees' Responsibilities. The Trustees and Director have formally met 10 times during the year including the Trust's annual general meeting held on the 17 December 2013. Attendance during the year at meetings was as follows:

	Meetings attended	Out of a possible
<b>Trustees</b>		
The Venerable P Townley	10	10
The Reverend Canon I Wildey	9	10
J McLeod	9	10
<b>Directors</b>		
K Jones	10	10

These meetings were also attended by advisors to the Trustees.

The effectiveness of the Trust's governance arrangements has been subject to a Department for Education case study review. Their report, available on the DfE website, describes the governance arrangements as strong and use the case study as an example of good practice.

#### **The Purpose of the System of Internal Control**

The system of internal control is designed to manage risk to reasonable levels rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can only provide reasonable and not absolute assurance of effectiveness. The system of internal control is an on-going process designed to identify and prioritise the risks to the achievement of the Academy's 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 includes the adoption of the Trust's financial policy by each academy and reviews undertaken by the Trust's Responsible Officer and has been in place for the period 1 September to 31 August and up to date of approval of the annual report and financial statements.

**Wakefield Diocesan Academies Trust**

**Governance Statement – for the year ended 31 August 2014**

(Continued)

**Capacity to Handle Risk**

The Trustees have reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. There has been an on-going process in place for identifying, evaluating and managing the academy trust's key risks in place for the year ending 31 August 2014 and up to the date and approval of the next annual report and financial statements. Many of the key risks during the year are linked to the capacity and ability to deliver educational improvements and Trustees will continuously review how they can manage and minimise these.

**The Risk and Control Framework**

The academy trusts' system of internal control will be 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 of systems with an annual budget and periodic financial reports to the local governing body and Director;
- regular reviews by the Director of reports that show financial performance against the forecast and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The Trustees have appointed an external Responsible Officer ("RO"). The RO's role includes giving advice on financial matters and performing a range of checks on the academy's financial systems. The RO reports to the Director on the operations of the systems of control and on the discharge of the Trustees financial responsibilities. The Trustees and Director are confident that the RO function can be performed in line with EFA requirements.

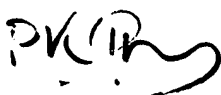
**Review of Effectiveness**

The Director, as Accounting Officer, has responsibility for reviewing the effectiveness of the system of internal control and during the year will be informed by:

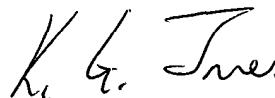
- the work of the Responsible Officer
- the work of the External Auditor
- the financial management and governance self-assessment process, and
- the work of the Senior Leadership Team in each Academy who have responsibility for the development and maintenance of the internal control framework.
- Attending Local Governing Body and Resources Committee meetings

The accounting officer has been advised of the implications of the result of any reports and reviews undertaken by any of the above and any will address any weaknesses identified and ensure that continuous improvement of systems takes place.

Approved by order of the Trustees and Director on 17 December 2014 and signed on their behalf by:-



The Venerable Peter Townley  
Trustee



Kevin Jones  
Director and Accounting Officer

**Wakefield Diocesan Academies Trust**

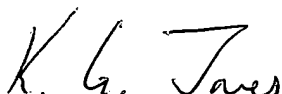
**Statement of Regularity, Propriety and Compliance**

**for the year ended 31 August 2014**

As accounting officer of the Wakefield Diocesan Academies Trust I have considered my responsibility to notify the trustees, and the Education Funding Agency, of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State. 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 trust are able to identify any material irregular or improper use of funds or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook.

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 trustees and the EFA.

A handwritten signature in black ink, appearing to read 'K. G. Jones'.

Kevin Jones  
Director and Accounting Officer  
17 December 2014

**Wakefield Diocesan Academies Trust**

**Statement of Trustees' and Governors' Responsibilities**

**for the year ended 31 August 2014**

The Trustees, who are also directors of the Charitable Company for the purposes of company law, are responsible for preparing this report and the financial statements in accordance with the Annual Accounts Requirements issued by the Education Funding Agency United Kingdom Accounting Standards, United Kingdom Generally Accepted Accounting Practice and applicable law and regulations.

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

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

The Trustees and Director 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 which enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charitable Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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

Approved by order of the Trustees and Directors on 17 December 2014 and signed on its behalf by:



The Venerable Peter Townley  
Trustee

**Wakefield Diocesan Academies Trust**

**Independent Auditor's Report to the Members of the Wakefield Diocesan**

**Academies Trust – for the year ended 31 August 2014**

We have audited the financial statements of the Wakefield Diocesan Academies Trust for the year ended 31 August 2014 which comprises of the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statements and related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Annual Accounts Direction 2014 issued by the Education Funding Agency.

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 2006. 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of trustees and auditor**

As explained more fully in the Statement of Governors' Responsibilities set out on page 12, the governors (who are also the directors of the charitable company for the purpose of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

**Scope of the audit of the financial statements**

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

**Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2014 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Annual Accounts Direction 2014 issued by the Education Funding Agency.

**Wakefield Diocesan Academies Trust**

**Independent Auditor's Report to the Members of the Wakefield Diocesan**

**Academies Trust – for the year ended 31 August 2014**

**(Continued)**

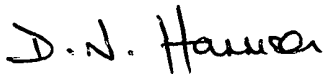
**Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Trustees Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Matters on which we are required to report by exception**

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

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



D.N. Harrison FCCA  
For and on behalf of  
Paylings  
Accountants and Registered Auditors  
7 The Office Campus  
Paragon Business Village  
Red Hall Court  
Wakefield  
West Yorkshire  
WF1 2UY

Dated: 17 December 2014

**Wakefield Diocesan Academies Trust**

**Independent Reporting Accountant's Assurance Report on Regularity to the Trustees of the  
Wakefield Diocesan Academies Trust and the Education Funding Agency**

**for the year ended 31 August 2014**

In accordance with the terms of our engagement letter dated 15 February 2013 and further to the requirements of the Education Funding Agency (EFA), as included in the Academies Accounts Direction 2013 to 2014 we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by the trust during the year ended 31 August 2014 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 Wakefield Diocesan Academies Trust and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Wakefield Diocesan Academies Trust and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Wakefield Diocesan Academies Trust and the EFA, for our review work, for this report, or for the conclusion we have formed.

**Respective responsibilities of Wakefield Diocesan Academies Trust's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of the Wakefield Diocesan Academies Trust's funding agreement with the Secretary of State of Education and the Academies Financial Handbook extant from 1 September 2012 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 2013 to 2014. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 31 August 2014 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 2013 to 2014 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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



Wakefield Diocesan Academies Trust

Independent Reporting Accountant's Assurance Report on Regularity to the Trustees of the  
Wakefield Diocesan Academies Trust and the Education Funding Agency

for the year ended 31 August 2014

(Continued)

**Conclusion**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year ended 31 August 2014 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

*Paylings*

D.N.Harrison FCCA

For and on behalf of

Paylings

Accountants and Registered Auditors

7 The Office Campus

Paragon Business Village

Red Hall Court

Wakefield

West Yorkshire

WF1 2UY

Dated: 17 December 2014

**Wakefield Diocesan Academies Trust****Statement of Financial Activities for the year ended 31 August 2014****(incorporating an Income and Expenditure Account)**

		Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Assets Funds £000	Total 2014 £000	Total 2013 £000
INCOMING RESOURCES	Notes					
<b>Incoming Resources from Generated Funds:</b>						
Balances transferred from LA	2	33	-	1,305	1,338	13,880
Voluntary Income	2	113	-	-	113	34
Activities for Generating Funds	3	324	-	-	324	33
<b>Incoming Resources from charitable activities:</b>						
Education Operations	4	-	8,523	194	8,717	3,820
<b>Total Incoming Resources</b>		<b>470</b>	<b>8,523</b>	<b>1,499</b>	<b>10,492</b>	<b>17,767</b>
<b>RESOURCES EXPENDED</b>						
<b>Cost of generating funds</b>						
Voluntary Income		38	-	-	38	-
Activities		291	-	-	291	47
<b>Charitable Activities</b>						
Funding for the Academy's Educational Operations	6	-	8,385	548	8,933	3,596
<b>Governance Costs</b>	7	-	44	-	44	16
<b>TOTAL RESOURCES EXPENDED</b>	5	<b>329</b>	<b>8,429</b>	<b>548</b>	<b>9,306</b>	<b>3,659</b>
<b>NET INCOME/(OUTGOING) RESOURCES BEFORE TRANSFERS</b>		<b>141</b>	<b>94</b>	<b>951</b>	<b>1,186</b>	<b>14,108</b>
Gross Transfers between funds		-	(268)	268	-	-
<b>NET INCOME/(EXPENDITURE) FOR THE YEAR</b>		<b>141</b>	<b>(174)</b>	<b>1,219</b>	<b>1,186</b>	<b>14,108</b>
<b>OTHER RECOGNISED GAINS AND LOSSES</b>						
Pension Fund Deficit transferred on opening	16, 26	-	(246)	-	(246)	(1,194)
Actuarial gain/(losses) on defined benefit pension schemes	16, 26	-	215	-	215	(103)
<b>NET MOVEMENT IN FUNDS</b>		<b>141</b>	<b>(205)</b>	<b>1,219</b>	<b>1,155</b>	<b>12,811</b>
<b>RECONCILIATION OF FUNDS</b>						
Funds brought forward at 1 September 2013		567	(903)	13,194	12,858	47
<b>Funds carried forward at 31 August 2014</b>		<b>708</b>	<b>(1,108)</b>	<b>14,413</b>	<b>14,013</b>	<b>12,858</b>

All activities related to continuing operations. The notes on pages 17 to 36 form part of these financial statements.

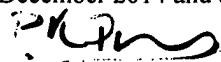
A Statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities.

**Wakefield Diocesan Academies Trust**  
**(Company Number 07904096)**

**Balance Sheet as at 31 August 2014**

	NOTES	2014 £000	2014 £000	2013 £000
<b>FIXED ASSETS</b>				
Tangible assets	12		14,413	13,194
<b>CURRENT ASSETS</b>				
Stock - Uniforms	13	3		
Debtors	14	450		729
Cash at bank and in hand		3,234		895
			3,687	1,624
<b>CREDITORS</b>				
Amounts falling due within one year	15		2,603	639
<b>NET CURRENT ASSETS</b>			1,084	985
<b>Total assets less current liabilities</b> (excluding pension liability)			15,497	14,179
Pension scheme liability	24		(1,484)	(1,321)
<b>NET ASSETS INCLUDING PENSION LIABILITY</b>			14,013	12,858
<b>FUNDS OF THE ACADEMY</b>				
<b>RESTRICTED INCOME FUNDS</b>				
- Fixed asset funds	16		14,413	13,194
- General funds	16		376	418
- Pension reserve	16		(1,484)	(1,321)
<b>TOTAL RESTRICTED FUNDS</b>			13,305	12,291
<b>UNRESTRICTED FUNDS</b>				
- General funds	16		708	567
<b>TOTAL UNRESTRICTED FUNDS</b>			708	567
<b>TOTAL FUNDS</b>			14,013	12,858

The financial statements on pages 17 to 36 were approved by Trustees and authorised for issue on 17 December 2014 and are signed on their behalf by:-



The Venerable Peter Townley  
Chair of Governors

**Wakefield Diocesan Academies Trust**

**Cash Flow Statement for the year ended 31 August 2014**

	NOTES	2014 £000	2013 £000
Net cash inflow from operating activities	18	2,801	936
Purchase of Tangible Fixed Assets	19	(462)	(106)
<b>Increase in cash in the year</b>		<u>2,339</u>	<u>830</u>
<b>Reconciliation of net cash flow to movement in net funds</b>			
Net funds at 1 September 2013		895	65
<b>Net funds at 31 August 2014</b>		<u>3,234</u>	<u>895</u>

**Wakefield Diocesan Academies Trust**

**Notes to the Financial statements for the year ended 31 August 2014**

**1. STATEMENT OF ACCOUNTING POLICIES**

These financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission "Statement of Recommended Practice: Accounting and Reporting by Charities" (SORP 2005), the Academies Accounts Direction 2013 to 2014 issued by the EFA and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

**a) Going Concern**

The trustees and director assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The trustees and director make this assessment in respect of a period of one year from the date of approval of the financial statements.

**b) Incoming Resources**

All incoming resources are recognised when the academy trust has entitlement to the funds, certainty of receipt, and the amount can be measured with sufficient reliability.

**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 entitlement of receipts its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

The General Accounting Grant (GAG) has been used for the purpose for which it was intended and in compliance with the academy's funding agreement. It is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund.

**Sponsorship Income**

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable, where there is certainty of receipt and it is measurable.

**Donations**

Donations are recognised on a receivable basis where there is certainty of receipt 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 goods have been provided or on completion of the service.

**Donated Services and Gifts in Kind**

The value of donated services and gifts in kind provided to the academy trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over its useful economic life in accordance with the academy trust's policies.

The transfer of property for the sponsored academies has either been included in the accounts based on the valuations commissioned by the EFA apart from the property for Sandal Magna, which has been included at costs based on the information provided from the local authority.

**Wakefield Diocesan Academies Trust**

**Notes to the Financial statements for the year ended 31 August 2014**

**(Continued)**

**1. STATEMENT OF ACCOUNTING POLICIES (continued)**

**c) Resources Expended**

All expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the assets use. Other support costs are allocated based on the spread of staff costs.

**Cost of generated funds**

These are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

**Charitable activities**

These are incurred on the academy trust's educational operations.

**Governance costs**

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

All resources expended are inclusive of irrecoverable VAT.

**d) Tangible Fixed Assets**

Assets costing £500 or more will be capitalised as tangible fixed assets and carried at cost, net of depreciation and any provision for impairment.

If appropriate all resources expended are inclusive irrecoverable VAT.

When 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 so as to reduce the fund over the useful economic life of the related asset, on a basis consistent with the academy trust's depreciation policy

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

Long leasehold buildings	60/20 years
Mechanical equipment	15 years
Fixtures, fittings and equipment	5/3/2 years
ICT equipment	3 years
Motor vehicles	5 years

**e) Leased Assets**

In 2013/14 operating lease payments of £29,781 were made for photocopiers; printers and computer equipment. The oldest lease expires in 2015/16 (£6,037 per annum) and the newest lease expires in January 2018 (£360 per annum).

**f) Investments**

There are no investments at 31 August 2014 and none were held during the period.

**g) Stock**

Stocks of uniforms are valued at the lower of cost or net realisable value.

**Wakefield Diocesan Academies Trust**

**Notes to the Financial statements for the year ended 31 August 2014**

**(Continued)**

**1. STATEMENT OF ACCOUNTING POLICIES (continued)**

**h) Taxation**

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

**i) Pension Benefits**

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of the pensions over employees' working lives in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll costs. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 23, TPS is a multi employer scheme and the academy trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the 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 gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits are vested. If the benefits have not been vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of the other finance cost or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

**j) Fund Accounting**

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

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

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

**Wakefield Diocesan Academies Trust**

**Notes to the Financial statements for the year ended 31 August 2014**

**(Continued)**

<b>2. VOLUNTARY INCOME</b>	<b>Unrestricted Funds £000</b>	<b>Restricted Funds £000</b>	<b>Total 2014 £000</b>	<b>Total 2013 £000</b>
Balances transferred from LA	33	1,305	1,338	13,880
Other Donations	113	-	113	34
	<hr/> 146	<hr/> 1,305	<hr/> 1,451	<hr/> 13,914

Donations of £1,338,000 relate to the value of the land, buildings and other assets plus the revenue surplus transferred to the Trust as each Academy opened during the year.

<b>3. ACTIVITIES FOR GENERATING FUNDS</b>	<b>Unrestricted Funds £000</b>	<b>Restricted Funds £000</b>	<b>Total 2014 £000</b>	<b>Total 2013 £000</b>
Catering income	83	-	83	15
Day income	141	-	141	-
Other income	100	-	100	18
	<hr/> 324	<hr/> -	<hr/> 324	<hr/> 33

<b>4. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS</b>	<b>Unrestricted Funds £000</b>	<b>Restricted Funds £000</b>	<b>Total 2014 £000</b>	<b>Total 2013 £000</b>
General Annual Grant	-	7,039	7,039	2,961
Sponsor Grants	-	-	-	470
Pupil Premium	-	689	689	146
Other grants	-	76	76	-
Devolved Formula Capital and Capital Grant	-	194	194	43
	<hr/> -	<hr/> 7,998	<hr/> 7,998	<hr/> 3,620
Total Government Grants	<hr/> -	<hr/> 7,998	<hr/> 7,998	<hr/> 3,620
Early Years Grants	-	511	511	164
Local authority statementing income	-	96	96	31
Grants from sponsor	-	87	87	-
Other grants	-	25	25	5
	<hr/> -	<hr/> 719	<hr/> 719	<hr/> 200
Other Grants	<hr/> -	<hr/> 719	<hr/> 719	<hr/> 200
	<hr/> -	<hr/> 8,717	<hr/> 8,717	<hr/> 3,820
Total Grants	<hr/> -	<hr/> 8,717	<hr/> 8,717	<hr/> 3,820



**Wakefield Diocesan Academies Trust**

**Notes to the Financial statements for the year ended 31 August 2014**

**(Continued)**

**5. RESOURCES EXPENDED**

	<b>Staff Costs £000</b>	<b>Non Pay Premises £000</b>	<b>Non Pay Other £000</b>	<b>Total 2014 £000</b>	<b>Total 2013 £000</b>
Costs of activities for generating funds	182	-	147	329	62
Academy's educational operations					
- Direct Costs	5,391	548	1,047	6,986	2,809
- Allocated support costs	689	643	615	1,947	772
	<u>6,262</u>	<u>1,191</u>	<u>1,809</u>	<u>9,262</u>	<u>3,643</u>
Governance costs including allocated support costs	-	-	44	44	16
Total Resources Expended	<u>6,262</u>	<u>1,191</u>	<u>1,853</u>	<u>9,306</u>	<u>3,659</u>

**Resources Expended for the year include**

	<b>2014 £000</b>	<b>2013 £000</b>
Fees payable to Auditor for audit	<u>14</u>	<u>11</u>

**6. CHARITABLE ACTIVITIES – ACADEMY'S EDUCATIONAL OPERATIONS**

	<b>Unrestricted Funds £000</b>	<b>Restricted Funds £000</b>	<b>Total 2014 £000</b>	<b>Total 2013 £000</b>
<b>Direct costs</b>				
Teaching and educational support staff	-	5,391	5,391	2,205
Depreciation	-	548	548	226
Educational Supplies	-	603	603	144
Staff development	-	73	73	22
Educational Consultancy	-	48	48	63
Other direct costs	-	323	323	56
	<u>-</u>	<u>6,986</u>	<u>6,986</u>	<u>2,716</u>

Note 6 continued on page 25

**Wakefield Diocesan Academies Trust**

**Notes to the Financial statements for the year ended 31 August 2014**

(Continued)

**6. CHARITABLE ACTIVITIES – ACADEMY’S EDUCATIONAL OPERATIONS**

	<b>Unrestricted Funds £000</b>	<b>Restricted Funds £000</b>	<b>Total 2014 £000</b>	<b>Total 2013 £000</b>
<b>Allocated support costs</b>				
Support staff and consultancy	-	577	577	225
Pension cost charge	-	112	112	24
Catering	-	285	285	108
Cleaning	-	127	127	-
Recruitment	-	24	24	64
Maintenance of premises and equipment	-	265	265	190
Utilities	-	135	135	-
Telephone/Printing/photocopying	-	77	77	-
Rent and Rates	-	23	23	6
Insurance	-	93	93	37
Other support costs	-	229	229	226
	-	1,947	1,947	880
	-	8,933	8,933	3,596

**7. GOVERNANCE COSTS**

	<b>Unrestricted Funds £000</b>	<b>Restricted Funds £000</b>	<b>Total 2014 £000</b>	<b>Total 2013 £000</b>
Consultancy Support	-	30	30	-
Legal and professional fees	-	-	-	2
Auditor’s remuneration				
- audit of financial statements	-	14	14	11
- other	-	-	-	3
	-	44	44	16

**8. STAFF COSTS**

	<b>Total 2014 £000</b>	<b>Total 2013 £000</b>
Staff costs during the year were:		
Wages and salaries	5,232	2,012
Social security costs	282	130
Pension costs	744	312
	6,258	2,454
Recruitment Costs	22	7
Travel and CRB checks	2	2
Other	-	21
Compensation payments	22	10
	6,304	2,494

**Wakefield Diocesan Academies Trust**

**Notes to the Financial statements for the year ended 31 August 2014**

(Continued)

**8. STAFF COSTS (continued)**

The average number of persons (including senior management team) employed by the Academy Trust during the year expressed as full time equivalents was as follows:

	<b>2014</b>	<b>2013</b>
	<b>No.</b>	<b>No.</b>
Charitable activities		
Teachers	77	63
Administration and support	135	90
Management	6	5
	<hr/> 218	<hr/> 158

The number of employees whose emoluments fell within the following bands was:

	<b>2014</b>	<b>2013</b>
	<b>No.</b>	<b>No.</b>
£60,001 to £70,000	2	1

This employee participated in the Teachers' Pension Scheme. During the year employer pension contributions for this employee amounted to £17,895 (the 2013 figure was £8,642).

**9. TRUSTEES' REMUNERATION AND EXPENSES**

Mr. J. Mcleod received £nil (2013 £520) as part of his services in 2014 on the Interim Executive Boards of St. Michael's and St. Helen's. The remaining trustees have not received any remuneration in 2014 (2013 £nil).

**10. TRUSTEES' AND OFFICERS' INSURANCE**

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 on any one claim.

The cost of this insurance cover will be included in the total insurance cost for the year ending 31 August 2014.

**11. CENTRAL SERVICES**

The Academy trust has provided the following central services to its academies during the year;

Human Resources  
Financial Services  
Legal Services  
Educational Support Services  
Others as arising

The Trust in 2013 charged these services on a percentage (40%) of the 'Local Authority Central Spend Equivalent Grant' with the exception of St. Helen's CE Primary School, which was a flat fee. In 2014, this was amended so that each Academy would be charged a flat fee of £150 per pupil.

**Wakefield Diocesan Academies Trust**

**Notes to the Financial statements for the year ended 31 August 2014**

**(Continued)**

**11. CENTRAL SERVICES (continued)**

	<b>2014</b>	<b>2013</b>
	<b>£000</b>	<b>£000</b>
The actual amounts charged during the year were as follows:-		
Christ Church CE Academy	21	30
Overthorpe CE Academy	27	17
Sandal Magna Community Academy	22	9
St. Michael's CE Academy	41	16
St. Helen's CE Academy	18	5
Diamond Wood Community Academy	22	-
	<hr/>	<hr/>
	151	77
	<hr/>	<hr/>

**12. TANGIBLE FIXED ASSETS**

	<b>Leasehold Land £000</b>	<b>Leasehold Buildings £000</b>	<b>Mechanical Equipment £000</b>	<b>Furniture and Equipment £000</b>	<b>IT Equipment £000</b>	<b>Vehicles £000</b>	<b>Total 2014 £000</b>
<b>Cost</b>	495	12,636	-	85	174	30	13,420
Upon date of transfer	99	1,196	-	1	9	-	1,305
Additions	-	336	16	54	46	10	462
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 2014	594	14,168	16	140	229	40	15,187
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Depreciation</b>							
At 1 September 2013	-	187	-	11	22	6	226
Charged in Year	-	432	5	38	65	8	548
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 <sup>st</sup> August 2014	-	619	5	49	87	14	774
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net book values</b>							
At 31 August 2014	594	13,549	11	91	142	26	14,413
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 2013	495	12,449	-	74	152	24	13,194
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

**13. STOCK**

	<b>2014</b>	<b>2013</b>
	<b>£000</b>	<b>£000</b>
Uniforms	3	-
	<hr/>	<hr/>

**Wakefield Diocesan Academies Trust**

**Notes to the Financial statements for the year ended 31 August 2014**

(Continued)

14. DEBTORS	2014 £000	2013 £000
Debtors	193	488
Advanced Payments	8	-
Prepayments	146	117
VAT	103	124
	<hr/> 450	<hr/> 729

15. CREDITORS	2014 £000	2013 £000
Creditors	2,228	631
Goods Received not Invoiced	103	-
Accrued Expenditure	30	-
Receipt in advance	242	8
	<hr/> 2,603	<hr/> 639

16. FUNDS	Balance at 1 September 2013 £000	Incoming Resources £000	Resources Expended £000	Gains Losses and Transfers £000	Balance at 31 August 2014 £000
<b>Restricted general funds</b>					
General Annual Grant	157	7,029	6,705	(268)	213
Start Up/Sponsor Grant	261	10	108	-	163
Pupil Premium and other grants	-	689	689	-	-
Other Grants/Income	-	76	76	-	-
Local authority statementing income	-	96	96	-	-
Early Years Grant	-	511	511	-	-
Other Income	-	25	25	-	-
Use of Sponsor Grants	-	87	87	-	-
Pension Fund Deficit	(1,321)	-	-	(163)	(1,484)
	<hr/> (903)	<hr/> 8,523	<hr/> 8,297	<hr/> (431)	<hr/> (1,108)
<b>Restricted fixed asset funds</b>					
Value of assets	13,194	1,305	548	268	14,219
Capital Grant	-	194	-	-	194
	<hr/> 13,194	<hr/> 1,499	<hr/> 548	<hr/> 268	<hr/> 14,413
<b>Total Restricted Funds</b>	<hr/> 12,291	<hr/> 10,022	<hr/> 8,845	<hr/> (163)	<hr/> 13,305

**Wakefield Diocesan Academies Trust**

**Notes to the Financial statements for the year ended 31 August 2014**

**(Continued)**

<b>16. FUNDS (continued)</b>	<b>Balance at 1 September 2013 £000</b>	<b>Incoming Resources £000</b>	<b>Resources Expended £000</b>	<b>Gains Losses and Transfers £000</b>	<b>Balance at 31 August 2014 £000</b>
<b>Unrestricted funds</b>					
Funds transferred from LAS	566	33	-	-	599
Voluntary Income	34	113	38	-	109
Other Income	(33)	324	291	-	-
<b>Total Unrestricted Funds</b>	<b>567</b>	<b>470</b>	<b>329</b>	<b>-</b>	<b>708</b>
<b>Total Funds</b>	<b>12,858</b>	<b>10,492</b>	<b>9,174</b>	<b>(163)</b>	<b>14,013</b>
<b>Analysis of Academies by fund balance</b>				<b>2014 £000</b>	<b>2013 £000</b>
Fund balances at 31 <sup>st</sup> August 2014 were allocated as follows:					
Christ Church CE Academy				191	128
Overthorpe CE Academy				35	36
Sandal Magna Community Academy				222	190
St. Michael's CE Academy				229	177
St. Helen's CE Academy				185	222
Diamond Wood Community				22	-
Central Services				200	232
<b>Total before fixed assets and pension reserve</b>				<b>1,084</b>	<b>985</b>
<b>Restricted fixed asset fund</b>				<b>14,413</b>	<b>13,194</b>
<b>Pension Reserve</b>				<b>(1,484)</b>	<b>(1,321)</b>
<b>Total</b>				<b>14,013</b>	<b>12,858</b>
<b>Analysis of Academies by cost</b>					

Expenditure incurred by each academy during the year was as follows:

	<b>Teaching and Educational Support Staff Costs £000</b>	<b>Other Support Staff Costs £000</b>	<b>Educational Supplies £000</b>	<b>Other Costs (excluding) Depreciation £000</b>	<b>Total £000</b>
Christ Church CE Academy	1,038	115	73	304	1,530
Overthorpe CE Academy	953	278	67	260	1,558
Sandal Magna Community Academy	763	83	90	302	1,238
St. Michael's CE Academy	1,219	118	175	532	2,044
St. Helen's CE Academy	661	73	67	250	1,051
Diamond Wood Community Academy	757	48	131	170	1,106
Central Services	-	5	-	226	231
<b>Academy Trust</b>	<b>5,391</b>	<b>720</b>	<b>603</b>	<b>2,044</b>	<b>8,758</b>

**Wakefield Diocesan Academies Trust**

**Notes to the Financial statements for the year ended 31 August 2014**

(Continued)

**16. FUNDS (Continued)**

The specific purposes of each fund are explained in more detail below:

The restricted general fund is used in the main to record income and expenditure associated with the delivery of the learning experiences provided to pupils.

The restricted fixed asset fund records the value of assets over £500 utilised by each academy, additions to these assets, and depreciation over their economic lives. The high value of this fund reflects the value of the assets transferred to the Academy Trust when each school became an academy.

The unrestricted fund includes the revenue balances of each academy transferred to the Trust from the appropriate local authority and other activities undertaken by each academy. The majority of this fund will also be used to enhance the educational experiences offered to pupils.

**17. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Assets Funds £000	Total Funds 2014 £000	Total Funds 2013 £000
Funds balances at 31 <sup>st</sup> August 2014 are represented by:					
Tangible fixed assets	-	-	14,413	14,413	13,194
Current assets	708	2,979	-	3,687	1,624
Current liabilities	-	(2,603)	-	(2,603)	(639)
Pension scheme liability	-	(1,484)	-	(1,484)	(1,321)
	<hr/> 708	<hr/> (1,108)	<hr/> 14,413	<hr/> 14,013	<hr/> 12,858
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

**18. RECONCILIATION OF NET INCOME TO NET CASH  
INFLOW FROM OPERATING ACTIVITIES**

	2014 £000	2013 £000
Net income for the Year	1,186	14,108
Depreciation	548	226
Value of land/assets transferred	(1,305)	(13,314)
FRS 17 pension cost less employer contributions payable	121	24
FRS 17 pension finance income	(9)	-
Increase/(Decrease) in stocks	3	-
(Increase)/Decrease in debtors	279	(726)
Increase/(Decrease) in creditors	1,964	618
Other	14	-
	<hr/>	<hr/>
Net cash inflow from operating activities	2,801	936
	<hr/>	<hr/>

**Wakefield Diocesan Academies Trust****Notes to the Financial statements for the year ended 31 August 2014****(Continued)**

<b>19. CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT</b>	<b>2014</b>	<b>2013</b>
	<b>£000</b>	<b>£000</b>
Buildings	336	41
Mechanical Equipment	16	-
Furniture and equipment	54	22
IT equipment	46	43
Vehicles	10	-
	<hr/>	<hr/>
<b>Net cash outflow from capital expenditure</b>	<b>462</b>	<b>106</b>
	<hr/>	<hr/>
<b>20. ANALYSIS OF CHANGES IN NET FUNDS</b>		
	<b>At 1<sup>st</sup></b>	
	<b>September</b>	<b>At 31<sup>st</sup></b>
	<b>2013</b>	<b>August 2014</b>
	<b>£000</b>	<b>£000</b>
Cash in hand and at bank	895	3,234
	<hr/>	<hr/>
	<b>895</b>	<b>3,234</b>
	<hr/>	<hr/>
<b>21. CAPITAL COMMITMENTS</b>	<b>2014</b>	<b>2013</b>
	<b>£000</b>	<b>£000</b>
Contracted for, but not provided in the financial statements	-	-
	<hr/>	<hr/>
<b>22. FINANCIAL COMMITMENTS</b>	<b>2014</b>	<b>2013</b>
	<b>£000</b>	<b>£000</b>
Land and buildings	-	-
Expiring within one year	-	-
Expiring within two and five years	-	-
Expiring in over five years	-	-
	<hr/>	<hr/>
	-	-
	<hr/>	<hr/>
<b>Other</b>		
Expiring within on year	-	3
Expiring within two and five years inclusive	32	67
Expiring in over five years	-	-
	<hr/>	<hr/>
	<b>32</b>	<b>70</b>
	<hr/>	<hr/>



**Wakefield Diocesan Academies Trust**

**Notes to the Financial statements for the year ended 31 August 2014**

(Continued)

**23a. CONTINGENT LIABILITIES**

There are no known contingent liabilities other than the dispute between the Trust and Wakefield MDC about the poor condition of the land and buildings at one of the sites transferred. Some remedial work has been undertaken by the Council but there is still some remedial work outstanding that the Trust requires to be completed to its satisfaction.

**23b. CONTINGENT ASSETS**

There are no known contingent assets.

**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/she is a member, or within one year after he/she ceases to be a member, such amount as required, but not exceeding £10.00, for the debts and liabilities contracted before he/she ceases to be a member.

**25. RELATED PARTY TRANSACTIONS**

One of the Trustees is the partner of an employee at Paylings, the Trust's auditors. The other Trustees are aware of this relationship and are confident that it has no impact on the operation of the Trust.

The Director is not an employee of the Trust and the Trustees engage his services through a contract with the Director's company which specialises in providing advice and support to organisations in the education field. The total payment made through this contract in this year was £82,470 (2013 figure was £62,670).

**26. PENSION AND SIMILAR OBLIGATIONS**

The Academy's employees will belong to two principal 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 the Bradford Metropolitan District Council. Both are defined-benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS was 31 March 2004 and of the LGPS 31 March 2010.

**The Teachers' Pension Scheme**

**Introduction**

The TPS is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension 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 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.

The Teachers' Pension Regulations require an annual account to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce a real of return.

**Wakefield Diocesan Academies Trust**

**Notes to the Financial statements for the year ended 31 August 2014**

(Continued)

**26. PENSION AND SIMILAR OBLIGATIONS (continued)**

At the last valuation, the contribution rate to paid into the TPS was assessed in two parts. First, a standard contribution rate (SCR) was determined. This is the contribution, expressed as a percentage of the salaries of teachers and lecturers in service or entering service during the period over which the contribution rate applies, which if it were paid over the entire active service of these teachers and lecturers would broadly defray the cost of benefits payable in respect of that service. Secondly, a supplementary contribution is payable if, as a result of the actuarial review, it is found that accumulated liabilities of the account for benefits to past and present teachers, are not fully covered by standard contributions to be paid in future and by the notional fund built up from past contributions. The total contribution rate payable is the sum of SCR and the supplementary contribution rate.

The latest 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 of Education on 9 June 2014. The key elements of the valuation and subsequent consultation are;

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%);
- total scheme liabilities for service to the effective date of £191,500 million, and notional assets of £176,600 million, giving a notional past service deficit of £14,900 million; and
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations.

The new employer contribution rate is applicable from 1 April 2015 and will be implemented for the TPS from September 2015.

A copy of the valuation report and supporting documentation is on the Teacher's Pension website.

**Teachers' Pension Scheme Changes**

Lord Hutton made recommendations in March 2011 about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation with trade unions and other representative bodies. In March 2012 and the Department of Education published proposals for the design for a reformed TPS.

The key provisions of the reformed scheme include: a pension based on career average earnings; an accrual rate of 1/57<sup>th</sup>; and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Importantly, pension benefits built up before 1 April 2015 will be fully protected.

In addition, the Proposed Final Agreement includes a Government commitment that those within 10 years of Normal Pension Age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall up to three and half years outside of the 10 year protection.

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases have been phased in since April 2012 on a 40:80:100% basis.

The Department for Education has continued to work closely with trade unions and other representatives bodies to develop the reformed TPS and regulations giving effect to it came into force on 1 April 2014. Communications are being rolled out and the reformatted scheme will commence on 1 April 2015.

**Wakefield Diocesan Academies Trust**

**Notes to the Financial statements for the year ended 31 August 2014**

(Continued)

**26. PENSION AND SIMILAR OBLIGATIONS (continued)**

**Teachers' Pension Scheme Changes (continued)**

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The academy trust is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the trust has taken advantage of the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information on this scheme.

**Local Government Pension Scheme (LGPS)**

The LGPS is a funded defined benefit scheme, with the assets held in separate trustee administered funds. Each Academy was deemed to have joined the scheme on the date of conversion. One new academy joined the Trust on 1 February 2014 and as a consequence some of the 2014 figures given in this report relate to part year transactions only. The total contribution made for the year ended 31<sup>st</sup> August 2014 was £451,000, of which employers' contributions totalled £334,000, and employees' contributions totalled £117,000. The agreed contribution rates for each academy for future years is between 14.8% and 17.0% and 5.5% to 7.5% for employees dependent on their earnings.

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

Principal Actuarial Assumptions	At 31 August 2014	At 1 September 2013
Rate of increase in salaries	3.60%	4.70%
Rate of increase for pensions in payment/inflation	2.10%	2.80%
Discount rate for scheme liabilities	3.70%	4.50%
Inflation assumption (CPI)	2.10%	2.80%
Commutation of pensions to lump sums		
- Pre 1 April 2010 entitlements	50.00%	50.00%
- Post 31 March 2010 entitlements	75.00%	75.00%

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

	At 31 August 2014	At 1 September 2013
Retiring today		
Males	22.5	22.1
Females	25.4	24.3
Retiring in 20 years		
Males	24.7	23.9
Females	27.7	26.2

**Wakefield Diocesan Academies Trust****Notes to the Financial statements for the year ended 31 August 2014**

(Continued)

**26. PENSION AND SIMILAR OBLIGATIONS (continued)****Local Government Pension Scheme (LGPS) (continued)**

The academy's share of the assets and liabilities in the scheme and the expected rates of return were:

	Long-term Expected return at 31 August 2014	Fair value at 31 August 2014 £000	Long-term Expected return at 1 September 2013 %	Fair Value 1 September 2013 £000
Equities	7.50%	3,348	7.90%	2,168
Government bonds	2.90%	459	3.40%	339
Corporate bonds	3.30%	232	4.10%	169
Property	6.80%	147	7.40%	89
Other	7.50%	98	7.90%	92
Cash	1.10%	174	0.90%	113
		<hr/>		<hr/>
	6.50%	4,458	6.90%	2,970
Present value of scheme liabilities				
- Funded		(5,942)		(4,291)
		<hr/>		<hr/>
<b>Surplus/(deficit) in the scheme</b>		<b>(1,484)</b>		<b>(1,321)</b>
		<hr/>		<hr/>

The actual return on employer asset was £435,000 (2013 £101,000).

<b>Amounts recognised in the statement of financial activities</b>	<b>2014 £000</b>	<b>2013 £000</b>
Current Service cost (net of employee contributions)	450	152
Post Service Costs	5	-
	<hr/>	<hr/>
<b>Total operating charge</b>	<b>455</b>	<b>152</b>
	<hr/>	<hr/>
Expected return on pension scheme assets	(235)	(88)
Interest on pension liabilities	226	86
	<hr/>	<hr/>
<b>Pension scheme income/(costs)</b>	<b>(9)</b>	<b>(2)</b>
	<hr/>	<hr/>
<b>Net Service Charge</b>	<b>446</b>	<b>150</b>
	<hr/>	<hr/>
<b>Reconciliation of Total Operating Charge to note 17</b>		
Charge shown above	455	
Employers contributions	(334)	
	<hr/>	
<b>Amount shown in note 17</b>	<b>121</b>	
	<hr/>	

**Wakefield Diocesan Academies Trust**

**Notes to the Financial statements for the year ended 31 August 2014**

(Continued)

**26. PENSION AND SIMILAR OBLIGATIONS (continued)**

**Local Government Pension Scheme (LGPS) (continued)**

The actuarial gains and losses for the current year are recognised in the statement of financial activities. This is the second full operating year for the Trust and the cumulative gain recognised in the statement of financial activities since the adoption of FRS 17 is a gain of £112,000 (2013 was a cumulative loss of £103,000).

**Movements in the present value of defined benefit obligations were as follows**

	<b>2014</b>	<b>2013</b>
	<b>£000</b>	<b>£000</b>
Opening present value of liabilities	5,194	3,899
Current service cost	450	152
Interest cost	226	86
Employee contributions	117	40
Net benefits paid out	(33)	(2)
Past service cost	5	-
Actuarial (gains)/losses	(17)	116
	<hr/>	<hr/>
<b>Closing defined benefit obligation at 31 August 2014</b>	<b>5,942</b>	<b>4,291</b>
	<hr/>	<hr/>

**Movements in the fair value of the academy's share of scheme assets**

	<b>2014</b>	<b>2013</b>
	<b>£000</b>	<b>£000</b>
Opening Fair Value	3,627	2,705
Expected return on assets	235	88
Actuarial gain/(loss)	178	13
Contributions by the Employer	334	126
Contributions by Members	117	40
Net benefits paid out	(33)	(2)
	<hr/>	<hr/>
<b>Closing Fair Values at 31 August 2014</b>	<b>4,458</b>	<b>2,970</b>
	<hr/>	<hr/>

The estimated value of employer contributions for the year ending 31 August 2015 is £340,000 (2014 £275,000).

The history of experience adjustments since the Trust became operational is as follows:

	<b>2014</b>	<b>2013</b>
	<b>£000</b>	<b>£000</b>
Present value of defined benefit obligations	5,942	4,291
Fair value of share of scheme assets	4,458	2,970
	<hr/>	<hr/>
<b>Deficit in the scheme</b>	<b>1,484</b>	<b>1,321</b>
	<hr/>	<hr/>
Experience adjustment on share of scheme assets	198	13
Experience adjustments on scheme obligations	(108)	-