

The Waverley Education Foundation Ltd

(A Company Limited by Guarantee)

**Annual Report and Financial Statements
Year ended 31 August 2016**

Company Number : 08331922

**Feltons
Chartered Accountants**

**Birmingham
B1 3JR**



The Waverley Education Foundation Ltd
(A Company Limited by Guarantee)

Report and Financial Statements
Year ended 31 August 2016

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**The Waverley Education Foundation Ltd
(A Company Limited by Guarantee)**

Reference and Administrative Details

Members	Berman, Giora Bhatti, Saqib Mohammad (resigned10/12/2015) Caeser, Ivy Dhillon, Surinder Morris, Kendrick Cecil
Trustees	Abbas, Zaheer Berman, Giora (Chair) Bhatti, Saqib Mohammad (resigned10/12/2015) Caeser, Ivy Dhillon, Surinder Ejaz, Hash Morris, Kendrick Cecil
Senior management team	
<ul style="list-style-type: none">• Principal• Principal• Deputy principal• Deputy principal• Deputy principal• Deputy principal	Ms J Newsome Ms S Darr Ms A McLeish Mr I Muhammed Mrs K Pouni Ms D Reddy
Company name	The Waverley Education Foundation Ltd
Principal and registered office	311 Yardley Green Road Bordesley Green East Birmingham B9 5QA
Company registration number	08331922
Independent auditor	Feltons 8 Sovereign Court 8 Graham Street Birmingham B1 3JR
Bankers	Nat West/RBS 5 th Floor 2 St Phillips Place Birmingham B3 2RB
Solicitors	Irwin Mitchell LLP Imperial House, 31 Temple Street, Birmingham, B2 5DB

The Waverley Education Foundation Ltd (A Company Limited by Guarantee)

Trustees' report

The Trustees/Members present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2015 to 31 August 2016. The annual report serves the purposes of both a trustees' report and a directors' report (incorporating a strategic report) under company law.

The Multi Academy operates one All through School (4-19) and one Studio College (14-19) serving catchment areas in East Birmingham area which are :

- Waverley School
- Waverley Studio College

They have a combined pupil capacity of 2086 and had a roll of 1710 in the school census on 6/10/2016.

Structure, Governance and Management

Constitution

The Multi 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 Multi Academy Trust. The Members of Waverley Education Foundation Multi Academy are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as The Waverley Education Foundation Ltd.

Details of the Trustees/Members who served during the year are included in the Reference and Administrative details on page 1.

Members' liability

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

Trustees' indemnities

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

Method of recruitment and appointment or election of Trustees

Community Trustees may be appointed by the Governing Body provided that the person who is appointed as a Community Trustee is:

- a person who lives or works in the community served by the Multi Academy; or
- a person who, in the opinion of the Governing Body, is committed to the government and success of the Multi Academy.

**The Waverley Education Foundation Ltd
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Trustees' report (continued)

Staff Trustees are elected by employees of the Multi Academy Trust.

Policies and Procedures Adopted for the Induction and Training of Trustees/Members

The Governing Body has a Service Level Agreement with the Trustee Support department of School & Governor Support (Birmingham City Council) to provide training, advice and support to the Governing Body.

Newly elected Trustees attend Induction Training for new Trustees, and in addition select specific training provided by Trustee Support in accordance with their needs.

One of the Trustees is appointed as Link Trustee, attends relevant training and provides information to Trustees following such training.

The CEO's Personal Assistant is the Leader for Professional Development of LGB and Trustees, and he/she ensures that Trustees are provided with opportunities to receive training in accordance with their role, and the school's Training Plan.

Organisational structure

The Governing Body has established committees and appoints Trustees to serve on each of the committees annually. The committees for the period of the report were:

Board of Members

- Head Teacher Performance Management
Accounts Approval committee

Board of Trustees

- Finance and Estates Committee
Remuneration & Pay Committee
Performance/Disciplinary Appeals Committee
Appeals
Audit Committee

Local Governing Body - Curriculum & Standards

- Curriculum and Standards
Staff and Pupil Discipline

**The Waverley Education Foundation Ltd
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Trustees' report (continued)

The written terms of reference of the committees include the monitoring of the preparation and management of the Multi Academy's budget and implementation of the Multi Academy's financial management policies, including risk assessment.

The Governing Body also appoints a Responsible Officer and this role has been fully implemented in accordance with the Multi Academy Trust's Financial Procedures.

Arrangements for setting pay and remuneration of key management personnel

In determining Senior Leader Pay levels, the calculation for Individual School Range is exercised, and salary identified as a result of the outcome is adopted.

Related parties and other Connected Charities and Organisations

Connected charities or organisations during the period are described in note 23 related party transactions.

Objectives and activities

Objects and aims

The strategic goal of Waverley Education Foundation Multi Academy is to provide a broad and balanced curriculum to all pupils in accordance with the Funding Agreement between the Multi Academy Trust and the Department for Education.

Objectives, strategies and activities

The main objectives for the year are:

- Waverley Studio College to be supported to improve standards
- Ensure that Waverley Education achieves PAN in all phases Trust wide in AY2017/2018
- To Improve KS1, KS2 & KS4 results Trust wide
- To Ensure the Trust is financially sustainable in the Immediate, Medium and Long Term.

The strategies adopted for achieving these objectives are:

- To improve standards ensure that excellent classroom practice adopted by all practitioners, via robust monitoring of Teaching & Learning across the Trust
- Ensure a robust marketing plan is in place
- Education Advisory Board meet to discuss data and deploy strategies for improvements in areas that require.

Public benefit

In setting our objectives and planning our activities, the Governing Body has given careful consideration to the Charity Commission's general guidance on public benefit.

Waverley Education Foundation Multi Academy is an equal opportunity employer, and strives to give full and fair consideration to all applicants for employment, training and promotions, irrespective of disability, gender, race, colour or sexual orientation.

**The Waverley Education Foundation Ltd
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Trustees' report (continued)

Strategic Report

Achievements and Performance

Waverley Studio College:

The attainment and rates of progress made by Year 11 pupils have improved significantly in the last year and within the range of the school target. However, when comparing nationally we must be mindful that we are starting from a very low base. In 2015, only 2% of pupils gained five or more GCSEs at grades C or above, including English and Mathematics. In 2016, school data indicates that 25% of pupils gained these qualifications. School data on the percentage of pupils achieving a good pass at GCSEs in English and mathematics has improved from 7% in 2015 to 27% in 2016. Similar rates of improvement are evident in terms of the progress pupils have made from their starting points. LOP in Maths and English were in line with the target, Maths achieved 51% 3LOP, the target was 52% and English achieved 63%, the school target was 65%. Evidence from lesson observations support the view that pupils at key stage 4 are making much better progress than previously. However, Progress 8, the new accountability measure, is still just below the government's current floor standard, which sets the minimum expectations for pupils' progress at -0.6 and the target being -0.5.

There are few differences between the achievement of different groups of pupils, including disadvantaged pupils and those who have special educational needs and/or disabilities. However, the rate of progress made by middle-ability pupils is not as rapid as that made by least-able and most-able pupils.

Quality assurance of teacher assessments and moderation is strong which is evident from the results being in line with the targets.

Waverley School:

At Key Stage 1 in terms of pupils achieving the expected standard, in Phonics testing by the end of Year 1, 66% of our pupils achieve this, in comparison with 74% nationally. At the end of Year 2, 91% of pupils achieved the expected standard in Phonics, showing that it is taking longer than expected to reach the expected standard but we are closing that gap by the end of Year 2.

When looking at pupils reaching the expected standard + at the end of year 2 in Reading, Writing and Mathematics: 73% of our pupils met this standard in reading compared to 74% nationally. 72% met the expected standard in writing, significantly higher than the 65% who met this nationally. In Mathematics 73% met the expected standard and this was 73% nationally.

When looking at pupils reaching the greater depth standard at the end of year 2 in Reading, Writing and Mathematics: 14% of our pupils met this standard in reading compared to 24% nationally. 6% met the expected standard in writing, 13% who met this nationally. In Mathematics 9% met the expected standard and this was 18% nationally.

A greater focus needs to be on improving the % of pupils achieving to a greater depth.

At Key stage 4 for pupils who left in the summer of 2016, Progress 8 is -0.22, above the national floor standard of -0.5 but below the national average of 0. The Attainment 8 score is 47.2, nationally this was 48.2, so it is broadly in line. 61% of our pupils achieved a grade C in English and in Mathematics, above the national average of 59%. 27% of our pupils achieved the Ebacc compared to 23% nationally.

A greater focus on improving the progress 8 to ensure a healthy positive figure, with particular concerns around the achievement of pupils with high prior attainment and reducing gaps between disadvantaged and other pupils.

At key stage 5 for Year 13 pupils, the Level 3 value added score is +0.19, above the national of 0. All of our sixth form pupils were accepted on to the university places they applied for.

The Waverley Education Foundation Ltd (A Company Limited by Guarantee)

Trustees' report (continued)

Key Performance Indicators

- Direct costs as a percentage of total costs were 68.6% (2015 : 69%)
- Support costs as a percentage of total costs were 31.4% (2015 : 31%)
- Total payroll costs as a percentage of recurring income were 60.0% (2015 : 49.4%)

Going concern

After making appropriate enquiries, the board of members has a reasonable expectation that the Multi 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 financial results of The Waverley Education Foundation Ltd are detailed in the following pages. It is considered that the finances are sound and well established. The principal financial management policies adopted are laid down by the Finance Handbook for Academies published by the EFA and requirements as laid down by the Multi Academy's Financial Handbook.

The principal funding source is grant income from the EFA. All expenditure of this grant income is planned to fulfil the objectives and strategies of the Multi Academy.

During the year ended 31 August 2016 total resources expended were £11,386,063 and the surplus of income over expenditure was £1,282,425 which included depreciation of £1,125,030.

Reserves Policy

The Trustees continually monitor the reserves of the Charitable Company. This process encompasses the nature of income and expenditure streams and the need to match commitments with income and nature of reserves.

It is the Governing Body's general policy to continue to build reserves which can be used for future educational purposes.

The Multi Academy had total funds at 31 August 2016 of £33,889,576 which included £35,615,874 restricted funds not available for general purposes of the Multi Academy Trust, £1,518,492 of free reserves defined as unrestricted funds available for general purposes and £35,615,874 which can only be realised by the disposal of tangible fixed assets.

The balance on restricted general funds (excluding pension reserve) plus the balance on unrestricted funds was a surplus of £1,895,702.

In addition, the deficit on the restricted pension fund of £3,622,000 arises from an actuarial deficit on the local government pension scheme which will be dealt with as advised by the actuary.

The trustees regularly review the level of reserves and aim to maintain them at a level to adequately meet the needs of the school.

**The Waverley Education Foundation Ltd
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Trustees' report (continued)

Investment Policy

Surplus funds at the year end are not separately invested.

Principal Risks and Uncertainties

The Trustees/Members have considered the major risks and uncertainties facing the Charitable Company which include changes in legislation and regulations and cash flow management and have put in place procedures to deal with these matters.

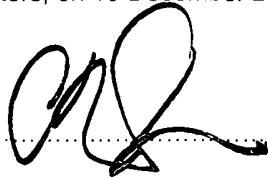
Attention has also been focussed on non-financial risks arising from fire, health and safety. These risks are managed by ensuring accreditation is up to date, having robust policies in place, and regular awareness training for staff working in these operational areas. As a PFI school, these areas are the responsibility of the Facilities Management Company.

Auditor

Insofar as the Members are aware :

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

Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 15 December 2016 and signed on the board's behalf by:



..... Giora Berman - Chair of Trust

**The Waverley Education Foundation Ltd
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Governance statement

Scope of Responsibility

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

The board of members has delegated the day-to-day responsibility to the Chief Executive Officer, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The Waverley Education Foundation Ltd and the Secretary of State for Education. They are also responsible for reporting to the board of members any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the statement of Trustees' Responsibilities. The **board of trustees** has formally met 6 times during the year. Attendance during the year at meetings of the board of trustees was as follows :

Trustee	Meeting attended	Out of a possible
Abbas, Zaheer	1	3
Berman, Giora (Chair)	6	6
Bhatti, Saqib Mohammad (resigned 10/12/2015)	1	1
Caeser, Ivy	6	6
Dhillon, Surinder	2	6
Ejaz, Hash	5	5
Morris, Kendrick Cecil	5	6

**The Waverley Education Foundation Ltd
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Governance statement (continued)

The **finance and estates committee** is a sub-committee of the main board of trustees. Its purpose is to provide financial oversight for the Multi Academy Trust.

Trustee	Meeting attended	Out of a possible
Abbas, Zaheer	1	4
Berman, Giora (Chair)	6	6
Bhatti, Saqib Mohammad (resigned 10/12/2015)	0	0
Caesar, Ivy	6	6
Dhillon, Surinder	2	6
Ejaz, Hash	4	4
Morris, Kendrick Cecil	3	4

Review of value for money

As accounting officer the Principal has responsibility for ensuring that the Multi 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 resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the Multi Academy Trust has delivered improved value for money during the year by :

- Providing robust governance and oversight of the trust's finances.
- Ensuring the operations of the Trust demonstrate good value for money and efficient and effective use of resources.
- Reviewing controls and managing risks.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Multi Academy's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Waverley Education Foundation Ltd for the year to 31 August 2016 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The board of trustees has reviewed the key risks to which the Multi Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Multi Academy Trust's significant risks that has been in place for the year 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 Waverley Education Foundation Ltd
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Governance statement (continued)

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Finance & Estates Committee;
- regular reviews by the Finance and General Purposes 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.

Review of Effectiveness

As Accounting Officer, the Chief Executive Officer 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 work of the executive managers within the Multi Academy Trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the Governing Body on 15 December 2016 and signed on its behalf by:



Giora Berman
Chair of Governors



Kamal Hanif
Accounting Officer

**The Waverley Education Foundation Ltd
(A Company Limited by Guarantee)**

Statement of regularity, propriety and compliance

As accounting officer of The Waverley Education Foundation Ltd I have considered my responsibility to notify the Multi Academy Trust 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 Multi Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2015.

I confirm that I and the Multi Academy Trust board of trustees are able to identify any material irregular or improper use of funds by the Multi Academy Trust, or material non-compliance with the terms and conditions of funding under the Multi Academy Trust'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 the EFA.



Kamal Hanif – Accounting Officer

15 December 2016

**The Waverley Education Foundation Ltd
(A Company Limited by Guarantee)**

Statement of Trustees' Responsibilities

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

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

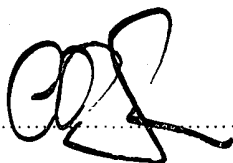
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards [FRS 102] have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of trustees on 15 December 2016 and signed on its behalf by:



..... Giora Berman – Chair of Trustees

**The Waverley Education Foundation Ltd
(A Company Limited by Guarantee)**

**Independent Auditor's Report on the Financial Statements to the Members of
The Waverley Education Foundation Ltd**

We have audited the financial statements of The Waverley Education Foundation Ltd (A Company Limited by Guarantee) for the year ended 31 August 2016 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

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

Respective responsibilities of trustees and auditor

As explained more fully in the statement of trustees' responsibilities (set out on page 12), the trustees (who are also the directors of The Waverley Education Foundation Ltd 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 Waverley Education Foundation Ltd'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 Trustees' Report 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 Waverley Education Foundation Ltd'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; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and Academies Accounts Direction 2015 to 2016.

**The Waverley Education Foundation Ltd
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**Independent Auditor's Report on the Financial Statements to the Members of The Waverley
Education Foundation Ltd
(continued)**

Opinion on other matter prescribed by the Companies Act 2006

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

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
- 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 the audit.

Feltons

.....
David W Farnsworth FCA (Senior Statutory Auditor)

For and on behalf of Feltons, Statutory Auditor

8 Sovereign Court

8 Graham Street

Birmingham B1 3JR

16 December 2016

**The Waverley Education Foundation Ltd
(A Company Limited by Guarantee)**

Independent Reporting Accountant's Assurance Report on Regularity to The Waverley Education Foundation Ltd and the Education Funding Agency

In accordance with the terms of our engagement letter dated 10 October 2013 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 The Waverley Education Foundation Ltd during the year 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 The Waverley Education Foundation Ltd and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The Waverley Education Foundation Ltd 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 The Waverley Education Foundation Ltd and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of The Waverley Education Foundation Ltd's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of The Waverley Education Foundation Ltd's funding agreement with the Secretary of State for Education dated 25 July 2013 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 year 1 September 2015 to 31 August 2016 have not been applied to purposes intended by Parliament and 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 Waverley Education Foundation Ltd's income and expenditure.

The work undertaken to draw our conclusion includes :

- Consideration of the applicable legislation and The Waverley Education Foundation Ltd's Funding Agreement
- Review and evaluation of The Waverley Education Foundation Ltd's system of internal controls
- Examination and assessment of the Accounting Officer's statement on Regularity, Propriety and Compliance

- Examination, on a test basis, of third party evidence supporting income and expenditure
- Review of exceptional and unusual items

The Waverley Education Foundation Ltd
(A Company Limited by Guarantee)

Independent Reporting Accountant's Assurance Report on Regularity to The Waverley Education Foundation Ltd and the Education Funding Agency (continued)

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 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.



.....
David W Farnsworth FCA (Senior Statutory Auditor)

For and on behalf of Feltons, Statutory Auditor

8 Sovereign Court

8 Graham Street

Birmingham B1 3JR

16 December 2016

The Waverley Education Foundation Ltd
(A Company Limited by Guarantee)

Statement of financial activities for the year ended 31 August 2016
(including income and expenditure account)

	Notes	Unrestricted funds £	Restricted pension fund £	Restricted general funds £	Restricted fixed asset funds £	Total 2016 £	Total 2015 £
Income from :							
Donations and capital grants	2	-	-	-	2,978,932	2,978,932	1,359,663
Transfer from local authority on conversion		-	-	-	-	-	32,064,825
Funding for the academy trust's educational operations	3	87,938	-	9,594,015	-	9,681,953	2,362,930
Other trading activities	4	7,603	-	-	-	7,603	4,524
Total		95,541	-	9,594,015	2,978,932	12,668,488	35,791,942
Expenditure on :							
Charitable activities:							
Academy trust's educational operations	5	-	72,000	10,141,628	1,172,435	11,386,063	2,493,193
Total		-	72,000	10,141,628	1,172,435	11,386,063	2,493,193
Net income/(expenditure) before transfers		95,541	(72,000)	(547,613)	1,806,497	1,282,425	33,298,749
Transfers between funds	14	-	-	(207,468)	207,468	-	-
Net income/(expenditure) after transfers		95,541	(72,000)	(755,081)	2,013,965	1,282,425	33,298,749
Other recognised gains/(losses)							
Actuarial gains/(losses) on defined benefit pension schemes	14, 22	-	(1,228,000)	-	-	(1,228,000)	(3,000)
Net movement in funds		95,541	(1,300,000)	(755,081)	2,013,965	54,425	33,295,749
Reconciliation of funds							
Total funds brought forward	14	1,422,951	(2,322,000)	1,132,291	33,601,909	33,835,151	539,402
Total funds carried forward		1,518,492	(3,622,000)	377,210	35,615,874	33,889,576	33,835,151

All of the Academy's activities were derived from acquisitions during the comparative year.

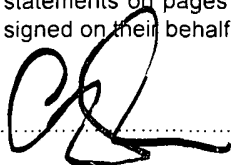
The Waverley Education Foundation Ltd
(A Company Limited by Guarantee)

Company number : 08331922

Balance sheet as at 31 August 2016

		2016		2015	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	11		38,411,678		36,524,036
Current assets					
Debtors	12	304,522		1,710,629	
Cash at bank and in hand		<u>3,201,793</u>		<u>1,793,814</u>	
		3,506,315		3,504,443	
Liabilities					
Creditors: amounts falling due within one year	13(a)	<u>1,736,519</u>		<u>1,067,456</u>	
Net current assets			1,769,796		2,436,987
Total assets less current liabilities			<u>40,181,474</u>		<u>38,961,023</u>
Creditors: amounts falling due after more than one year	13(b)		(2,669,898)		(2,803,872)
Net assets excluding pension liability			<u>37,511,576</u>		<u>36,157,151</u>
Defined benefit pension scheme liability	22		(3,622,000)		(2,322,000)
Total net assets			<u><u>33,889,576</u></u>		<u><u>33,835,151</u></u>
Funds of the academy trust :					
Restricted funds					
Fixed asset fund	14	35,615,874		33,601,909	
General fund	14	377,210		1,132,291	
Pension reserve	14	<u>(3,622,000)</u>		<u>(2,322,000)</u>	
Total restricted funds			32,371,084		32,412,200
Unrestricted income funds	14		1,518,492		1,422,951
Total funds			<u><u>33,889,576</u></u>		<u><u>33,835,151</u></u>

The financial statements on pages 17 to 39 were approved by the trustees, and authorised for issue on 15 December 2016 and are signed on their behalf by:



Giora Berman - Chair of Trustees

The Waverley Education Foundation Ltd
(A Company Limited by Guarantee)

Statement of cash flows for the year ended 31 August 2016

	Notes	2016 £	2015 £
Cash flows from operating activities			
Net cash provided by / (used in) operating activities	18	1,489,124	1,647,894
Cash flows from investing activities	19	(81,145)	(179,884)
		<u>1,407,979</u>	<u>1,468,010</u>
Cash and cash equivalents at 1 September 2015		1,793,814	325,804
Cash and cash equivalents at 31 August 2016	20	<u>3,201,793</u>	<u>1,793,814</u>

**The Waverley Education Foundation Ltd
(A Company Limited by Guarantee)**

Notes to the financial statements for the year ended 31 August 2016

1. Statement of accounting policies

Basis of preparation

The financial statements of the multi academy trust have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

The Waverley Education Foundation Limited Multi Academy meets the definition of a public benefit entity under

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 year of at least one year from the date of authorisation for issue of the financial statements and have concluded that the multi academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the multi academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Income

All incoming resources are recognised when the multi academy trust has entitlement to the funds, the receipt is probable 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 year 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 year 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.

- **Donations**

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

**The Waverley Education Foundation Ltd
(A Company Limited by Guarantee)**

Notes to the financial statements for the year ended 31 August 2016 (continued)

1. Statement of accounting policies (continued)

Income (continued)

- **Other income**
Other income, including the hire of facilities, is recognised in the year it is receivable and to the extent the multi academy trust 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. Upon sale the fair value of the goods is charged against, and the proceeds are recognised as, '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 multi academy trust's accounting policies.

Expenditure

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

- **Expenditure on raising funds**
This includes all expenditure incurred by the multi academy trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.
- **Charitable activities**
These are costs incurred on the multi academy trust's educational operations, including support costs and costs relating to the governance of the multi academy trust apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

Tangible fixed assets

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

**The Waverley Education Foundation Ltd
(A Company Limited by Guarantee)**

Notes to the financial statements for the year ended 31 August 2016 (continued)

1. Statement of accounting policies (continued)

Tangible fixed assets (continued)

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

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

Leasehold buildings	- straight line over 50 years
Fittings and equipment	- 25% reducing balance
Computer hardware	- 33% straight line

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.

Debtors

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

Cash at bank and in hand

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

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 multi 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.

**The Waverley Education Foundation Ltd
(A Company Limited by Guarantee)**

Notes to the financial statements for the year ended 31 August 2016 (continued)

1. Statement of accounting policies (continued)

Leased assets

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

Taxation

The multi 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 multi academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

Pension benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the multi academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 22, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the year to which they relate.

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

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

**The Waverley Education Foundation Ltd
(A Company Limited by Guarantee)**

Notes to the financial statements for the year ended 31 August 2016 (continued)

1. Statement of accounting policies (continued)

Fund accounting

Unrestricted income funds represent resources which may be used towards meeting any of the charitable objects of the multi academy trust at the discretion of the trustees.

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

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

Critical accounting estimates and areas of judgement

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

The multi 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 25, 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.

Agency arrangements

The multi academy trust acts as an agent in distributing 16-19 bursary funds from EFA. Payments received from EFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The funds received and paid and any balances held are disclosed in note 24.

The Waverley Education Foundation Ltd
(A Company Limited by Guarantee)

Notes to the financial statements for the year ended 31 August 2016 (continued)

2. Donations and capital grants

	Unrestricted funds £	Restricted general fund £	Restricted fixed asset funds £	Total 2016 £	Total 2015 £
Capital grants	-	-	2,978,932	2,978,932	1,359,663
	<u>-</u>	<u>-</u>	<u>2,978,932</u>	<u>2,978,932</u>	<u>1,359,663</u>
2015 total	<u>-</u>	<u>-</u>	<u>1,359,663</u>	<u>1,359,663</u>	

3. Funding for the multi academy trust's educational operations

	Unrestricted funds £	Restricted general fund £	Restricted fixed asset funds £	Total 2016 £	Total 2015 £
DfE/EFA grants					
General Annual Grant (GAG)	-	8,334,741	-	8,334,741	2,227,895
Other DfE/EFA grants	-	1,173,069	-	1,173,069	135,035
	<u>-</u>	<u>9,507,810</u>	<u>-</u>	<u>9,507,810</u>	<u>2,362,930</u>
Other government grants					
Other grants	-	86,205	-	86,205	-
	<u>-</u>	<u>86,205</u>	<u>-</u>	<u>86,205</u>	<u>-</u>
Other income from the academy trust's educational operations	87,938	-	-	87,938	-
	<u>87,938</u>	<u>86,205</u>	<u>-</u>	<u>174,143</u>	<u>-</u>
	<u>87,938</u>	<u>9,594,015</u>	<u>-</u>	<u>9,681,953</u>	<u>2,362,930</u>
2015 total	<u>-</u>	<u>2,362,930</u>	<u>-</u>	<u>2,362,930</u>	

4. Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Miscellaneous	7,603	-	7,603	4,524
	<u>7,603</u>	<u>-</u>	<u>7,603</u>	<u>4,524</u>
2015 total	<u>4,524</u>		<u>4,524</u>	

The Waverley Education Foundation Ltd
(A Company Limited by Guarantee)

Notes to the financial statements for the year ended 31 August 2016 (continued)

5. Resources expended

	Staff costs £	Non pay expenditure Premises £	Other costs £	Total 2016 £	Total 2015 £
Academy's educational operations					
Direct costs	6,360,329	741,746	709,698	7,811,773	1,723,520
Allocated support costs	1,240,803	1,246,822	1,086,665	3,574,290	769,673
	<u>7,601,132</u>	<u>1,988,568</u>	<u>1,796,363</u>	<u>11,386,063</u>	<u>2,493,193</u>
2015 total	<u>1,167,201</u>	<u>1,078,749</u>	<u>247,243</u>	<u>2,493,193</u>	

Net incoming/(outgoing) resources for the year include :

		£	£
Operating leases	- plant and machinery	9,303	10,508
	- other (PFI)	701,914	29,152
Depreciation		1,125,030	997,942
Loss on disposal of fixed assets		47,405	-
Interest payable		121,166	11,006
Fees payable to auditor	- audit	11,200	9,000
	- other services	525	-
		<u></u>	<u></u>

6. Charitable activities

	Unrestricted funds £	Restricted pension fund £	Other restricted funds £	Total 2016 £	Total 2015 £
Educational operations					
Direct costs	-	-	7,811,773	7,811,773	1,723,520
Support costs	-	72,000	3,502,290	3,574,290	769,673
	<u>-</u>	<u>72,000</u>	<u>11,314,063</u>	<u>11,386,063</u>	<u>2,493,193</u>
2015 total	<u>-</u>	<u>2,000</u>	<u>2,491,193</u>	<u>2,493,193</u>	
Analysis of support costs					
Support staff	-	72,000	1,168,803	1,240,803	218,584
Depreciation	-	-	383,284	383,284	385,449
Technology costs	-	-	371,784	371,784	24,605
Premises costs	-	-	863,538	863,538	69,801
Other support costs	-	-	700,776	700,776	62,234
Governance costs	-	-	14,105	14,105	9,000
Total support costs	<u>-</u>	<u>72,000</u>	<u>3,502,290</u>	<u>3,574,290</u>	<u>769,673</u>
2015 total	<u>-</u>	<u>2,000</u>	<u>767,673</u>	<u>769,673</u>	

The Waverley Education Foundation Ltd
(A Company Limited by Guarantee)

Notes to the financial statements for the year ended 31 August 2016 (continued)

7. Staff

a) Staff costs

Staff costs during the year were:

	Total 2016 £	Total 2015 £
Wages and salaries	5,694,746	808,361
Social security costs	491,888	63,503
Operating costs of defined benefit pension schemes	920,732	119,146
	<u>7,107,366</u>	<u>991,010</u>
Supply staff costs	493,766	176,191
	<u>7,601,132</u>	<u>1,167,201</u>

b) Staff numbers

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

	2016 Number	2015 Number
Charitable activities		
Teachers	150	129
Administration and support	88	65
Management	9	9
	<u>247</u>	<u>203</u>

c) Higher paid staff

	Total 2016 Number	Total 2015 Number
The number of employees whose emoluments (excluding employer pension costs) exceeded £60,000 was :		
£60,001 - £70,000	3	1
£70,001 - £80,000	2	-
£120,001 - £130,000	<u>1</u>	<u>1</u>

**The Waverley Education Foundation Ltd
(A Company Limited by Guarantee)**

Notes to the financial statements for the year ended 31 August 2016 (continued)

7. Staff (continued)

d) Key management personnel

The key management personnel of the multi 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 multi academy trust was £417,740 (2015 : £54,361)

8. Central services

No central services were provided by the trust to its academies during the period and no central charges arose.

9. Related Party Transactions - Trustees' remuneration and expenses

No trustees has been paid remuneration or has received other benefits from an employment with the multi academy trust. The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment.

During the year ended 31 August 2016, travel and subsistence expenses totalling £nil (2015 : £nil) were reimbursed or paid directly to trustees. Other related party transactions involving the trustees are set out in note 23.

10. Trustees' and officers' insurance

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2016 was £601. The cost of this insurance is included in the total insurance cost.

The Waverley Education Foundation Ltd
(A Company Limited by Guarantee)

Notes to the financial statements for the year ended 31 August 2016 (continued)

11. Tangible fixed assets

	Leasehold land and buildings £	Assets in the course of construction £	Fittings and equipment £	Computer hardware £	Total £
Cost or valuation					
At 1 September 2015	34,855,000	1,580,178	755,147	336,164	37,526,489
Additions	2,780,272	-	50,662	229,143	3,060,077
Reclassification of asset	1,532,773	(1,532,773)	-	-	-
Disposals	-	(47,405)	-	-	(47,405)
At 31 August 2016	<u>39,168,045</u>	<u>-</u>	<u>805,809</u>	<u>565,307</u>	<u>40,539,161</u>
Depreciation					
At 1 September 2015	697,600	-	188,787	116,066	1,002,453
Charge for the year	783,361	-	154,257	187,412	1,125,030
Released by disposals	-	-	-	-	-
At 31 August 2016	<u>1,480,961</u>	<u>-</u>	<u>343,044</u>	<u>303,478</u>	<u>2,127,483</u>
Net book values					
At 31 August 2016	<u>37,687,084</u>	<u>-</u>	<u>462,765</u>	<u>261,829</u>	<u>38,411,678</u>
At 31 August 2015	<u>34,157,400</u>	<u>1,580,178</u>	<u>566,360</u>	<u>220,098</u>	<u>36,524,036</u>

Leasehold property was valued at September 2013 by the trustees and at December 2015 by C Butler MRICS, FHP Property Consultants, Nottingham NG1 5BG. The fittings and equipment and computer hardware were valued as at the same date by the trustees. The basis on which the valuations were made was depreciated replacement cost.

Cost or valuation at 31 August 2016 is represented by :

	Leasehold land and buildings £	Assets in the course of construction £	Fittings and equipment £	Computer hardware £	Total £
Valuation in 2014 and 2015	34,855,000	-	755,147	306,995	35,917,142
Cost	4,313,045	-	50,662	258,312	4,622,019
	<u>39,168,045</u>	<u>-</u>	<u>805,809</u>	<u>565,307</u>	<u>40,539,161</u>

The Waverley Education Foundation Ltd
(A Company Limited by Guarantee)

Notes to the financial statements for the year ended 31 August 2016 (continued)

12. Debtors

	Total 2016 £	Total 2015 £
Debtors from operations	-	1,418,427
VAT recoverable	190,448	281,605
Prepayments and accrued income	114,074	10,597
	<u>304,522</u>	<u>1,710,629</u>

13. Creditors

	Total 2016 £	Total 2015 £
(a) Amounts falling due within one year :		
Creditors from operations	62,456	269,135
Accruals and deferred income	498,776	181,502
Other creditors	1,175,287	616,819
	<u>1,736,519</u>	<u>1,067,456</u>

Deferred income

Deferred income at 1 September 2015	3,387	-
Resources deferred in the year	47,800	3,387
Amounts released from previous years	(3,387)	-
Deferred income at 31 August 2016	<u>47,800</u>	<u>3,387</u>

At the balance sheet date the multi academy trust was holding funds received in advance for the provision of universal infant free school meals.

Included within other creditors is a loan of £125,906 (2015 : £118,254) from Birmingham City Council which is provided on the terms stated below.

(b) Amounts falling due after more than one year :

Other creditors	<u>2,669,898</u>	<u>2,803,872</u>
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Included within other creditors is a loan of £2,669,898 (2015 : £2,803,872) from Birmingham City Council which is provided on the following terms :

Repayable in monthly instalments at an interest rate of 4.4733% per annum. The amount repayable after more than five years is £2,106,092 (2015: £2,286,360). The amount due within one year is shown in note 13(a).

The Waverley Education Foundation Ltd
(A Company Limited by Guarantee)

Notes to the financial statements for the year ended 31 August 2016 (continued)

14. Funds

	Balance at 31 August 2015 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2016 £
Restricted general funds					
General Annual Grant (GAG)	1,132,291	8,334,741	(8,882,354)	(207,468)	377,210
DfE/EFA capital grants	-	1,173,069	(1,173,069)	-	-
Other grants		86,205	(86,205)		-
	<u>1,132,291</u>	<u>9,594,015</u>	<u>(10,141,628)</u>	<u>(207,468)</u>	<u>377,210</u>
Restricted fixed asset funds					
Transfer on conversion	32,045,680	-	(939,998)	86,939	31,192,621
DfE/EFA capital grants	1,531,223	2,978,932	(187,781)	48,955	4,371,329
Capital expenditure from GAG	25,006	-	(44,656)	71,574	51,924
	<u>33,601,909</u>	<u>2,978,932</u>	<u>(1,172,435)</u>	<u>207,468</u>	<u>35,615,874</u>
Pension reserve	<u>(2,322,000)</u>	<u>-</u>	<u>(72,000)</u>	<u>(1,228,000)</u>	<u>(3,622,000)</u>
Total restricted funds	<u>32,412,200</u>	<u>12,572,947</u>	<u>(11,386,063)</u>	<u>(1,228,000)</u>	<u>32,371,084</u>
Unrestricted funds					
Other income	<u>1,422,951</u>	<u>95,541</u>	<u>-</u>	<u>-</u>	<u>1,518,492</u>
Total unrestricted funds	<u>1,422,951</u>	<u>95,541</u>	<u>-</u>	<u>-</u>	<u>1,518,492</u>
Total funds	<u>33,835,151</u>	<u>12,668,488</u>	<u>(11,386,063)</u>	<u>(1,228,000)</u>	<u>33,889,576</u>

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

Restricted general funds

These comprise all restricted funds other than restricted fixed asset funds and include grants from The Education Funding Agency and Birmingham City Council.

Under the funding agreement with the Secretary of State, the multi academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2016.

Unrestricted funds

These comprise resources that may be used towards meeting any of the charitable objects of the multi academy trust at the discretion of the trustees.

Restricted fixed asset funds

These comprise resources which are to be applied to specific capital purposes imposed by The Education Funding Agency and Birmingham City Council where the asset acquired or created is held for a specific purpose.

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Notes to the financial statements for the year ended 31 August 2016 (continued)

14. Funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2016 were allocated as follows :

	Total 2016 £	Total 2015 £
Waverley Studio College	423,578	1,074,107
Waverley School	1,472,124	1,481,135
Total before fixed assets and pension reserve	1,895,702	2,555,242
Restricted fixed asset fund	35,615,874	33,601,909
Pension reserve	(3,622,000)	(2,322,000)
Total funds	33,889,576	33,835,151

Total cost analysis by academy

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 £
Waverley Studio College	823,448	94,313	73,915	330,269	1,321,945
Waverley School	5,536,881	1,146,490	236,998	2,018,719	8,939,088
Academy trust	6,360,329	1,240,803	310,913	2,348,988	10,261,033
2015 total	948,617	218,584	108,361	219,689	1,495,251

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Notes to the financial statements for the year ended 31 August 2016 (continued)

15. Analysis of net assets between funds

Fund balances at 31 August 2016
are represented by:

	Unrestricted funds	Restricted pension funds	Restricted general funds	Restricted fixed asset funds	Total funds
	£	£	£	£	£
Tangible fixed assets	-	-	-	38,411,678	38,411,678
Current assets	1,518,492	-	1,987,823	-	3,506,315
Current liabilities	-	-	(1,610,613)	(125,906)	(1,736,519)
	<u>1,518,492</u>	<u>-</u>	<u>377,210</u>	<u>38,285,772</u>	<u>40,181,474</u>
Creditors due after one year	-	-	-	(2,669,898)	(2,669,898)
Pension scheme liability	-	(3,622,000)	-	-	(3,622,000)
Total net assets	<u>1,518,492</u>	<u>(3,622,000)</u>	<u>377,210</u>	<u>35,615,874</u>	<u>33,889,576</u>

16. Capital commitments

	2016 £	2015 £
Contracted for but not provided in the financial statements	-	2,776,173

17. Commitments under operating leases

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

	Other	
	Total 2016 £	Total 2015 £
Amounts due within one year	667,406	664,578
Amounts due between one and five years	1,993,840	1,973,774
Amounts due after five years	6,919,883	7,573,955
	<u>9,581,129</u>	<u>10,212,307</u>

**18. Reconciliation of net income/(expenditure) to net cash flow
from operating activities**

	Total 2016 £	Total 2015 £
Net income for reporting year (as per the SoFA on page 17)	1,282,425	33,298,749
Depreciation (note 11)	1,125,030	997,942
Loss on disposal of fixed assets	47,405	-
Capital grants from EFA and other capital income	(2,978,932)	(1,359,663)
Assets transferred on conversion to multi academy trust	-	(35,892,142)
Defined benefit pension scheme obligation inherited	-	2,314,000
Defined benefit pension scheme cost less contributions payable	(20,000)	2,000
Defined benefit pension scheme finance cost/(income) (note 22)	92,000	-
Decrease / (increase) in debtors	1,406,107	(1,550,996)
Increase / (decrease) in creditors	535,089	3,838,004
Net cash provided by / (used in) operating activities	<u>1,489,124</u>	<u>1,647,894</u>

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Notes to the financial statements for the year ended 31 August 2016 (continued)

19. Cash flows from investing activities

	Total 2016 £	Total 2015 £
Purchase of tangible fixed assets	(3,060,077)	(1,539,547)
Capital grants from DfE/EFA	2,978,932	1,359,663
Net cash provided by / (used in) investing activities	(81,145)	(179,884)

20. Analysis of cash and cash equivalents

	At 31 August 2016 £	At 31 August 2015 £
Cash at bank and in hand	3,201,793	1,793,814
	3,201,793	1,793,814

21. Member's liability

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

22. Pension and similar obligations

The multi 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 West Midlands Pension Fund. Both are multi-employer defined-benefit schemes.

The latest actuarial valuation of the TPS related to the year ended 31 March 2012 and of the LGPS 31 March 2013.

Contributions amounting to £102,537 (2015 : £94,255) were payable to the schemes at 31 August 2016 and are included within creditors.

**The Waverley Education Foundation Ltd
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Notes to the financial statements for the year ended 31 August 2016 (continued)

22. Pension and similar obligations (continued)

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 :

- employer contribution rates set at 16.48% of pensionable pay including a 0.08% employer administration charge (currently 14.1%)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

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

The employer's pension costs paid to TPS in the year amounted to £605,537 (2015 : £71,618).

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.

**The Waverley Education Foundation Ltd
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Notes to the financial statements for the year ended 31 August 2016 (continued)

22. Pension and similar obligations (continued)

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 2016 was £427,000 (2015 : £17,000), of which employer's contributions totalled £346,000 (2015 : £12,000) and employees' contributions totalled £729,000 (2015 : £5,000). The agreed contribution rates for future years are 13.5% for employers and between 5.5% and 11.4% 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.

The trustees have agreed that the trust will make additional contributions in addition to normal funding levels over the next 38 years.

Principal actuarial assumptions

	At 31 August 2016	At 31 August 2015
Rate of increase in salaries	3.75%	4.15%
Rate of increase for pensions in payment / inflation	2.00%	2.40%
Discount rate for scheme liabilities	2.20%	4.00%
Inflation assumption (CPI)	2.00%	2.00%
Commutation of pensions to lump sums	50.00%	50.00%

Sensitivity analysis

	As disclosed	Discount rate	Pension increases	In life expectancy
		+ 0.1% pa	+ 0.1% pa	+ 1 year
	£'000s	£'000s	£'000s	£'000s
Present value of total obligation	4,113	4,000	4,197	4,218
Projected service cost	467	454	480	478
		- 0.1% pa	- 0.1% pa	- 1 year
	£'000s	£'000s	£'000s	£'000s
Present value of total obligation		4,229	4,031	4,011
Projected service cost		480	454	456

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

	At 31 August 2016	At 31 August 2015
Retiring today		
Males	23.1	23.0
Females	25.8	25.6
Retiring in 20 years		
Males	25.3	25.2
Females	28.1	28.0

The Waverley Education Foundation Ltd
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Notes to the financial statements for the year ended 31 August 2016 (continued)

22. Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

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

	Fair value at 31 August 2016 £	Fair value at 31 August 2015 £
Equity instruments	292,000	17,000
Government bonds	34,000	2,000
Other bonds	42,000	3,000
Property	39,000	2,000
Cash / liquidity	32,000	1,000
Other	52,000	3,000
Total market value of assets	491,000	28,000

The actual return on scheme assets was £37,000 (2015 : £nil).

	2016 £	2015 £
Amount recognised in the statement of financial activities		
Current service cost (net of employee contributions)	326,000	14,000
Net interest on the defined liability (assets)	92,000	-
Total operating charge	418,000	14,000

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

	2016 £	2015 £
At 1 September 2015	2,350,000	14,000
Upon conversion	-	2,314,000
Current service cost	326,000	14,000
Interest cost	102,000	1,000
Employee contributions	81,000	5,000
Changes in the assumption	1,255,000	2,000
Estimated benefits net of transfers in	(1,000)	-
At 31 August 2016	4,113,000	2,350,000

**The Waverley Education Foundation Ltd
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Notes to the financial statements for the year ended 31 August 2016 (continued)

22. Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

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

	2016	2015
	£	£
At 1 September 2015	28,000	11,000
Interest income	10,000	1,000
Return on assets (excluding net interest on the net defined pension liability)	27,000	(1,000)
Employer contributions	346,000	12,000
Employee contributions	81,000	5,000
Benefits paid	(1,000)	-
At 31 August 2016	491,000	28,000
Net pension scheme liability	(3,622,000)	(2,322,000)

23. Related party transactions

Owing to the nature of the multi academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which 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.

The following related party transaction took place during the year:

Hamstead Hall Academy Trust

Charitable company in which trustee Kendrick Morris is principal and accounting officer

Services recharged by related company during the year

2016	2015
£	£

12,050	-
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The trust conducted this transaction at arms' length.

In entering into the transaction the trust has complied with the requirements of the Academies Financial Handbook 2015.

24. Agency arrangements

The multi academy trust distributes 16-19 bursary funds to students as an agent for EFA. In the accounting year ending 31 August 2016 the trust received £12,659 and disbursed £7,933 from the fund. Surplus funds will be distributed in the coming year.

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Notes to the financial statements for the year ended 31 August 2016 (continued)

25. 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.

Under previous UK GAAP the trust recognised an expected return on defined benefit plan assets in income/expense. Under FRS 102 a net interest expense, based on the net defined benefit liability, is recognised in income/expense. There has been no change in the defined benefit liability at either 1 September 2014 or 31 August 2015.