

Company Registration No. 07458631 (England and Wales)

WELLINGTON SCHOOL
(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT AND AUDITED ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2017

Haines Watts

Chartered Accountants & Registered Auditors
Bridge House
157A Ashley Road
Hale
Altrincham
Cheshire
WA14 2UT

WELLINGTON SCHOOL

CONTENTS

	Page
Reference and administrative details	1
Trustees' report	2 – 8
Governance statement	9 – 11
Statement of trustees' responsibilities	12
Independent auditor's report on the accounts	13 – 14
Independent reporting accountant's report on regularity	15 – 16
Statement of financial activities including income and expenditure account	17
Balance sheet	18
Statement of cash flows	19
Notes to the accounts including accounting policies	20 – 36

WELLINGTON SCHOOL

REFERENCE AND ADMINISTRATIVE DETAILS

FOR THE YEAR ENDED 31 AUGUST 2017

Members	Mrs G Aden Mrs J Adshead (deceased July 2017) Mr D Holland (resigned 05/05/2017) Mr P Tarry
Trustees	Mr P Tarry* (Chairman) Mrs E Firth* (Vice chair) Mrs J Adshead (deceased July 2017) Mrs G Aden Mrs A Bailey (resigned 09/11/2016) Mr S Beeley* (Headteacher and accounting officer) Mr A Bryce-Clegg Mr S Carter Mr M Colledge* Mrs J Cook (Staff trustee) Mrs C Moore * (appointed 09/11/2016) Mr R Fleetwood* (appointed 27/01/2017) Mrs A Christopher (appointed 27/01/2017)
Senior management team:	
Headteacher	S Beeley
First deputy headteacher	S Fenwick
Deputy headteacher	E Copeland
Assistant headteacher	R Chard
Assistant headteacher	L Cooper
Assistant headteacher	C Holt
Assistant headteacher	K Shelley
Assistant headteacher	L Stephens
Company secretary	Eversheds Sutherland
Registered office	Eversheds House, 70 Great Bridgewater Street, Manchester, M1 5ES
Company registration number	07458631 (England and Wales)
Independent auditors	Haines Watts, Bridge House, 157A Ashley Road, Hale, Altrincham, Cheshire, WA14 2UT
Bankers	NatWest, Stamford New Road, Altrincham, Cheshire, WA14 1DB
Solicitors	Eversheds Sutherland

* Member of the resources committee

WELLINGTON SCHOOL

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2017

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year ended 31 August 2017. The annual report serves the purpose of both a trustees' report, and a directors' report under company law.

The trust operates an academy for pupils aged 11 to 18 serving a catchment area in Timperley, Altrincham. It has a pupil capacity of 1,396 and had a roll of 1,389 in the school census on 26 May 2017.

Structure, governance and management

Constitution

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 of Wellington School are also the directors of the charitable company for the purposes of company law. The charitable company is known as Wellington School.

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

Trustees

All of the trustees are directors of the charitable company for the purposes of the Companies Act 2006 and all are trustees for the purposes of charity legislation. The trustees who were in office at 31 August 2017 and served during the year are listed on page 1.

Trustees' indemnities

Professional indemnity insurance is in place to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business.

Principal purpose

Wellington School (the academy trust) has the specific purpose of advancing, for the public benefit, education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.

Method of recruitment and appointment or election of trustees

The members may appoint up to 12 trustees.

The members may appoint staff trustees through such process as they may determine, provided that the total number of trustees (including the principal) who are employees of the academy trust does not exceed one third of the total number of trustees.

The trustees may appoint the LA trustee.

The principal shall be treated for all purposes as being an ex officio trustee.

The parent trustees shall be elected by parents of registered pupils at the academy. A parent trustee must be a parent of a pupil at the academy at the time when he is elected.

The board of trustees shall make all necessary arrangements for, and determine all other matters relating to, an election of parent trustees, including any question of whether a person is a parent of a registered pupil at the academy. Any election of parent trustees which is contested shall be held by secret ballot.

The arrangements made for the election of a parent trustee shall provide for every person who is entitled to vote in the election to have an opportunity to do so by post or, if they prefer, by having their ballot paper returned to the academy trust by a registered pupil at the academy.

WELLINGTON SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Where a vacancy for a parent trustee is required to be filled by election, the board of trustees shall take such steps as are reasonably practical to secure that every person who is known to them to be a parent of a registered pupil at the academy is informed of the vacancy and that it is required to be filled by election, informed that they are entitled to stand as a candidate, and vote at the election, and given an opportunity to do so.

The number of parent trustees required shall be made up by parent trustees appointed by the board of trustees if the number of parents standing for election is less than the number of vacancies.

In appointing a parent trustee the board of trustees shall appoint a person who is the parent of a registered pupil at the academy, or where it is not reasonably practical to do so, a person who is the parent of a child of compulsory school age.

Trustees may appoint up to three co-opted trustees, a co-opted trustee being one that is appointed as a trustee by another trustee that have not themselves been so appointed.

Members may not co-opt an employee of the academy trust if it would mean that the total number of employees would rise above one third of total membership.

The Secretary of State may appoint additional trustees if the school's performance falls below specific criteria.

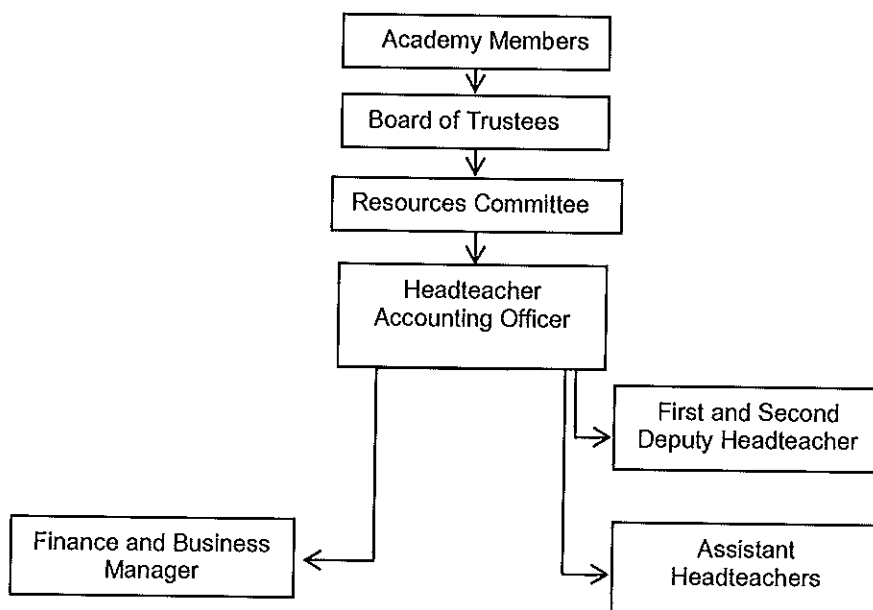
Future trustees shall be appointed additional trustees if the school's performance falls below specific criteria.

Future trustees shall be appointed or elected, as the case may be, in accordance with the articles of association.

Policies and procedures adopted for the induction and training of trustees

Trustees shall receive an induction pack and any training required from time to time as deemed necessary at the academy trust's expense. The trustees have a working group which co-ordinates the training needs of the board of trustees.

Organisational structure



WELLINGTON SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

The trustees are responsible for setting general policy, adopting an annual plan and budget, monitoring the academy by the use of budgets and making major decisions about the direction of the academy, capital expenditure and senior staff appointments.

The senior leaders are the headteacher, two deputy headteachers and five assistant headteachers. These senior leaders are responsible for delivering the teaching and learning programme as laid down by the trustees and reporting back to them. As a group the senior leaders are responsible for the authorisation of spending within agreed budgets and the appointment of staff, though appointment boards for posts in the leadership team always contain at least one trustee. Some spending control is devolved to members of the leadership team, with limits above which a senior member of the staff must countersign.

The broader leadership team includes the senior leadership team and the fourteen curriculum area managers. These managers are responsible for the day to day operation and organisation of the teaching staff, facilities and students.

Arrangements for setting pay and remuneration of key management personnel.

The trustees of the academy receive no pay or remuneration for performing their duties as trustees. The pay of the leadership team including the headteacher is set in line with the current school teachers pay and conditions document.

Risk management

The trustees have assessed the major risks to which the academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the academy, and its finances. The trustees have implemented a number of systems to assess risks that the school faces, especially in the operational areas (eg in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. They have introduced systems, including operational procedures (eg compulsory DBS vetting of new staff and visitors and supervision of school grounds at break and lunchtime) and internal financial controls (see below) in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover.

Related parties and other connected charities and organisations

Transactions with related parties are disclosed in Note 21 to the financial statements.

Objectives and activities

Objects and aims

The main objectives of the academy during the year ended 31 August 2017 are summarised below:

- To ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care.
- To raise the standard of educational achievements of all pupils.
- To improve the effectiveness of the academy by keeping the curriculum and organisational structure under continual review.
- To provide value for money for the funds expended.
- To comply with all appropriate statutory and curriculum requirements.
- To maintain links with industry and commerce.
- To conduct the academy's business in accordance with the highest standards of integrity, probity and openness.

Objectives, strategies and activities

The academy's main strategy is encompassed in its mission statement which is 'to build a learning community which has access to the best possible teaching facilities and staff'. To this end the activities provided include:

- Tuition and learning opportunities for all students to attain appropriate academic qualifications.
- Training opportunities for all staff, and especially teaching staff.
- Secondments and placing of students with industrial and commercial partners.
- A programme of sporting and after school leisure activities for all students.
- A career advisory service to help students obtain employment or move on to higher education.

WELLINGTON SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Equal opportunities policy

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

Disabled persons

Disabled toilets are installed and door widths are adequate to enable wheelchair access to all the main areas of the academy. The policy of the academy is to support recruitment and retention of students and employees with disabilities. The academy does this by adapting the physical environment, by making support resources available and through training and career development.

Public benefit

The academy trust's sole purpose is to advance, for the public benefit, education as described in principal purpose above. The academy trust's trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers or duties.

Strategic report

Achievements and performance

The results for the last academic year ending 31st August 2017 were our best ever. The Attainment 8 score of 53.89 and an average grade (capped 8) of B- were very pleasing. Under the old measure of gaining at least 5 GCSE's at grades A* to C (or 9 to 4 in English and mathematics) the figure was 83% with the previous highest at 76%. At A2 level there was a 99% pass rate with 51% of students achieving grade A* to B.

The school continues to be one of the highest performing non selective schools within Trafford.

To ensure that standards are continually raised the academy operates a programme of monitoring which includes lesson observation, pupil and staff interviews and scrutiny of pupils' work. The academy undertakes a comparison of results from entry aged 11 through to GCSE and from GCSE to A level to assess the added value. The academy also participates in national programmes looking at added value through the key stages, e.g. the ALPS programme of information to compare A level performance.

Financial key performance indicators (KPIs)

The KPIs below are designed to analyse financial and commercial risk.

	2016/17	2015/16
Revenue income per pupil	£5,043	£5,080
GAG income % total revenue income	92%	93%
Working capital	£4,298,000	£4,129,000
Working capital % total reserves	29%	28%
Surplus % of total revenue	6%	(20%)
Teachers pay % of GAG income	63%	61%
Total pay % of GAG income	83%	79%

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.

WELLINGTON SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Financial review

The vast majority of the academy's income is obtained from the Educational & Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular educational purposes. The grants received from the ESFA during the year ended 31 August 2017 and the associated expenditure are shown as restricted funds in the statement of financial activities.

The academy also receives grants for fixed assets from the ESFA and other organisations. In accordance with the Charities Statement of Recommended Practice, "Accounting and Reporting by Charities" SORP 2015 (FRS102), such grants are shown in the statement of financial activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the year ended 31 August 2017, total expenditure of £7,533,000 exceeded recurrent grant funding from the ESFA of £6,672,000 together with other incoming resources of £437,000. The excess of expenditure over income for the period was £424,000. Excluding the movement on the pension the deficit was £841,000. An in year deficit was budgeted and approved by the trustees, as it was agreed that the school would use its reserves to fund school activities.

At 31 August 2017 the net book value of fixed assets excluding land and buildings was £11,741,000 and movements in tangible fixed assets are shown in note 11 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the academy.

The academy continues to account for the deficit in the Local Government Pension Scheme in respect of its non-teaching staff transferred on conversion. The deficit is incorporated within the statement of financial activity with details in Note 17 to the financial statements.

Reserves policy

The trustees review the reserve levels of the academy termly. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of the reserves. The academy's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £4,298,000. The amount is kept secure for a time when it is needed to self-finance a scheme of ongoing major capital projects.

During the year ended 31 August 2017 a number of refurbishment works were completed including; staff and pupil toilets £46,000 and three art classrooms £48,000.

Trustees have approved further building refurbishment programmes for the next financial year and these include the installation of flood lighting for the AstroTurf pitch (subject to planning permission) and an upgrade to the Modern Languages ICT suite.

The trustees are also aware that additional roof works will be required in the future to fully replace the oldest pitched roofs at the school, the cost of this replacement has been estimated at £450,000. There could also be the need in future to invest in a new drainage system with the estimated cost of £600,000.

The trustees have decided that as all free reserves are more than accounted for, it is also prudent to build an additional reserve of restricted funds of at least £1,000,000 to safeguard against unforeseen circumstances, late ESFA payments, emergencies and other catastrophes. The academy is acutely aware that total funding in subsequent periods is uncertain and likely to fall in these difficult times. As such, the building of a base amount should not only be allowed but encouraged in order to safeguard the quality of the education received at Wellington School, particularly as there are no restrictions on the level of surplus retained by academies since 31 August 2013. Wellington School has signed the appropriate Deed of Variation to its Funding Agreement to this effect.

In addition, the ever increasing liability due to the academy's participation in the Local Government Pension Scheme (LGPS) and in accordance with Financial Reporting Standard No. 102 has added a burden of £1,125,000 to the academy. This is of major concern to the trustees and should be provided for.

WELLINGTON SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Investment policy

The governing body has a duty to maximise income by the use of high-interest or deposit accounts and to keep the minimum necessary funds in any non-interest bearing accounts.

The mandate to the bank should ensure that investments are only made within the bank and funds are only moved between the school's authorised accounts.

The finance and business manager is responsible for monitoring the balance in each type of bank account and for investing short term surpluses in high interest or money market accounts at the bank.

Any investments should only be made in accordance with the policy approved by the governing body. All investments should be compatible with charitable status and ensure the complete integrity of funds.

Principal risks and uncertainties

The school has drafted a risk management policy and created a risk register and risk review process. The objectives are to determine an approach and, where it is considered necessary, put in place measures of control and mitigation in order to manage risk.

The principal risks are seen as the loss of reputation through falling standards, falling student rolls and failure to safeguard our students.

Key controls in place are:

- an organisational structure with defined roles, responsibilities and authorisation levels;
- terms of reference for the committees of the board of trustees;
- financial planning, budgeting and regular management reporting highlighting areas of financial risk;
- formal written and published policies for employees;
- vetting procedures as required by law for the protection of the vulnerable;
- HR support from a nationally recognised firm of solicitors;
- clear marketing strategy lead by the senior leadership team;
- robust system of performance management and departmental line management; and
- continual insistence on high standards and expectations.

The academy has recognised its share of the Local Government Pension Scheme (LGPS) assets and liabilities in accordance with Financial Reporting Standard No. 102. A deficit has been recognised at 31 August 2017. Future contribution rates are adjusted so as to reduce this deficit.

Plans for future periods

The academy will continue striving to improve the levels of performance of its students at all levels with a consideration of alternative provision for a small number and will continue its efforts to ensure its students gain employment, a place in higher education or a higher level apprenticeship once they leave. The academy intends to investigate other revenue streams for future years so as to ensure financial security for the school long term.

Funds held as custodian trustee on behalf of others

During the year ended 31 August 2017 neither the academy trust nor its trustees has acted as a custodian trustee.

Auditor

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps 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.

WELLINGTON SCHOOL

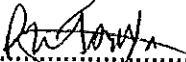
TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

The audit business Haines Watts has been appointed as the company's auditor. The audit report has therefore been issued by Haines Watts.

This trustee's report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on ~~..... December 2017~~ and signed on the board's behalf by Mr P Tarry, chair of trustees.

8th November 2017 (PLT)



.....
Mr P Tarry
Chair of trustees

WELLINGTON SCHOOL

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2017

Scope of responsibility

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

The board of trustees

The board of trustees has delegated the day-to day responsibility to headteacher as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and the responsibilities assigned to it in the funding agreement between Wellington School and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the trustees' report and in the statement of trustees' responsibilities. The board of trustees has met three times during the year. Attendance during the meetings of the full board of trustees was as follows:

Trustee	Meetings attended	Out of possible
Mr P Tarry (Chair)	3	3
Mrs G Aden	3	3
Mrs J Adshead (deceased July 2017)	1	3
Mrs A Bailey (resigned 09/11/2016)	1	1
Mr S Beeley (Headteacher)	3	3
Mr A Bryce-Clegg	3	3
Mr S Carter	3	3
Cllr M Colledge	2	3
Mrs J Cook	3	3
Mrs E Firth (Vice chair)	2	3
Mrs C Moore (appointed 09/11/2016)	1	2
Mr R Fleetwood (appointed 27/01/2017)	2	2
Mrs A Christopher (appointed 27/01/2017)	1	2

The resources committee is a sub-committee of the main board of trustees. Its purpose is to report to the full board of trustees on a timely basis the finances of the academy.

During the year R Fleetwood and C Moore joined the committee. Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of possible
Mr S Beeley (Headteacher)	3	3
Mr P Tarry	2	3
Mr M Colledge	2	3
Mrs E Firth	3	3
Mr R Fleetwood (appointed 27/01/2017)	2	2
Mrs C Moore (appointed 27/01/2017)	1	2

Review of value for money

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

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

WELLINGTON SCHOOL

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

The accounting officer for the academy trust has delivered improved value for money during the year by:

- Improving educational results:

The results for the last academic year ending 31 August 2017 were our best ever. The Attainment 8 score of 53.89 and an average grade (capped 8) of B- were very pleasing. Under the old measure of gaining at least 5 GCSE's at grades A* to C (or 9 to 4 in English and Mathematics) the figure was 83% with the previous highest at 76%. At A2 level there was a 99% pass rate with 51% of students achieving grade A* to B. These results must be viewed in context. Wellington School is a nonselective 11 – 18 Secondary School operating within the wholly selective borough of Trafford. The top 42% of the ability range at age 11+ attend one of the borough's seven grammar schools.

- Financial governance and oversight:

The trust's accounting officer has clear oversight of all spending decisions. The school finance and business manager is a qualified chartered accountant and one member of the governors' finance committee has business experience. The finance committee receive regular financial reports to allow effective budget monitoring.

- Better purchasing

During the year the school has continued to achieve value for money by reviewing its existing contracts and re-negotiating services at a lower cost. The school changed energy suppliers from September 2016 which has generated significant savings. The school has continued to use in-house skills to carry out school maintenance works as opposed to using external contractors to perform the works; this has generated savings and led to the professional development of staff.

- Better income generation

During the year the school generated income through the letting of its premises to external organisations. Although the income has been minimal to date, the experience has been developed such as to facilitate any future lettings of the school premises. The school has also generated income in 2016/17 of £1,000 by providing teacher services to a local primary school.

- Reviewing controls and managing risk

The school seeks to manage and minimise risks by ensuring that where appropriate it employs the services of accredited professionals e.g. legal advice is provided by contract from a leading national firm of solicitors which ensures that HR and legal matters are dealt with correctly.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy'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 Wellington School for the year ended 31 August 2017 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operation, 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 of identifying, evaluating and managing the academy trust's significant risks that have been in place for the year ended 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

WELLINGTON SCHOOL

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- 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; and
- identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the trustees have appointed a finance manager, with several years' experience working in schools to perform the role of peer reviewer.

The reviewer's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. In particular, the checks carried out in the current period included; purchase ledger walk through from order requisition to Bacs payment, sample checking bank reconciliation, payroll and recording of income.

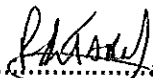
On a termly basis, the reviewer reports to the board of trustees, through the finance committee on the operation of the systems of control and on the discharge of the board of trustee's financial responsibilities. In 2016/17 two reviews were conducted. No material control weaknesses were identified from the reviews performed.


Review of effectiveness

As accounting officer, Mr S Beeley has responsibility for reviewing the effectiveness of the system of internal control. During the period in question the review has been informed by

- the work of the peer reviewer;
- the work of the external auditor; and
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

Approved by order of the members of the board of trustees on ~~.....December 2017~~ and signed on its behalf by:
8th November 2017 (PLT)


.....
Mr P Tarry
Chair of trustees


.....
Mr S Beeley
Accounting officer

WELLINGTON SCHOOL

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2017

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

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

In preparing these accounts, the trustees are required to:

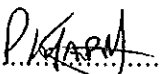
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting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

The 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 accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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

Approved by order of the board of trustees on 8/11/17 and signed on its behalf by:


.....

Mr P Tarry
Chair of trustees

WELLINGTON SCHOOL

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WELLINGTON SCHOOL

FOR THE YEAR ENDED 31 AUGUST 2017

Opinion

We have audited the accounts of Wellington School for the year ended 31 August 2017 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

In our opinion the accounts:

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the accounts' section of our report. We are independent of the academy trust in accordance with the ethical requirements that are relevant to our audit of the accounts in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

The other information comprises the information included in the annual report, other than the accounts and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the accounts does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the accounts or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

WELLINGTON SCHOOL

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WELLINGTON SCHOOL (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report, including the incorporated strategic report.

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

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

Responsibilities of trustees

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

In preparing the accounts, the trustees are responsible for assessing the academy trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.


.....

John Whittick BSc FCA (Senior Statutory Auditor)
for and on behalf of Haines Watts
Chartered Accountants
Statutory Auditor


.....

Bridge House
Ashley Road
Hale
Altrincham
WA14 2UT

WELLINGTON SCHOOL

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO WELLINGTON SCHOOL AND THE EDUCATION AND SKILLS FUNDING AGENCY

FOR THE YEAR ENDED 31 AUGUST 2017

In accordance with the terms of our engagement letter dated 8 August 2014 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Wellington School during the period 1 September 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Wellington School and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Wellington School and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Wellington School and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Wellington School's accounting officer and the reporting accountant

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

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

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2016 to 2017 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

WELLINGTON SCHOOL

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO WELLINGTON SCHOOL AND THE EDUCATION AND SKILLS FUNDING AGENCY (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

The work undertaken to draw to our conclusion includes:

- We have confirmed that the activities conform to the academy trust's framework of authorities. As identified by review of minutes, management accounts, discussion with the accounting officer and other key management personnel.
- We have carried out an analytical review as part of the consideration of whether general activities of the academy trust are within the academy trust's framework of authorities.
- We have considered the evidence supporting the accounting officer's statement on regularity, propriety and compliance and have evaluated the general control environment of the academy trust and extended the procedures required for financial statements to include regularity.
- We have assessed and tested a sample of the specific control activities over regularity of a particular activity. In performing sample testing of expenditure, we have considered whether the activity is permissible within the academy trust's framework of authorities. We confirm that each item tested has been appropriately authorised in accordance with the academy trust's delegated authorities and that the internal delegations have been approved by the governing body, and conform to the limits set by the Department for Education.
- Formal representations have been obtained from the governing body and the accounting officer acknowledging their responsibilities including disclosing all non-compliance with laws and regulations specific to the authorising framework, access to accounting records, provision of information and explanations, and other matters where direct evidence is not available.
- In performing sample testing of expenditure, we have reviewed against specific terms of grant funding within the funding agreement. We have reviewed the list of suppliers and have considered whether supplies are from related parties and have reviewed minutes for evidence of declaration of interest, and whether or not there was involvement in the decision to order from this supplier.
- We have performed sample testing of other income and tested whether activities are permitted within the academy trust's charitable objects.

Conclusion

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


.....

Reporting Accountant
Haines Watts

Dated: 8/11/17
.....

WELLINGTON SCHOOL

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT AND STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

FOR THE YEAR ENDED 31 AUGUST 2017

	Notes	Unrestricted Funds £000	Restricted funds: General £000	Fixed asset £000	Total 2017 £000	Total 2016 £000
Income and endowments from:						
Donations and capital grants	2	-	6	29	35	28
Charitable activities:						
- Funding for educational operations	3	-	6,679	-	6,679	6,542
Other trading activities	4	387	-	-	387	305
Investments	5	8	-	-	8	21
Total income and endowments		<u>395</u>	<u>6,685</u>	<u>29</u>	<u>7,109</u>	<u>6,896</u>
Expenditure on:						
Charitable activities:						
- Educational operations	7	<u>363</u>	<u>6,665</u>	<u>505</u>	<u>7,533</u>	<u>7,610</u>
Total expenditure	6	<u>363</u>	<u>6,665</u>	<u>505</u>	<u>7,533</u>	<u>7,610</u>
Net income/(expenditure)		32	20	(476)	(424)	(714)
Transfers between funds		-	(103)	103	-	-
Other recognised gains and losses						
Actuarial gains/(losses) on defined benefit pension schemes	17	-	841	-	841	(640)
Net movement in funds		32	758	(373)	417	(1,354)
Reconciliation of funds						
Total funds brought forward		<u>2,430</u>	<u>(47)</u>	<u>12,114</u>	<u>14,497</u>	<u>15,851</u>
Total funds carried forward		<u>2,462</u>	<u>711</u>	<u>11,741</u>	<u>14,914</u>	<u>14,497</u>

WELLINGTON SCHOOL

BALANCE SHEET

AS AT 31 AUGUST 2017

		2017		2016	
	Notes	£000	£000	£000	£000
Fixed assets					
Tangible assets	11		11,741		12,114
Current assets					
Stocks	12	6		6	
Debtors	13	127		191	
Cash at bank and in hand		4,348		4,270	
		<u>4,481</u>		<u>4,467</u>	
Current liabilities					
Creditors: amounts falling due within one year	14	(183)		(338)	
Net current assets			<u>4,298</u>		<u>4,129</u>
Net assets excluding pension liability			<u>16,039</u>		<u>16,243</u>
Defined benefit pension liability	17		(1,125)		(1,746)
Net assets			<u>14,914</u>		<u>14,497</u>
Funds of the academy trust:					
Restricted funds	16				
- Fixed asset funds			11,741		12,114
- Restricted income funds			1,836		1,699
- Pension reserve			(1,125)		(1,746)
Total restricted funds			<u>12,452</u>		<u>12,067</u>
Unrestricted income funds	16		<u>2,462</u>		<u>2,430</u>
Total funds			<u>14,914</u>		<u>14,497</u>

The accounts were approved by the board of trustees and authorised for issue on 8/11/17 and are signed on its behalf by:


.....
Mr P Tarry
Chair of trustees

Company Number 07458631

WELLINGTON SCHOOL

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2017

	Notes	2017 £000	£000	2016 £000	£000
Cash flows from operating activities					
Net cash provided by (used in) operating activities	19		173		(343)
Cash flows from investing activities					
Dividends, interest and rents from investments		8		21	
Capital grants from DfE and ESFA		29		28	
Payments to acquire tangible fixed assets		(132)		(288)	
			(95)		(239)
Change in cash and cash equivalents in the reporting period			78		(582)
Cash and cash equivalents at 1 September 2016			4,270		4,852
Cash and cash equivalents at 31 August 2017			<u>4,348</u>		<u>4,270</u>

WELLINGTON SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies

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

1.1 Basis of preparation

The accounts of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Wellington School meets the definition of a public benefit entity under FRS 102.

1.2 Going concern

The trustees assess whether the use of going concern is appropriate, ie whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the accounts and have concluded that the academy 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 accounts.

1.3 Income

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

Grants receivable

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

General Annual Grant is recognised in full in the statement of financial activities in the period for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.

Sponsorship income

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

Donations

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

Other income

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

WELLINGTON SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies (continued)

Donated goods, facilities and services

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

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

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

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

Governance costs

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

1.5 Tangible fixed assets and depreciation

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of an 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 such assets is charged directly 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.

WELLINGTON SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies (continued)

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:

Land and buildings	50 years straight line
Computer equipment	4 years straight line
Fixtures, fittings & equipment	4 years straight line
Motor vehicles	5 years straight line

Astroturf and roofing improvements included within land and buildings are depreciated over 10 years and 30 years respectively.

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

1.6 Liabilities

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy 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.

1.7 Leasing and hire purchase commitments

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

1.8 Stock

Stock consists of purchased goods for resale including catering stocks. Stocks are valued at the lower of cost and net realisable value. Items donated for resale or distribution are not included in the financial statements until they are sold or distributed.

1.9 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.

WELLINGTON SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies (continued)

1.10 Pensions 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 quadrennial valuations using a prospective unit credit method. As stated in note 17, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

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

1.11 Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education and Skills Funding Agency, Department for Education or other funders where the asset acquired or created is held for a specific purpose.

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

1.12 Agency arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from the ESFA. Payments received from the ESFA 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 23.

1.13 Critical accounting estimates and areas of judgement

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

WELLINGTON SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies (continued)

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or 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 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

2 Donations and capital grants

	Unrestricted funds £000	Restricted funds £000	Total 2017 £000	Total 2016 £000
Capital grants	-	29	29	28
Other donations	-	6	6	-
	<hr/>	<hr/>	<hr/>	<hr/>
	-	35	35	28
	<hr/>	<hr/>	<hr/>	<hr/>

The income from donations and capital grants was £35,000 (2016 - £28,000) of which £29,000 was restricted fixed assets (2016 - £28,000).

WELLINGTON SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

3 Funding for the academy trust's educational operations

	Unrestricted funds £000	Restricted funds £000	Total 2017 £000	Total 2016 £000
DfE / ESFA grants				
General annual grant (GAG)	-	6,529	6,529	6,391
Other DfE / ESFA grants	-	143	143	132
	<u>-</u>	<u>6,672</u>	<u>6,672</u>	<u>6,523</u>
Other government grants				
Local authority grants	-	7	7	19
	<u>-</u>	<u>7</u>	<u>7</u>	<u>19</u>
Total funding	<u>-</u>	<u>6,679</u>	<u>6,679</u>	<u>6,542</u>

The income from funding for educational operations was £6,679,000 (2016 - £6,542,000) of which £6,679,000 was restricted (2016 - £6,542,000).

Local authority grants comprise High Needs funding of £7,000.

There were no unfulfilled conditions or other contingencies in respect of government grant funding.

4 Other trading activities

	Unrestricted funds £000	Restricted funds £000	Total 2017 £000	Total 2016 £000
Hire of facilities	3	-	3	1
Catering income	27	-	27	15
Trips and similar income	357	-	357	289
	<u>387</u>	<u>-</u>	<u>387</u>	<u>305</u>

The income from other trading activities was £387,000 (2016 - £305,000) of which £387,000 was unrestricted (2016 - £305,000).

5 Investment income

	Unrestricted funds £000	Restricted funds £000	Total 2017 £000	Total 2016 £000
Short term deposits	<u>8</u>	<u>-</u>	<u>8</u>	<u>21</u>

The income from funding for investment income was £8,000 (2016 - £21,000) of which £8,000 was unrestricted (2016 - £21,000).

WELLINGTON SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

6 Expenditure	Staff costs £000	Premises & equipment £000	Other costs £000	Total 2017 £000	Total 2016 £000
Academy's educational operations					
- Direct costs	4,129	454	805	5,388	4,966
- Allocated support costs	1,329	330	486	2,145	2,644
	<u>5,458</u>	<u>784</u>	<u>1,291</u>	<u>7,533</u>	<u>7,610</u>
Total expenditure	<u>5,458</u>	<u>784</u>	<u>1,291</u>	<u>7,533</u>	<u>7,610</u>

The expenditure on raising funds was £363,000 (2016 - £271,000). These amounts are unrestricted.

Net income/(expenditure) for the year includes:	2017 £000	2016 £000
Fees payable to auditor for:		
- Audit	7	7
- Other services	1	1
Operating lease rentals	6	8
Depreciation of tangible fixed assets	<u>505</u>	<u>496</u>

7 Charitable activities	Unrestricted funds £000	Restricted funds £000	Total 2017 £000	Total 2016 £000
Direct costs - educational operations	363	5,025	5,388	4,966
Support costs - educational operations	<u>-</u>	<u>2,145</u>	<u>2,145</u>	<u>2,644</u>
	<u>363</u>	<u>7,170</u>	<u>7,533</u>	<u>7,610</u>

The expenditure on educational operations was £7,533,000 (2016 - £7,610,000) of which £363,000 was unrestricted (2016 - £271,000), £6,665,000 was restricted (2016 £6,843,000) and £505,000 was restricted fixed assets (2016 - £496,000).

Analysis of costs	2017 £000	2016 £000
Direct costs		
Teaching and educational support staff costs	4,097	3,883
Staff development	32	22
Depreciation and amortisation	454	447
Educational supplies and services	662	485
Examination fees	132	114
Other direct costs	<u>11</u>	<u>15</u>
	<u>5,388</u>	<u>4,966</u>

WELLINGTON SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

7 Charitable activities (continued)

Support costs

Support staff costs	1,329	1,196
Depreciation and amortisation	51	49
Maintenance of premises and equipment	279	814
Cleaning	8	10
Energy costs	76	88
Rent and rates	54	80
Insurance	44	49
Security and transport	6	9
Interest on net pension obligation	36	38
Other support costs	253	300
Governance costs	9	11
	<u>2,145</u>	<u>2,644</u>

8 Staff costs

	2017	2016
	£000	£000
Wages and salaries	4,108	3,995
Social security costs	351	277
Operating costs of defined benefit pension schemes	816	683
Apprenticeship levy	2	-
Staff costs	<u>5,277</u>	<u>4,955</u>
Supply staff costs	151	124
Staff development and other staff costs	30	22
Total staff expenditure	<u>5,458</u>	<u>5,101</u>

Staff numbers

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

	2017	2016
	Number	Number
Teachers	88	85
Administration and support	71	73
Management	8	8
	<u>167</u>	<u>166</u>

WELLINGTON SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

8 Staff costs (continued)

Higher paid staff

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

	2017 Number	2016 Number
£60,001 - £70,000	1	1
£70,001 - £80,000	1	1
£80,001 - £90,000	1	1

Non statutory/non-contractual staff severance payments

Staff restructuring costs included within wages and salaries are non-statutory/non-contractual severance payments totalling £7,000 which comprise a single payment.

Key management personnel

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 £522,000 (2016 - £547,000).

9 Trustees' remuneration and expenses

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

The value of trustees' remuneration was as follows:

S Beeley (headteacher) £80,000 - £85,000 (2016: £80,000-85,000)
G Taylor (staff trustee) resigned 29 July 2016(2016: £20,000-£25,000)
J Cook (staff trustee) £40,000 - £45,000 (2016: £35,000-£40,000)

The value of trustees' retirement benefits was as follows:

S Beeley (headteacher) £10,000 - £15,000 (2016: £10,000-£15,000)
G Taylor (staff trustee) resigned 29 July 2016 (2016: £0-£5,000)
J Cook (staff trustee) £5,000 - £10,000 (2016: £5,000-£10,000)

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

10 Trustees and officers insurance

In accordance with normal commercial practice, the academy trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2017 was included in the total cost of a combined insurance premium.

WELLINGTON SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

11 Tangible fixed assets

	Land and buildings	Computer equipment	Fixtures, fittings & equipment	Motor vehicles	Total
	£000	£000	£000	£000	£000
Cost					
At 1 September 2016	13,125	496	651	65	14,337
Additions	-	41	78	13	132
At 31 August 2017	13,125	537	729	78	14,469
Depreciation					
At 1 September 2016	1,354	420	415	34	2,223
Charge for the year	302	50	137	16	505
At 31 August 2017	1,656	470	552	50	2,728
Net book value					
At 31 August 2017	11,469	67	177	28	11,741
At 31 August 2016	11,771	76	236	31	12,114

The land and buildings are freehold.

12 Stocks

	2017 £000	2016 £000
Catering stock	6	6

13 Debtors

	2017 £000	2016 £000
Trade debtors	-	12
VAT recoverable	8	37
Prepayments and accrued income	119	142
	127	191

14 Creditors: amounts falling due within one year

	2017 £000	2016 £000
Trade creditors	12	-
Other creditors	18	11
Accruals and deferred income	153	327
	183	338

WELLINGTON SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

15	Deferred income	2017	2016
		£000	£000
	Deferred income is included within:		
	Creditors due within one year	72	132
		<u>72</u>	<u>132</u>
	Deferred income at 1 September 2016	132	2
	Released from previous years	(132)	(2)
	Amounts deferred in the year	72	132
		<u>72</u>	<u>132</u>
	Deferred income at 31 August 2017	<u>72</u>	<u>132</u>

Deferred income at 31 August 2017 related to income in advance for 2017/18 educational visits.

Deferred income at 31 August 2016 related to £5,000 sponsorship from Chartwell's for a school event which took place in September 2016, the balance being in respect of educational visits.

WELLINGTON SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

16 Funds

	Balance at 1 September 2016 £000	Income £000	Expenditure £000	Gains, losses and transfers £000	Balance at 31 August 2017 £000
Restricted general funds					
General Annual Grant	1,699	6,529	(6,289)	(103)	1,836
Other DfE / ESFA grants	-	143	(143)	-	-
Other government grants	-	7	(7)	-	-
Other restricted funds	-	6	(6)	-	-
	<u>1,699</u>	<u>6,685</u>	<u>(6,445)</u>	<u>(103)</u>	<u>1,836</u>
Funds excluding pensions	1,699	6,685	(6,445)	(103)	1,836
Pension reserve	(1,746)	-	(220)	841	(1,125)
	<u>(47)</u>	<u>6,685</u>	<u>(6,665)</u>	<u>738</u>	<u>711</u>
Restricted fixed asset funds					
Transferred on conversion	11,037	-	(217)	-	10,820
DfE / ESFA capital grants	-	29	-	(29)	-
Capital expenditure from GAG	1,077	-	(288)	132	921
	<u>12,114</u>	<u>29</u>	<u>(505)</u>	<u>103</u>	<u>11,741</u>
Total restricted funds	<u>12,067</u>	<u>6,714</u>	<u>(7,170)</u>	<u>841</u>	<u>12,452</u>
Unrestricted funds					
General funds	<u>2,430</u>	<u>395</u>	<u>(363)</u>	<u>-</u>	<u>2,462</u>
Total funds	<u>14,497</u>	<u>7,109</u>	<u>(7,533)</u>	<u>841</u>	<u>14,914</u>

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

Restricted general funds are those resources that have been designated restricted by the grant provider in meeting the objects of the academy and are restricted to both the day to day running of the academy and capital expenditure.

Restricted fixed asset funds are those funds relating to the long term assets of the academy used in delivering the objects of the academy.

Unrestricted funds are those which the board of trustees may use in the pursuance of the academy's objectives and are expendable at the discretion of the trustees.

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2017.

The transfer from General Annual Grant restricted general funds to restricted fixed asset funds is to meet the cost of fixed asset additions for which there was no specific capital funding in the year.

WELLINGTON SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

17 Pensions 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 Tameside Metropolitan Council. Both are defined-benefit schemes.

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

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

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 is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The pension costs paid to the TPS in the period amounted to £502,000 (2016: £493,000).

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

WELLINGTON SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

17 Pensions and similar obligations (continued)

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

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 17% for employers and between 5.5 and 12.5% for employees. The estimated value of employer contributions for the coming year is £128,000.

Total contributions made	2017 £000	2016 £000
Employer's contributions	128	122
Employees' contributions	46	44
Total contributions	<u>174</u>	<u>166</u>
Principal actuarial assumptions	2017	2016
	%	%
Rate of increases in salaries	3.2	3.4
Rate of increase for pensions in payment	2.4	2.1
Discount rate	2.5	2.0
Expected return on assets	<u>2.5</u>	<u>2.0</u>

The sensitivities regarding the principal assumptions used to measure scheme liabilities are set out below:

Change in assumptions at 31 August 2017	Approximate % increase to employer liability	Approximate monetary amount £000
0.5% decrease in real discount rate	10%	435
0.5% increase in the salary increase rate	1%	41
0.5% increase in the pension increase rate	9%	389

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

	2017 Years	2016 Years
Retiring today		
- Males	21.5	21.4
- Females	24.1	24.0
Retiring in 20 years		
- Males	23.7	24.0
- Females	<u>26.2</u>	<u>26.6</u>

WELLINGTON SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

17 Pensions and similar obligations (continued)

The academy trust's share of the assets in the scheme	2017 Fair value £000	2016 Fair value £000
Equities	2,273	2,044
Bonds	498	483
Cash	156	142
Property	187	170
Total market value of assets	<u>3,114</u>	<u>2,839</u>
Actual return on scheme assets - gain/(loss)	<u>196</u>	<u>467</u>
Amounts recognised in the statement of financial activities	2017 £000	2016 £000
Current service cost (net of employee contributions)	276	191
Net interest cost	36	38
Plan introductions, benefit changes, curtailments and settlements	36	-
Total operating charge	<u>348</u>	<u>229</u>
Changes in the present value of defined benefit obligations	2017 £000	2016 £000
Obligations at 1 September 2016	4,585	3,276
Current service cost	276	191
Interest cost	94	124
Employee contributions	46	44
Actuarial loss	(703)	1,021
Benefits paid	(95)	(71)
Plan introductions, benefit changes, curtailments and settlements	36	-
At 31 August 2017	<u>4,239</u>	<u>4,585</u>

WELLINGTON SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

17 Pensions and similar obligations (continued)

Changes in the fair value of the academy trust's share of scheme assets	2017 £000	2016 £000
Assets at 1 September 2016	2,839	2,277
Interest income	58	86
Return on plan assets (excluding amounts included in net interest): Actuarial loss	138	381
Employer contributions	128	122
Employee contributions	46	44
Benefits paid	(95)	(71)
At 31 August 2017	<u>3,114</u>	<u>2,839</u>

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.

18 Analysis of net assets between funds

	Unrestricted	Restricted funds:		Total
	Funds	General	Fixed asset	2017
	£000	£000	£000	£000
Fund balances at 31 August 2017 are represented by:				
Tangible fixed assets	-	-	11,741	11,741
Current assets	2,645	1,836	-	4,481
Creditors falling due within one year	(183)	-	-	(183)
Defined benefit pension liability	-	(1,125)	-	(1,125)
	<u>2,462</u>	<u>711</u>	<u>11,741</u>	<u>14,914</u>

19 Reconciliation of net expenditure to net cash flows from operating activities

	2017 £000	2016 £000
Net expenditure for the reporting period	(424)	(714)
Adjusted for:		
Capital grants from DfE/ESFA and other capital income	(29)	(28)
Investment income receivable	(8)	(21)
Defined benefit pension costs less contributions payable	184	69
Defined benefit pension net finance cost	36	38
Depreciation of tangible fixed assets	505	496
Decrease/(increase) in debtors	64	(22)
(Decrease) in creditors	(155)	(161)
Net cash provided by operating activities	<u>173</u>	<u>(343)</u>

WELLINGTON SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

20 Commitments under operating leases

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

	2017 £000	2016 £000
Amounts due within one year	5	6
Amounts due in two and five years	-	5
	<u>5</u>	<u>11</u>

21 Related party transactions

Trustees who are also members of staff of the academy have been paid in accordance with national agreed levels as members of staff.

During the year the trust paid £350 to Elmridge Primary School for peer review costs. P Tarry is both a trustee of Wellington School and Elmridge Primary School.

The trust paid £128 to Trafford Leisure Community Interest Company for facility hire. M Colledge is both a director of the trust and the related company.

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 a trustee has an interest. All transactions involving such organisations are conducted at arms' length and in accordance with the academy trust's financial regulations and normal procurement procedures.

22 Members' liability

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

23 Agency arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds for the ESFA. In the accounting period ending 31 August 2016 the trust received £8,852 (2016 - £7,472) and disbursed £3,285 (2016 - £967) from the fund. An amount of £17,544 (2016 - £11,977) is included in other creditors relating to undistributed funds that are repayable to the ESFA.