

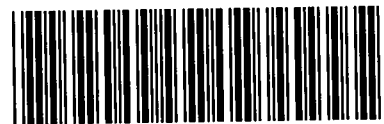
REGISTERED COMPANY NUMBER: 08278808 (England and Wales)

**STRATEGIC REPORT, REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2016
FOR**

WADE DEACON TRUST

Howard Worth
Chartered Accountants and
Statutory Auditors
Drake House
Gadbrook Park
Northwich
Cheshire
CW9 7RA

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WADE DEACON TRUST
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FOR THE YEAR ENDED 31 AUGUST 2016

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WADE DEACON TRUST
REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2016

MEMBERS	Mr J K Woodroofe Mr C McLeod Mr I Hann
TRUSTEES	Mr I Hann Mr C McLeod Mrs L Scott Mr J K Woodroofe Mrs P A Wright
SENIOR MANAGEMENT TEAMS	Chief Executive Officer – Mrs P A Wright Principal Wade Deacon – Mrs A M Bacon (to 31/08/16) Principal Hillside High – Mrs A Ryan Principal Widnes Academy: Mrs K Highcock Trust Operations Officer – Mr I Kirkham
REGISTERED OFFICE	Wade Deacon High School Birchfield Road Widnes Cheshire WA8 7TD
REGISTERED COMPANY NUMBER	08278808 (England and Wales)
SENIOR STATUTORY AUDITOR	Stephen Grayson FCCA
AUDITORS	Howard Worth Chartered Accountants and Statutory Auditors Drake House Gadbrook Park Northwich Cheshire CW9 7RA
SOLICITORS	Business Services Group Hill Dickinson LLP No.1 St. Paul's Square Liverpool L3 9SJ
BANKERS	HSBC BANK PLC Cheshire Commercial Centre, 'Vista', St Davids Park, Ewloe, Chester, CH5 3DT Operating Branch Runcorn

WADE DEACON TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2016

The Trustees, who are also Trustees of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 August 2016. The Trustees have adopted the provisions of 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) (effective 1 January 2015) and the Academies Accounts Direction issued by the Education Funding Agency.

For the period 1st September 2015 to 31st August 2016 the trust operated as a Multi Academy Trust with one Primary (3-11) and two High Schools (11-16) serving the town of Widnes in the borough of Halton and Bootle in the Borough of Sefton. The Trust has a pupil capacity of 2,680 and had a roll of 2,509 in the school census on 19th May 2016.

The membership of Wade Deacon Trust is currently:

- Wade Deacon High School 11-16 (converted 1st March 2013) Lead School. The Wade Deacon campus is located in Widnes on a large new build and refurbished site which offers state of the art facilities both internally and externally. Capacity 1,500 (Number on role Summer 16 was 1,562).
- Widnes Academy 3-11 (converted 1st February 2015) Sponsored Academy. Widnes Academy is located in Widnes in a 3 storey Victorian style building. Capacity 210 (Number of role Summer 16 was 113 + 29 p/t Nursery).
- Hillside High School 11-16 (converted 1st March 2015) Sponsored Academy. Hillside High School is located in Bootle and combines mixture of 1930s and modern build on one campus. Capacity 970 (Number of role Summer 16 was 834).

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Academy Trust is a company limited by guarantee and an exempt charity. The Charitable Company's memorandum and Articles of Association are the primary governing documents of the Academy Trust.

The Trustees undertake the strategic review of the Academy Trust and powers are delegated to local Governing Bodies; the levels of which are subject to the needs of each individual school.

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 ceased 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.

Trustees' Indemnities

Subject to the provisions of the Companies Act 2006 every Governor or other officer or Auditor of the Academy Trust shall be indemnified out of the assets of the Academy Trust against any liability incurred by him in that capacity in defending any proceedings, whether civil or criminal, in which judgement is given in favour or in which he is acquitted or in connection with any application in which relief is granted to him by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Academy Trust.

Professional Indemnity Insurance is in place to protect Trustees, Governors, and officers from claims arising from negligent acts, errors or omissions occurring on Trust business.

Principal activities

The principal objective of the Trust is to advance, for the public benefit, education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing the Academies, offering a broad and balanced curriculum. In setting the Trusts objectives and planning its activities, the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit.

WADE DEACON TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2016

Recruitment and appointment of new trustees

Consideration is given to the skills of Trustees and Governors which would enhance the effectiveness of the Trust in line with the Articles of Association.

The appointment of Trustees may be made by the Members passing a resolution as contained within the Articles of Association

With regards to the appointment of parent and staff Governors, procedures are in place for their nomination, election and appointment.

Arrangements for setting pay and remuneration of key management personnel

Academy Trustees (excluding the Chief Executive Officer) are non-salaried and therefore no pay and remuneration scales are applicable.

The Academy Trust continues to refer to School Teachers' Pay & Conditions Document (STPCD) and National Joint Conditions (NJC) to support staff relevant grade and pay range allocations.

The setting of salaries (and pay range) for Principals, Vice Principals and Assistant Vice Principals is undertaken using the STPCD Leadership Pay Group section Guidance.

For those staff employed across the Trust the principles and grading at both STPCD and NJC are used to establish an appropriate salary range.

Organisational structure

The Trustees are responsible for setting general policy, adopting an annual plan and budget, monitoring the Trust and Academies by the use of financial management information, making strategic decisions about the direction of the Trust and capital expenditure, making senior appointments, and approving the Annual Report and Financial Statements.

The Trustees and Chief Executive Officer delegate the leadership and management of the Trust to the Company Secretary, Lead Principal and Principals. They are supported by the Central Operations team.

As at 31st August the MAT consists of three Academies and a teaching school based in a single Academy. It is intended, however, that the CEO and Trustees will delegate responsibilities to the Trust-level Leadership and Senior Leadership Team (SLT) of each Academy. The level of delegation will be subject to assessment and review depending on both the stage of performance and also the capability of each Academy. The SLT, as appropriate to each Academy would normally consist of Principal, Vice Principals, Assistant Principals and potentially a Business Manager (or equivalent post). These leaders control the Trust and Academies at a senior level implementing the policies laid down by the Trustees & Local Governing Bodies and reporting back to them. As a group the SLT is subject to relevant delegation being granted responsible for the authorisation of spending within agreed budgets and the appointment of staff. Staff will be appointed through panel interviews for posts (excluding the appointment of a Principal).

Management teams will operate at each Academy and are responsible for the day to day operation of the Trust and the Academies. In particular, they are responsible for, organising the staff (teaching and non-teaching), facilities and students.

The Academy Board will meet at least each term with an appropriate meeting in each academic year being used to hold the Annual General Meeting following the submission of accounts.

Local Governing bodies and committees meet on at least a termly basis and report relevant decisions to the Academy Board. The Board will ratify appropriate decisions.

Roles and responsibilities of Trustees, Governors, and Senior Managers are defined in the relevant Terms of Reference and Academy Scheme of Delegation.

WADE DEACON TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2016

Induction and Training of new Trustees

New Trustees are inducted into the workings of the Academy, including details of policies and procedures, together with an appropriate training schedule depending upon their existing area of expertise.

Wider network

The Academy holds Teaching School status and engages with a wider strategic alliance with partner schools to further the development of the Teaching School and school-to-school support.

OBJECTIVES AND ACTIVITIES

Objectives and aims

The main objectives of the Trust summarised below:

- To facilitate a smooth transition to Academy status
- To raise the standard of educational achievements of all pupils in the Trust's academies
- To ensure that every child enjoys the same high quality education in terms of resourcing, teaching and learning
- To improve the effectiveness of the Academies by keeping the curriculum and organisational structures under continual review
- To comply with all appropriate statutory and curriculum requirements
- To provide value for money for the funds expended
- To conduct the Trust and Academy business in accordance with the highest standards of integrity, probity and openness.

Objectives, Strategies and Activities

The Trusts' main strategy is to develop and maintain a culture of excellence across our organisation that continues to provide opportunities for our students.

Wade Deacon High School converted to 'Academy' status in March 2013 and founding the Wade Deacon Trust (formerly Innovation Enterprise Academy). This status was adopted because of our quest to continually improve the quality of learning and teaching for the benefit of all students. In addition, all the Trustees of the Trust are committed to training and the life-long learning of all our members of staff and the community. The Trust has now expanded to three schools with a Teaching School Status.

Students and staff work side-by-side with the latest technological developments to enhance further the quality of our teaching and learning. We help students to develop real life solutions to real life problems, using industry standard equipment to achieve their goals.

As a major contributor to the concept of lifelong learning, we are a Trust that makes a difference within our school Academy communities. We achieve this by engaging in collaborative projects with our community partners and sharing our resources with them.

Throughout all the Trust's Academies, students are encouraged to take pride in themselves, their actions and their achievements. We have high expectations of students' academic work, the manner in which they conduct themselves around their Academy campus and their presence in the local community beyond. An orderly and disciplined environment is a key feature of our work in the Trust. The success of this is based on enhancing and maintaining excellent standards of self-discipline, school uniform and the promotion of a sense of pride and belonging to the Trust and its Academies.

High levels of attendance are expected throughout each year group so that everyone can take full advantage of the range of curricular and extra-curricular opportunities available. Levels of attainment are most easily raised when students attend all lessons, allowing continuity of the teaching and learning environment.


Regular extended learning is an integral part of the learning culture of the school. Tasks set are intended to broaden and develop an individual's scope for independent learning as well as reinforcing work completed during the school day.

WADE DEACON TRUST
REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 31 AUGUST 2016

Public benefit

The Trust's purpose is to advance, for public benefit, education as described in principal activities above. The Trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their duties.

Approved by order of the Board of Trustees on 20 December 2016 and signed on its behalf by:


.....
Mr I Hann - Trustee

WADE DEACON TRUST
STRATEGIC REPORT
FOR THE YEAR ENDED 31 AUGUST 2016

The Trustees present their strategic report for the year ended 31 August 2016.

REVIEW OF BUSINESS

The principal objective of the Trust is to advance, for the public benefit, education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing the Academies, offering a broad and balanced curriculum. In setting the Trust's objectives and planning its activities, the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit.

The current Trust Board of Trustees are from a diverse range of backgrounds and each one has a different type of expertise to offer however they all have one thing in common and that is a commitment to an exceptional education where tradition is respected and innovation is encouraged. The vision is for every school in the Trust to be an outstanding school where every child receives an exceptional education.

As the Trust develops and grows, the Trustees will have regard for the operational processes of the schools within the Trust and will make adjustments to both the structure and membership of the relevant bodies in order to ensure that the Trust can manage the schools in accordance within the required Ofsted framework and ensure that the core principles are sustained.

Through its Lead School (Wade Deacon) the Trust holds Teaching School status. Teaching schools are outstanding schools that work with others to provide high-quality training and development to new and experienced school staff. They are part of the Government's plan to give schools a central role in raising standards by developing a self-improving and sustainable school-led system.

The Trust through its Innovation Enterprise Alliance undertakes a cross-phase and cross-regional alliance with Wade Deacon High School as the lead school, supported by a number of strategic partners, who lead on, or contribute to, aspects of the provision.

The Trust believes in giving every student the opportunity to develop his or her talents to the full and expects every student to work very hard in order to achieve this. The Trust is committed to an exceptional education where tradition is respected and innovation is encouraged. The Academy is committed to training and the life-long learning of all our members of staff and the community. Students and staff work side-by-side with the latest technological developments to enhance further the quality of our teaching and learning.

Students are helped to develop real life solutions to real life problems, using industry standard equipment to achieve their goals. As a major contributor to the concept of lifelong learning, Wade Deacon is a school that makes a difference within our community. We achieve this by engaging in collaborative projects with our community partners and sharing our resources with them.

Throughout school, students are encouraged to take pride in themselves, their actions and their achievements. We have high expectations of students' academic work and the manner in which they conduct themselves around the school campus and in the community beyond. An orderly and disciplined environment is a key feature of our work in school.

The success of the school is based on promoting and maintaining excellent standards of self-discipline, school uniform along with the promotion of a sense of pride and belonging to the school.

High levels of attendance are expected throughout each year in school so that everyone can take full advantage of the range of curricular and extracurricular opportunities available.

The success we achieve in the classroom is enhanced by a wide range of enrichment courses which are made available to all students. Everyone is encouraged to use part of their recreation time for participation in one or more of these opportunities. Clubs and societies, clinics and extra classes are all designed to broaden the experiences of the school's young people outside of their compulsory curriculum diet.

WADE DEACON TRUST
STRATEGIC REPORT
FOR THE YEAR ENDED 31 AUGUST 2016

A full range of individual and team games is offered to boys and girls of all age groups and abilities, with team games represented in numerous County competitions. Recreation activities such as fitness programmes are also made available to all students.

The school continues a long and successful tradition of Outdoor Education with students involved in activities including sailing, canoeing, climbing and abseiling. Where possible, Wade Deacon, provide students with the opportunity to participate in the Duke of Edinburgh Award Scheme.

ACHIEVEMENTS AND PERFORMANCE

The Chief Executive Officer holds National Leader of Education status and this has enabled the Academy to influence the forming of curriculum policy through national engagement at a senior level.

The Chairman of Trustees holds National Leader of Governance status and uses his extensive Business and Governance experience to make a positive contribution through supporting, challenging and coaching governing bodies so that they are able to confidently and proactively take control of their own destiny. A review of Governance has been undertaken in order to ensure that there is a separation and clear lines of accountability between the role of Trustees and Local Governing Bodies. Trustees continue to provide support to those schools and Local Governing Bodies who require support and guidance.

The Accounting Officer and Company Secretary is accredited through the National College School Business Director programme and holds Fellow of the National Association of School Business Managers Status. This provides for high levels of accountability for strategic leadership and specialist knowledge across defined areas of the Trust and a commitment to a self-improving Trust through system leadership.

The Lead Principal, holds National Leader of Education Status, is Lead of the Teaching School and has extensive experience in School-to-School support. The Academy Improvement Strategy is rooted in an ethos that creates the culture, attitude and aspiration necessary to secure successful outcomes for young people and prepare them effectively for life in modern Britain. Support is provided in proportion to the level of need within each Academy as determined through the school's own self-evaluation judgements and the Trust's monitoring.

Reviewing the Academy Trusts priorities for the 12 month period, there were areas of great success and outstanding achievements for our staff and students. These include:

- A successful assimilation of two schools for their first full academic year within the Trust
- The Teaching School is now seen as a major player and has a high visibility in the Learn and Lead Community. It has increased revenue from the conference centre and staff courses. There has been a 100% increase from 2015-16 for School Direct recruitment – generating £70K+ income with increased numbers of staff having accessed our training for NQTs, RQTs and other leaders from both inside and outside the Alliance. There has been a huge increase in engagement with the St Helens Maths Hub and this partnership continues to develop. We have supplied training to other TSAs and Learn and Lead Conferences and also host Chester University Academic Learning days at the conference centre. We continue to develop a strong partnership with Chester University resulting in influencing university direction for School Direct for our Alliance. We have held a second highly successful Alliance event hosting circa 480 people. There has been an increase in School Direct partners and requests for collaboration due to strong TSA brand in North West and Learn and Lead community. The TSA has received over £170K in NCTL bids and funding to build capacity for TSA work and for S2SS and is now a key player in the following initiatives:
 - Return to Teaching
 - Maths and Physics Internships
 - Singapore Maths rollout
 - S2SS bids
 - Learn and Lead ITT Strategic Board Chair
 - SLE Train the Trainer working party
 - NCTL paper on collaborative ITT bids

WADE DEACON TRUST
STRATEGIC REPORT
FOR THE YEAR ENDED 31 AUGUST 2016

Key Performance Indicators

Year 11 GCSE Results	Wade Deacon	Hillside High
E&M	75.99%	49.69%
5A*-C (E&M)	73.03%	47.85%
5A*-C	82.89%	57.06%
5A*-G	99.67%	93.87%
1A*-G	100%	97.55%
Attainment 8	54.38	45.14
Progress 8	+0.01	-0.43
Value Added	1013.12	977.53
EBACC	47.70%	34.36%

Widnes Academy
End of Key Stage 2 results - 2016 School

Standard	Widnes Academy	Local	National
RWM *	53%	45.6%	53%
Reading	74%	62.5%	66%
Writing	74%	64.8%	74%
Maths	74%	64.7%	70%
SPAG **	84%	69.8%	72%

- *Reading Writing Mathematics*
- *Spelling and Grammar*

Group	Presents	AEA	Authorised Absences	Unauthorised Absences	Possible	Attendance	Persistent Absence
Wade Deacon	92.6	3.1	2.7	1.6	100	95.7	8.84
Hillside	85.5	4.65	4.14	2.39	100	93.47	9.90
Widnes Academy	94	0.6	3.7	1.7	100	94.6	2.94

2015-16 Attendance

WADE DEACON TRUST
STRATEGIC REPORT
FOR THE YEAR ENDED 31 AUGUST 2016

Admissions

Number on Roll September 16

Year Group	Wade Deacon	Hillside High	Widnes Academy
N2			17
R			14
1			20
2			24
3			13
4			31
5			13
6			21
7	313	127	
8	321	122	
9	320	160	
10	303	149	
11	303	183	
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Total	1,560	741	153

Going Concern

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

Financial Review

The majority of the Trust and Academy income is obtained from the Education Funding Agency (EFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the EFA in the period ended 31st August 2016 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Trust also received grants from the EFA and other organisations. In accordance with the Charities Statement of Recommended Practice, "Accounting and Reporting by Charities" (SORP 2015), such grants are shown in the Statement of Financial Activities as restricted income in the restricted general fund and fixed asset fund. The restricted fixed asset fund balance is reduced by depreciation charges over the expected useful life of the assets concerned.

During the period ended 31 August 2016, total expenditure (excluding depreciation and actuarial pension adjustments) of £15,375,310 was more than covered by recurrent grant income from the EFA together with other incoming resources which totalled £15,657,179. After transfers to capital funds of £527,541, there is a net revenue deficit for the year of £305,608. Total funds carried forward amount to £33,051,975 which include revenue funds of £961,946. This is in line with the Trust's strategy to build and maintain adequate reserves to fund an ambitious plan of future improvements and development of the organisation and its infrastructure as detailed below.

WADE DEACON TRUST
STRATEGIC REPORT
FOR THE YEAR ENDED 31 AUGUST 2016

Reserves Policy

The Trustees and Governors review the level of reserves on an annual basis. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of the reserves. The Trusts current level of revenue reserves (total reserves less the amounts held in fixed asset reserve and the pension fund reserve) is £961,946.

The Trustees have decided to adopt a prudent approach to reserves and aim to build a group reserve of designated funds of at least 5% of annual income to safeguard against unforeseen circumstances, capital improvements or developments, late EFA payments, emergencies and other catastrophes. This is sound commercial practice designed to safeguard the quality of education received at the academies within the Trust.

Utilisation of the surplus funds

The Trust has identified accrued surplus for allocation to capital projects which have or are in the process of taking place across the relevant schools. Across all schools ICT infrastructure has been upgraded, Widnes Academy internal refurbishment programme has taken place, Hillside internal refurbishments have been supported and planning approval has now been obtained for an extension project of 4 classrooms at Wade Deacon High School to commence Spring 2017 for a summer completion.

In addition the net liability due to the Trusts participation in the Local Government Pension Scheme (LGPS) amounts to £7,103,000. 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. This guarantee provides comfort to the Trustees in the unlikely event of an Academy closure.

Investment Policy

In accordance with the Articles of Association, the Trustees can deposit or invest funds not immediately required. It has been decided that cash balances are to be safeguarded by investing them in interest bearing current and deposit accounts with HSBC, a recognised sound commercial bank.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks to the Trust are documented and managed using a risk management policy and a risk register which is regularly reviewed. The main risks are seen as the loss of reputation through failing standards at the Academies, falling student numbers, failure to safeguard our students, national budget constraints to all schools and failure on high profile school-to-school support commissions. Key controls in place to mitigate these risks are:

- An organisational structure with clearly defined roles, responsibilities and authorisation levels,
- Documented terms of reference for the committees and sub-committees of the Trust,
- Financial planning, budgeting and regular management reporting highlighting key areas of financial risk,
- Formal written and published policies for employees,
- Vetting procedures as required by legislation for the protection of the vulnerable, and
- Robust due diligence procedures in place for new contracts and commissions.

FINANCIAL AND RISK MANAGEMENT OBJECTIVES AND POLICIES

The main financial risks are mitigated through the employment of sound financial management and internal control processes. Balanced budgets are set for each of the Academies within the Trust and limited budgets are further delegated to departments and faculties. Actual performance against agreed budgets is closely monitored by the Trust's central finance team and via regular (termly) meetings of the finance committee of each LGB. Bank and cash reconciliations are carried out routinely and signed by the authorised officers of the Trust's central finance team. All orders and cheques are signed off by the finance team with appropriate segregation of duties in place. Fixed asset registers are in place and there are processes in place for the acquisition, adaptation and disposal of assets. Payroll is outsourced and checked by more than one individual each month. The appropriateness and integrity of internal controls is assessed and reported to the Trustees by the responsible officer and external auditors.

WADE DEACON TRUST
STRATEGIC REPORT
FOR THE YEAR ENDED 31 AUGUST 2016

The security of data is administered by an in house team of IT professionals. Remaining risks are mitigated to a large extent via comprehensive insurance policies.

FUTURE DEVELOPMENTS

The overall performance in this reporting period was extremely robust and as a consequence will directly reinforce the Trust's medium to long-term strategy. The Trust's main annual objectives for the next year are:

- To facilitate a smooth and effective transition of at least a further 3 schools.
 - 1 x All Through The Grange School Runcorn,
 - 1 x Primary Sylvester Primary Huyton, and
 - 1 x High School (existing academy) Halewood Academy
- To ensure the Academy Improvement Strategy that creates the culture, attitude and aspiration necessary to secure successful outcomes for young people is embedded into all Trust Schools.
- To build on the excellent reputation of our Academy.
- To grow the Teaching School and the strategic alliances in order to raise standards within the Trust and schools requiring support.
- To seek options for growth of the Trust in line with its strategic development plan.
- To strive for continuous improvement in examinations results and all indicators of performance in all of the Trust's Academies.
- To seek to increase numbers on roll at both Widnes Academy and Hillside High School
- To build adequate financial reserves to fund building and other investment needs
- Development of the roles and separation of duties at each layer of Governance

Key to success is the leadership and management of the Trust ensuring that high quality leaders are in place through a rigorous recruitment system. The Trust will also take steps to identify future leaders within the Academy members and support them to gain middle and senior leadership opportunities, thus adding to the strengths of the Trust and all its academies.

Excellent standards of behaviour will be maintained to create a well ordered community with the learning and the support of students at the heart.

Teaching and learning will continue to have pace, purpose, variety and rigour. Students will be able to progress as a result of a suitable curriculum and relevant personalised programmes of study.


Staff will be confident practitioners with appropriate professional development opportunities. Educational outcomes in all performance indicators will be well above national averages and the Academies will be in the "high performing" category. The strategic development of the Academies will be effectively planned, monitored and supported by well-equipped and committed local governing bodies and the main Board of Trustees.

AUDITORS

Insofar as the Trustees are aware:

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

Approved by order of the Board of Trustees on 20 December 2016 and signed on its behalf by:


Mr I Hann – Trustee

WADE DEACON TRUST
GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2016

Scope of Responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that Wade Deacon Trust 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 of loss.

The Board of the Trustees has delegated the day-to-day responsibility to the Company Secretary who, as Accounting Officer, is responsible 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 Wade Deacon Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Report of the Trustees and in the Statement of Trustees Responsibilities. The Board of Trustees has formally met 12 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mr I Hann	12	12
Mr J K Woodroffe	11	12
Mr C McLeod	12	12
Mrs L Scott	12	12
Mrs P A Wright	11	12

Governing Body Attendance (Committee & Full Governors)

Local Governing Bodies and meetings attended:

Wade Deacon High School

A Brothers 8
B Fisher 7
C Fone 8
P Jones 5
C McLeod 8 resigned July 16
D McNulty 7
D Findon 7
H Ziman 2 resigned March 16
J Woodroffe (Chairman) 8 Resigned August 16
L Scott (Vice Chairman) 7 Resigned August 16
L McGuire 2 Resigned January 16
M Bacon 8

Hillside High School

R Brassey 4
S Lees 7
C McLeod 7
D Riley 6
J Rimmer 2 resigned 28 January 2016
A Ryan 5
P Sapple 6
D Walker 5 resigned 24th May 2016
S Wardale 8
R Webb 8

WADE DEACON TRUST
GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2016

Widnes Academy

C Fone (appointed Jan 16) 4
D Findon (appointed Jan 16) 4
J Duff (resigned Dec 15) 3
K Highcock 9
L Fallon 8
V Melia 6
J Woodroffe (resigned Aug 16) 7
L Scott(resigned Aug 16) 6

The Finance Committee which is a committee of the Governing Body, is responsible for overseeing the financial affairs of the Academy and reporting to the Governing Body. The Finance Committee meets at least once a term or more frequently should the need arise.

The main responsibilities and issues dealt with during the period were as follows:

- The initial review and authorisation of the annual budget;
- The regular monitoring of actual expenditure and income against budget;
- Ensuring the annual financial statements are produced in accordance with the requirements of the Companies Act 2006, the Charities SORP, the Academies Accounts Direction and other guidance issued by the EFA;
- Ensuring that all of the financial returns required by the EFA are correctly prepared and submitted on time;
- Capital project monitoring, procurement and reporting;
- Authorising changes to the Academy's personnel establishment;
- Reviewing the reports of the Responsible Officer on the effectiveness of the financial procedures and internal controls, which are also reported to the full Governing Body.

Review of Value for Money

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

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

- The economic, efficient and effective use of all resources to produce better educational results.
- The avoidance of waste and extravagance.
- The prudent and economical administration of the organisation.
- The establishment and maintenance of a system of financial governance, including sound internal spending controls, keeping up to date financial records, continuous financial monitoring and timely reporting.
- Ensuring all financial transactions represent value for money.

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 charitable company 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 Wade Deacon Trust for the period 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements.

WADE DEACON TRUST
GOVERNANCE STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2016

Capacity to Handle Risk

The Board of Trustees has reviewed the key risks to which the charitable company is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the charitable company's significant risks that has been in place for the period 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The Risk and Control Framework

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

- Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the governing body;
- Regular reviews by the Finance Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- Setting targets to measure financial and other performance;
- Clearly defined purchasing (asset purchase or capital investment) guidelines;
- Delegation of authority and segregation of duties;
- Identification and management of risks.

The Risk and Control Framework

The Trust has appointed a separate division of Howard Worth Chartered Accountants as Responsible Officer (RO) to undertake the role of an internal audit function. This function is carried out across all Trust schools and reports provided are shared with the Trust and relevant LGB members. Any actions required are agreed through this process. The RO's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems.

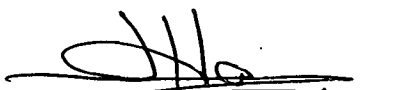
Review of Effectiveness

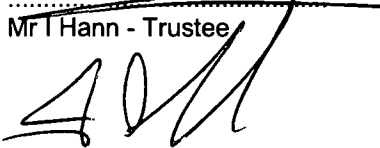
As accounting officer, Mr I Kirkham has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:-

- The work of the Responsible Officer;
- The work of the external auditor;
- The financial management and governance self assessment process;
- The work of the senior leaders and managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control and a plan to address areas for improvement and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 20 December 2016 and signed on its behalf by:


.....
Mr T Hann - Trustee


.....
Mr I Kirkham - Accounting Officer

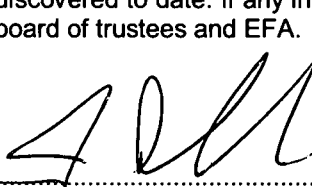
WADE DEACON TRUST

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE
FOR THE YEAR ENDED 31 AUGUST 2016**

As accounting officer of Wade Deacon Trust I have considered my responsibility to notify the charitable company board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the charitable company and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2015.

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

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



Mr I Kirkham - Accounting Officer

Date: 20 December 2016

WADE DEACON TRUST

STATEMENT OF TRUSTEES RESPONSIBILITIES FOR THE YEAR ENDED 31 AUGUST 2016

The trustees (who act as governors of Wade Deacon Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those 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 2015 and the Academies Accounts Direction 2015 to 2016;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

In so far as the trustees are aware:

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

Approved by order of the board of trustees on 20 December 2016 and signed on it's behalf by:



Mr T Hann - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF WADE DEACON TRUST

We have audited the financial statements of Wade Deacon Trust for the year ended 31 August 2016 on pages twenty one to forty seven. 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 Accounts Direction 2015 to 2016 issued by the Education Funding Agency (EFA).

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 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 and the charitable 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 auditors

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

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

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

Opinion on other matter prescribed by the Companies Act 2006

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

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
WADE DEACON TRUST**

Matters on which we are required to report by exception

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

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



Stephen Grayson FCCA (Senior Statutory Auditor)
for and on behalf of Howard Worth
Chartered Accountants and
Statutory Auditors
Drake House
Gadbrook Park
Northwich
Cheshire
CW9 7RA

Date: 20 December 2016

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO WADE DEACON TRUST AND THE EDUCATION FUNDING AGENCY

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

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

Respective responsibilities of Wade Deacon Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Wade Deacon Trust's funding agreement with the Secretary of State for Education and the Academies Financial Handbook, extant from 1 September 2015, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

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 2015 to 31 August 2016 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Howard Worth
Drake House
Gadbrook Park
Northwich
Cheshire
CW9 7RA

Date: 20 December 2016

WADE DEACON TRUST
STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating the Income & Expenditure Account)
FOR THE YEAR ENDED 31 AUGUST 2016

				31/8/16	31/8/15
	Note	Unrestricted fund £	Restricted funds £	Fixed Asset Restricted Funds £	Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and capital grants	3	-	-	59,936	59,936
Transfer from Local Authority on conversion		-	-	-	3,359,741
Charitable activities					
Funding for the academy's educational operations	4	-	15,581,376	-	15,581,376
Other trading activities	5	13,305	-	-	13,305
Investment income	6	2,562	-	-	2,562
Total		15,867	15,581,376	59,936	15,657,179
EXPENDITURE ON Charitable activities					
Academy's educational operations	7	84,207	14,940,103	1,342,265	16,366,575
NET INCOME/(EXPENDITURE)		(68,340)	641,273	(1,282,329)	(709,396)
Transfers between funds			(527,541)	527,541	
Other recognised gains/(losses)					
Actuarial gains/losses on defined benefit schemes		-	(3,191,000)	-	(3,191,000)
Net movement in funds		(68,340)	(3,077,268)	(754,788)	(3,900,396)
RECONCILIATION OF FUNDS					
Total funds brought forward		110,540	(3,105,986)	39,947,817	36,952,371
TOTAL FUNDS CARRIED FORWARD		42,200	(6,183,254)	39,193,029	33,051,975

The notes form part of these financial statements

WADE DEACON TRUST
REGISTERED COMPANY NUMBER: 08278808 (England and Wales)
BALANCE SHEET
AT 31 AUGUST 2016

				31/8/16	31/8/15
	Note	Unrestricted fund £	Restricted funds £	Fixed Asset Restricted Funds £	Total funds £
FIXED ASSETS					
Tangible assets	12	-	-	39,193,029	40,235,817
CURRENT ASSETS					
Debtors	13	-	240,627	-	387,883
Cash at bank and in hand		42,200	1,482,816	-	1,699,479
		42,200	1,723,443	-	2,087,362
CREDITORS					
Amounts falling due within one year	14	-	(803,697)	-	(935,008)
NET CURRENT ASSETS		42,200	919,746	-	1,152,354
TOTAL ASSETS LESS CURRENT LIABILITIES		42,200	919,746	39,193,029	41,388,171
CREDITORS					
Amounts falling due after more than one year	15	-	-	-	(172,800)
PENSION LIABILITY	19	-	(7,103,000)	-	(4,263,000)
NET ASSETS		42,200	(6,183,254)	39,193,029	36,952,371
FUNDS	18				
Unrestricted funds:					
General fund				42,200	110,540
Restricted funds:					
Restricted general funds				919,746	1,157,014
Restricted fixed assets funds				39,193,029	39,947,817
Pension reserve				(7,103,000)	(4,263,000)
				33,009,775	36,841,831
TOTAL FUNDS				33,051,975	36,952,371

The notes form part of these financial statements

WADE DEACON TRUST
REGISTERED COMPANY NUMBER: 08278808 (England and Wales)
BALANCE SHEET - CONTINUED
AT 31 AUGUST 2016

The financial statements were approved by the Board of Trustees on 20 December 2016 and were signed on its behalf by:


Mr I Hann - Trustee

The notes form part of these financial statements

WADE DEACON TRUST
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2016

	Notes	31/8/16 £	31/8/15 £
Cash flows from operating activities:			
Cash generated from operations	1	<u>409,770</u>	<u>994,723</u>
Net cash provided by (used in) operating activities		<u>409,770</u>	<u>994,723</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		(299,477)	(834,210)
Interest received		<u>2,562</u>	<u>3,456</u>
Net cash provided by (used in) investing activities		<u>(296,915)</u>	<u>(830,754)</u>
Cash flows from financing activities:			
Loan repayments in year		<u>(158,308)</u>	<u>(120,500)</u>
Net cash provided by (used in) financing activities		<u>(158,308)</u>	<u>(120,500)</u>
Change in cash and cash equivalents in the reporting period		<u>(45,453)</u>	<u>43,469</u>
Cash and cash equivalents at the beginning of the reporting period	2	<u>1,570,469</u>	<u>1,527,000</u>
Cash and cash equivalents at the end of the reporting period	2	<u>1,525,016</u>	<u>1,570,469</u>

The notes form part of these financial statements

WADE DEACON TRUST
NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2016

1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	31/8/16 £	31/8/15 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(709,416)	2,728,572
Adjustments for:		
Depreciation	1,342,265	1,283,592
Transfer from Local Authority on conversion	-	(3,315,025)
Interest received	(2,562)	(3,456)
Decrease/(increase) in debtors	147,256	(273,781)
(Decrease)/increase in creditors	(16,773)	466,821
Difference between pension charge and cash contributions	<u>(351,000)</u>	<u>108,000</u>
Net cash provided by (used in) operating activities	<u>409,770</u>	<u>994,723</u>

2. ANALYSIS OF CASH AND CASH EQUIVALENTS

	31/8/16 £	31/8/15 £
Cash in hand	331	818
Notice deposits (less than 3 months)	1,524,685	1,698,661
Overdrafts included in bank loans and overdrafts falling due within one year	<u>-</u>	<u>(129,010)</u>
Total cash and cash equivalents	<u>1,525,016</u>	<u>1,570,469</u>

WADE DEACON TRUST

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

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) '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) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Academies Accounts Direction 2015 to 2016 issued by the EFA, the Charities Act 2011 and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Wade Deacon Trust meets the definition of a public benefit entity under FRS 102.

First time adoption of FRS 102

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

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.

Going concern

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

Income

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

Grants

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

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

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

WADE DEACON TRUST

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

1. ACCOUNTING POLICIES - continued

Donations

Donations are recognised on a receivable basis (where there are no performance related conditions), where it is probable that the income will be received and the amount can be measured reliably.

Other income

Other income including the hire of facilities, is recognised in the period it is receivable and to the extent the charity 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'.

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be 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 trust's accounting policies.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, 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 accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Charitable activities

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

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Long leasehold	- 2% on cost
Assets under construction	- not provided
Plant and machinery	- 20% on cost and 10% on cost
Computer equipment	- 20% on cost and 10% on cost

Assets costing £500 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 trust's depreciation policy. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

WADE DEACON TRUST

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

1. ACCOUNTING POLICIES - continued

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

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

Liabilities

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

Provisions

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

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

Taxation

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

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

WADE DEACON TRUST

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

1. ACCOUNTING POLICIES - continued

Pension costs and other post-retirement benefits

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes 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 pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 28, the 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 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 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 have vested. If the benefits have not 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 other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

Critical accounting estimates and areas of judgement

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 17, 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.

2. GENERAL ANNUAL GRANT

There are no restrictions on the value of GAG funding which can be carried forward.

3. DONATIONS AND CAPITAL GRANTS

	31/8/16	31/8/15
	£	£
Capital grants	<u>59,936</u>	<u>40,000</u>

WADE DEACON TRUST

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

4. FUNDING FOR THE ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £	Restricted funds £	31/8/16 Total funds £	31/8/15 Total funds £
Other education income	-	306,570	306,570	213,315
Teacher training income	-	150,750	150,750	141,476
Professional services income	-	-	-	85,901
Grants	-	15,124,056	15,124,056	12,533,690
	-	15,581,376	15,581,376	12,974,382

An analysis of grants received is given below:

	Unrestricted funds £	Restricted funds £	31/8/16 Total funds £	31/8/15 Total funds £
DfE/EFA revenue grant				
General Annual Grant(GAG)	-	13,798,180	13,798,180	11,329,335
Other EFA grants	-	1,111,519	1,111,519	1,064,887
	-	14,909,699	14,909,699	12,394,222
Other government grant				
Other grants	-	214,357	214,357	120,890
Other restricted funds				
Other restricted funds	-	-	-	18,578
	-	15,124,056	15,124,056	12,533,690

5. OTHER TRADING ACTIVITIES

	31/8/16 £	31/8/15 £
Hire of facilities	13,305	8,618
	13,305	8,618

6. INVESTMENT INCOME

	31/8/16 £	31/8/15 £
Deposit account interest	2,562	3,456

WADE DEACON TRUST

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

7. EXPENDITURE

				31/8/16	31/8/15
	Staff costs	Non-pay expenditure		Total	Total
	£	Premises	Other costs	£	£
		£	£		
Charitable activities					
Academies educational operations					
Direct costs	10,033,363	747,340	1,807,411	12,588,114	10,016,545
Allocated support costs	<u>1,874,238</u>	<u>1,442,827</u>	<u>461,396</u>	<u>3,778,461</u>	<u>3,641,080</u>
	<u>11,907,601</u>	<u>2,190,167</u>	<u>2,268,807</u>	<u>16,366,575</u>	<u>13,657,625</u>

Net income/(expenditure) is stated after charging/(crediting):

	31/8/16	31/8/15
	£	£
Auditors' remuneration	9,750	9,750
Other non-audit services	4,776	643
Depreciation - owned assets	1,342,265	1,283,592
Other operating leases	<u>26,986</u>	<u>37,760</u>

8. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS

			31/8/16	31/8/15
	Unrestricted funds	Restricted funds	Total funds	Total funds
	£	£	£	£
Direct costs	84,207	12,503,907	12,588,114	10,016,545
Support costs	<u>-</u>	<u>3,778,461</u>	<u>3,778,461</u>	<u>3,641,625</u>
	<u>84,207</u>	<u>16,282,368</u>	<u>16,366,575</u>	<u>13,657,625</u>

	31/8/16	31/8/15
	Total	Total
	£	£
Analysis of support costs		
Support staff costs	1,874,238	1,532,086
Technology costs	108,998	156,315
Premises costs	1,414,376	1,067,328
Other support costs	296,271	754,958
Governance costs	<u>84,578</u>	<u>130,393</u>
Total support costs	<u>3,778,461</u>	<u>3,641,080</u>

WADE DEACON TRUST

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

9. TRUSTEES' REMUNERATION AND BENEFITS

One or more trustees has been paid remuneration or has received other benefits from an employment with the academy trust. Staff trustees only receive remuneration in respect of services they provide undertaking the roles of staff members under their contracts of employment.

The value of trustees' remuneration and other benefits was as follows:

Mrs P A Wright (staff Trustee – CEO) - Remuneration £15,000 - £20,000 (2015 £Nil). There are no pension contributions to report.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 August 2016, or for the year ended 31 August 2015.

10. STAFF COSTS

	31/8/16 £	31/8/15 £
Wages and salaries	9,400,782	7,331,432
Social security costs	766,719	631,357
Other pension costs	<u>1,431,572</u>	<u>979,200</u>
	11,599,073	8,941,989
Supply teacher costs	257,716	198,374
Other staff costs	12,802	7,683
External tutors	<u>38,010</u>	<u>35,924</u>
	<u>11,907,601</u>	<u>9,183,970</u>

The average number of persons (including senior management team) employed by the charitable company during the year was as follows:

	31/8/16	31/8/15
Teachers and educational support	262	225
Administration & support	135	117
Management	<u>9</u>	<u>9</u>
	<u>406</u>	<u>351</u>

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

	31/8/16	31/8/15
£60,001 - £70,000	3	5
£70,001 - £80,000	1	2
£80,001 - £90,000	1	-
£90,001 - £100,000	<u>1</u>	<u>1</u>
	<u>6</u>	<u>8</u>

WADE DEACON TRUST

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

10. STAFF COSTS - continued

Key management remuneration

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £288,262 (2015: £319,658).

11. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2016 was £1,085. The cost of this insurance is included in the total insurance cost.

12. TANGIBLE FIXED ASSETS

	Long leasehold £	Assets under construction £	Plant and machinery £
COST			
At 1 September 2015	38,474,780	386,771	2,482,703
Additions	207,844	17,874	8,316
Reclassification	386,771	(386,771)	-
	<u>39,069,395</u>	<u>17,874</u>	<u>2,491,019</u>
At 31 August 2016			
	<u>39,069,395</u>	<u>17,874</u>	<u>2,491,019</u>
DEPRECIATION			
At 1 September 2015	1,549,970	-	769,101
Charge for year	747,340	-	326,472
	<u>2,297,310</u>	<u>-</u>	<u>1,095,573</u>
At 31 August 2016			
	<u>2,297,310</u>	<u>-</u>	<u>1,095,573</u>
NET BOOK VALUE			
At 31 August 2016	<u>36,598,203</u>	<u>191,756</u>	<u>1,395,446</u>
At 31 August 2015	<u>36,924,810</u>	<u>386,771</u>	<u>1,713,602</u>

WADE DEACON TRUST

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

12. TANGIBLE FIXED ASSETS - continued

	Motor vehicles £	Computer equipment £	Totals £
COST			
At 1 September 2015	15,000	1,724,436	43,083,690
Additions	-	65,443	299,477
Reclassification	-	-	-
At 31 August 2016	<u>15,000</u>	<u>1,789,879</u>	<u>43,383,167</u>
DEPRECIATION			
At 1 September 2015	3,750	525,052	2,847,873
Charge for year	<u>3,750</u>	<u>264,703</u>	<u>1,342,265</u>
At 31 August 2016	<u>7,500</u>	<u>789,755</u>	<u>4,190,138</u>
NET BOOK VALUE			
At 31 August 2016	<u>7,500</u>	<u>1,000,124</u>	<u>39,193,029</u>
At 31 August 2015	<u>11,250</u>	<u>1,199,384</u>	<u>40,235,817</u>

Included in cost or valuation of land and buildings is freehold land of £1,587,000

The trust's transactions relating to land and buildings included:

- Completion of the dining extension at a cost of £594,615.
- Commencement of work on the art extension at a cost to date of £17,874.

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31/8/16 £	31/8/15 £
Trade debtors	74,226	22,296
VAT	34,432	69,035
Prepayments and accrued income	<u>131,969</u>	<u>296,552</u>
	<u>240,627</u>	<u>387,883</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31/8/16 £	31/8/15 £
Bank loans and overdrafts (see note 16)	-	129,010
Other loans (see note 16)	129,672	115,200
Trade creditors	189,508	334,007
Other creditors	349,999	139,652
Accruals and deferred income	<u>134,518</u>	<u>217,139</u>
	<u>803,697</u>	<u>935,008</u>

WADE DEACON TRUST

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

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR - continued

Deferred income

	2016 £
Deferred income at 1 September 2015	54,497
Released from previous years	(54,497)
Resources deferred in the year	<u>110,747</u>
Deferred income at 31 August 2016	<u>110,747</u>

The deferred income at 1 September 2015 related to capital funding. The deferred income at 31 August 2016 related to capital funding and income from Everton FC for the period commencing 1 September 2016.

15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31/8/16 £	31/8/15 £
Other loans (see note 16)	<u>-</u>	<u>172,800</u>

16. LOANS

An analysis of the maturity of loans is given below:

	31/8/16 £	31/8/15 £
Amounts falling due within one year on demand:		
Bank overdraft	-	129,010
Other loans	<u>129,672</u>	<u>115,200</u>
	<u>129,672</u>	<u>244,210</u>
Amounts falling between one and two years:		
Other loans - 1-2 years	<u>-</u>	<u>115,200</u>
Amounts falling due between two and five years:		
Other loans - 2-5 years	<u>-</u>	<u>57,600</u>

The loan balance is in respect of a contribution to the cost of the ICT equipment transferred on conversion from Halton Borough Council.

WADE DEACON TRUST

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

17. OPERATING LEASE COMMITMENTS

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

	Other operating leases 31/8/16 £	31/8/15 £
Expiring:		
Within one year	7,107	37,760
Between one and five years	<u>9,801</u>	<u>16,818</u>
	<u>16,908</u>	<u>54,578</u>

18. MOVEMENT IN FUNDS

	At 1/9/15 £	Net movement in funds £	Transfers between funds £	At 31/8/16 £
Unrestricted funds				
General fund	110,540	(68,340)	-	42,200
Restricted funds				
Fixed asset restricted funds	39,947,817	(1,282,329)	527,541	39,193,029
Other restricted general funds	716,463	290,273	(86,990)	919,746
General annual grant	440,551	-	(440,551)	-
Pension reserve	<u>(4,263,000)</u>	<u>(2,840,000)</u>	<u>-</u>	<u>(7,103,000)</u>
	36,841,851	(3,832,056)	-	33,009,775
TOTAL FUNDS	<u>36,952,371</u>	<u>(3,900,396)</u>	<u>-</u>	<u>33,051,975</u>

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General fund	15,867	(84,207)	-	(68,340)
Restricted funds				
Fixed asset restricted funds	59,936	(1,342,265)	-	(1,282,329)
Other restricted general funds	1,783,196	(1,492,923)	-	290,273
General annual grant	13,798,180	(13,798,180)	-	-
Pension reserve	<u>-</u>	<u>351,000</u>	<u>(3,191,000)</u>	<u>(2,840,000)</u>
	15,641,312	(16,282,368)	(3,191,000)	(3,832,056)
TOTAL FUNDS	<u>15,657,179</u>	<u>(16,366,575)</u>	<u>(3,191,000)</u>	<u>(3,900,396)</u>

Transfers between funds reflect the financing of capital purchases from revenue funding.

WADE DEACON TRUST

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

18. MOVEMENT IN FUNDS - continued

Nature of material funds

General fund

Represents amounts derived from the hire of facilities and investment income.

General Annual Grant

This represents the balance remaining from core funding provided by the EFA for the schools core educational activities. Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2016.

Other Restricted General Funds

This represents the balance remaining from other funding provided by the EFA/DfE and local authorities for the schools educational activities.

Pension Reserve

This is the Local Government Pension Scheme deficit attributable to the school and is derived from the report of the actuary produced as at 31st August 2016.

Fixed Asset Restricted Funds

This represents the value of fixed assets as shown on the balance sheet. The assets underlying the fund are the Trust's land & buildings, furniture, motor vehicles, fixtures & fittings and computer equipment.

Utilisation of the surplus revenue funds

The Trust has identified accrued surplus for allocation to capital projects which have or are in the process of taking place across the relevant schools. Across all schools ICT infrastructure has been upgraded, Widnes Academy internal refurbishment programme has taken place, Hillside internal refurbishments have been supported and planning approval has now been obtained for an extension project of 4 classrooms at Wade Deacon High School to commence Spring 2017 for a summer completion.

Analysis of academies funds balance

	Total 2016 £	Total 2015 £
Wade Deacon	761,896	1,165,122
Hillside High School	(73,196)	(88,667)
Widnes Academy	193,246	167,155
Central Services	<u>80,000</u>	<u>23,944</u>
Total before fixed assets and pension reserve	961,946	1,267,554
Restricted fixed asset fund	39,193,029	39,947,817
Pension reserve	<u>(7,103,000)</u>	<u>(4,263,000)</u>
Total Trust Funds	<u><u>33,051,975</u></u>	<u><u>36,952,371</u></u>

WADE DEACON TRUST

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

18. MOVEMENT IN FUNDS - continued

Analysis of academies by cost

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

	Teaching & Educational Support Staff costs £	Other Support Staff Costs £	Educational Supplies £	Other costs (Excluding Depreciation) £	Total £
Wade Deacon	5,743,772	1,074,364	672,501	880,298	8,370,935
Hillside High	3,283,628	836,361	450,897	806,723	5,377,609
Widnes Academy	546,894	86,235	30,151	173,244	836,524
Central Services	-	336,347	-	102,895	439,242
	<u>9,574,294</u>	<u>2,333,307</u>	<u>1,153,549</u>	<u>1,963,160</u>	<u>15,024,310</u>

19. PENSION AND SIMILAR OBLIGATIONS

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Cheshire West & Chester Council (Wade Deacon and Widnes Academy) and Merseyside Council (Hillside High). Both are defined-benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013. There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

WADE DEACON TRUST

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

19. PENSION AND SIMILAR OBLIGATIONS - continued

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

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

The pension costs paid to TPS in the period amounted to £1,629,000 (2015: £1,178,380).

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 pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2015 was £232,333, of which employer's contributions totalled £169,913 and employees' contributions totalled £62,420. The agreed contribution rates for future years are 21.8% for employers and from 5.5% to 12.5% for employees.

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

Financial assumptions - Wade Deacon & Widnes Academy

Principal actuarial assumptions at the balance sheet date:

	31/8/16 % p.a	31/8/15 % p.a
Inflation/pension increase rate	2.1%	2.7%
Salary increase rate	3.1%	3.6%
Expected return on assets	2.1%	3.8%
Discount rate	2.1%	3.8%

WADE DEACON TRUST

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

19. PENSION AND SIMILAR OBLIGATIONS - continued

Financial assumptions - Hillside High

Principal actuarial assumptions at the balance sheet date:

	31/8/16 % p.a	31/8/15 % p.a
Inflation/pension increase rate	1.9%	2.3%
Salary increase rate	3.3%	3.8%
Expected return on assets	see note	see note
Discount rate	2.1%	4.0%

Note: Expected return on assets for the Hillside High pension scheme is not available.

Mortality

The current mortality assumptions include sufficient allowance for future improvements in mortality rates.

The assumed life expectations on retirement age 65 are:

Wade Deacon & Widnes Academy

	At 31 August 2016	At 31 August 2015
Retiring today		
Males	22.3 years	22.3 years
Females	24.4 years	24.1 years

Retiring in 20 years

Males	24.1 years	22.3 years
Females	26.7 years	24.1 years

Hillside High

	At 31 August 2016	At 31 August 2015
Retiring today		
Males	22.5 years	22.4 years
Females	25.4 years	25.3 years

Retiring in 20 years

Males	24.9 years	24.8 years
Females	28.2 years	28.1 years

WADE DEACON TRUST

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

19. PENSION AND SIMILAR OBLIGATIONS - continued

The academy trust's share of the assets in the schemes were:

	Fair value at 31/8/16 £000	Fair value at 31/8/15 £000
Equities	1,880	1,155
Bonds	1,265	914
Property	255	215
Cash	<u>143</u>	<u>113</u>
	<u><u>3,553</u></u>	<u><u>2,397</u></u>

The actual return on scheme assets was

The amounts recognised in the statement of financial activities

	31/8/16 £'000	31/8/15 £'000
Current service cost (net of employer contributions)	(25)	111
Net interest cost	163	195
Administration expenses	<u>4</u>	<u>3</u>
Total operating charge	<u><u>142</u></u>	<u><u>309</u></u>

The amounts recognised in the statement of financial activities are as follows

	31/8/16 £'000	31/8/15 £'000
Current service cost (net of employee contributions)	186	118
Net interest cost	109	51
Administration expenses	4	3
Benefit changes, gain/(loss) on curtailment and gain/(loss) on settlement	<u> </u>	<u> </u>
Total operating charge	<u><u>299</u></u>	<u><u>172</u></u>

WADE DEACON TRUST

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

19. PENSION AND SIMILAR OBLIGATIONS - continued

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

	31/8/16 £'000	31/8/15 £'000
At 1 September	7,495	3,419
Business combinations	-	3,538
Current service cost	540	438
Interest cost	299	197
Employee contributions	139	107
Actuarial (gains)/ losses	3,243	(204)
Benefits paid	<u>(64)</u>	<u>-</u>
At 31 August	<u><u>11,652</u></u>	<u><u>7,495</u></u>

Reconciliation of fair value of employer assets

	31/8/16 £'000	31/8/15 £'000
At 1 September	3,232	2,183
Interest income	136	-
Business combinations	-	47
Expected return on assets	493	133
Actuarial gains/(losses)	52	67
Employer contributions	565	394
Employee contributions	139	107
Benefits paid	(64)	-
Administration expenses	(4)	(3)
Plan introductions, benefit changes, curtailments and settlements	<u>-</u>	<u>304</u>
At 31 August	<u><u>4,549</u></u>	<u><u>3,232</u></u>

The total actuarial charges and reconciliation of the deficit

	31/8/16 £'000	31/8/15 £'000
Pension deficit at 1 September	4,263	1,236
Total charge/(credit) resulting from changes in actuarial assumptions	3,191	(271)
Business combinations	-	3,538
Total of other charges/(income)	<u>(351)</u>	<u>(240)</u>
At 31 August	<u><u>7,103</u></u>	<u><u>4,263</u></u>

WADE DEACON TRUST

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

20. CENTRAL SERVICES

The academy trust has provided the following central services to its academies during the year:

The following services are provided:-

Financial services
Educational support

The trust charges for these services as a percentage of the GAG income received by each school at the following rates - Wade Deacon and Hillside High 4% and Widnes Academy 5%.

The actual amounts charged during the year were as follows:-

	31/8/16 £	31/8/15 £
Wade Deacon	322,107	326,153
Hillside High	199,974	90,035
Widnes Academy	<u>33,154</u>	<u>18,834</u>
	<u>555,235</u>	<u>435,022</u>

21. RELATED PARTY DISCLOSURES

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

Other than the employee Trustee remuneration disclosed in note 9, there were no related party transactions for the year ended 31 August 2016.

22. FIRST YEAR ADOPTION

Explanation of transition to FRS 102

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

Reconciliations and descriptions of the effect of the transition to FRS 102 and SORP 2015 on total funds and net income/(expenditure) for the comparative period reported under previous UK GAAP and SORP 2005 are given below:

Reconciliation of total funds

The total funds at 1 September 2014 and 31 August 2015 remain unchanged no transitional adjustment were necessary. The change in the recognition of LGPS interest costs was equal to the change in the actuarial loss resulting in no net change to the fund balances.