

THE TED WRAGG MULTI ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2015

**THE TED WRAGG MULTI ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

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**THE TED WRAGG MULTI ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY TRUST, ITS MEMBERS/ TRUSTEES
AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2015**

| | |
|--|--|
| Members | Prof. Debra Myhill Ted Wragg Trust Exeter College University of Exeter |
| Trustees | Prof. Debra Myhill, Chair of Trustees ¹ Vanessa Cobb, Principal Financial Officer (resigned 31 December 2014) ¹ Roger Fetherston, School Improvement Officer Exeter Diocesan Education Network (Tatiana Wilson) Simon Gregory Steven Hayfield (resigned 26 May 2015) Richard Jacobs ¹ Saxon Spence Susan Baker Robert Bosworth, Vice Chair ¹ Lewis Banfield, Principal Financial Officer (appointed 22 January 2015) ¹ Raymond Beale (appointed 23 March 2015) Lynda Jones (appointed 1 June 2015) Moira Marder, Executive Principal (appointed 1 August 2015) |
| | ¹ Audit Committee |
| Company registered number | 08545109 |
| Principal and registered office | Graduate School of Education University of Exeter Heavitree Road Exeter EX1 2LU |
| Company secretary | Foot Anstey Secretarial Limited |
| Accounting officer | Prof. Debra Myhill |
| Independent auditors | Bishop Fleming LLP Chartered Accountants Statutory Auditors 2nd Floor Stratus House Emperor Way Exeter Business Park Exeter EX1 3QS |

**THE TED WRAGG MULTI ACADEMY TRUST
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**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2015**

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2015. The annual report serves the purpose of both a Trustees' report, and a Directors' report under company law.

The Trust operates Isca, an academy for pupils aged 11 to 16 in Exeter. It has a pupil capacity of 950 and had a roll of 675 in the school census in the summer of 2015. From September 2015 the Trust also operates Cranbrook Education Campus, as all-through academy for pupils aged 0 to 16 in Exeter. It has a pupil capacity of 1000 in its first phase and had a roll of 89 in the school census in the summer of 2015.

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 The Ted Wragg Multi Academy Trust are also the directors of the charitable company for the purposes of company law.

Details of the Trustees who served throughout the year, except as noted, 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 they cease to be a member.

Trustees' Indemnities

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 £5,000,000 on any one claim.

TRUSTEES

Method of recruitment and appointment or election of Trustees

The Academy Trust shall have the following Trustees as set out in its Articles of Association and funding agreement:

- up to 11 Trustees who are appointed by members of the Ted Wragg Multi Academy Trust
- Additional co opted Directors appointed by the Board of Trustees

Trustees are appointed for a four year period. Subject to remaining eligible to be a particular type of Trustee, any Trustee may be re appointed or re elected.

Policies and Procedures adopted for the Induction and Training of Trustees

There is a Trustees' Annual Review Day organised each year, which includes training sessions to keep the Trustees updated on relevant developments impacting on their roles and responsibilities. In addition, the Trust has a Trustee Information Pack for new Trustees.

Organisational Structure

The Board of Trustees normally meets once each term. The Board establishes an overall framework for the governance of the Academy and determines membership, terms of reference and procedures of Committees and other groups. It receives reports including policies from its Committees for ratification. It monitors the activities of the Committees through the minutes of their meetings. The Board may from time to time establish Working Groups to perform specific tasks over a limited timescale.

The following decisions are reserved to the Board of Trustees: to consider any proposals for changes to the status or constitution of the Academy Trust and its committee structure, to appoint or remove the Chairman

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015**

and/or Vice Chairman, to appoint the Executive Principal and Clerk to the Trustees, to approve the Annual Development Plan and budget.

The Trustees are responsible for setting general policy, adopting an annual plan and budget, approving the statutory accounts, monitoring the Academy by the use of budgets and other data, and making major decisions about the direction of the Academy, capital expenditure and staff appointments.

The Trustees have delegated authority to the Local Governing Body of the Academy for all principal aspects of governance, but particularly the core functions of ensuring the clarity of the strategic vision for the school; holding the Headteacher to account for the educational performance of the school; and overseeing the financial performance of the school. There is a direct reporting line from the Chair of the Governing Body to the Trust to allow for appropriate scrutiny of this delegated authority, as well as Trustees with specific responsibility for high level oversight of school improvement and finance. Responsibility for day to day management of the Academy resides with the Headteacher.

The Chair of the Trust is the Accounting Officer.

Connected Organisations, including Related Party Relationships

There are no related parties which either control or significantly influence the decisions and operations of Ted Wragg Multi Academy Trust.

In the prior year owing to the need to draw upon professional expertise, beyond a reasonable demand for voluntary service, at the point of preparing for sponsorship of Isca, and to maximise the benefit of Trustees' relevant skills and knowledge, one related party transaction was approved by the Board. All transactions involving any related parties are conducted at arm's length and in accordance with the Trust's policies and procedures for procurement and employment.

Company Secretarial Services to the value of £650 were purchased from Foot Anstey LLP, a firm of which one Trustee is a Partner.

OBJECTIVES AND ACTIVITIES

Objects and Aims

The purpose of the Ted Wragg Multi Academy Trust is to influence, challenge and nurture educational excellence to the benefit of all.

The aims of the Academy Trust are summarised below:

- Work in genuine partnership to strengthen schools and their communities.
- Foster a culture of positive challenge and continual school improvement.
- Provide a common sense of purpose with a focus on outstanding teaching and learning.
- Offer an excellent educational experience so that every student fulfils their potential.
- Encourage a rich, dynamic and purposeful range of learning opportunities for all students.
- Develop life enhancing values so that students leave school with a sense of self worth and a determination to succeed.

The Ted Wragg Multi Academy Trust works with Exeter schools to raise the aspirations of young people and enable them to become fulfilled, confident and motivated citizens, able to contribute actively to a democratic society. The Trustees share Ted Wragg's passion for education and the difference it can make to social mobility, progression, self esteem and ultimately success, in an increasingly competitive education and jobs market.

Objectives, Strategies and Activities

The key strategic priorities for 2014-15 were to:

- Strengthen capacity of Board of Directors in finance, property and business by seeking to find three new directors from local business and industry who are committed to serve on the Trust
- Secure Cranbrook Education Campus as a new Trust school by ensuring the application to lead Cranbrook Education Campus receives priority attention from College, University and Directors to

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015**

- maximise the chance of success
- Successfully open Cranbrook Education Campus, enabling this through establishing a Project Steering Group and Project Manager
- Establish a strong governance structure for Trust and Local Governing Bodies and develop a clear model of governance for the Trust as an active Multi-Academy Trust
- Revise original Scheme of Delegation in light of Trust development
- Determine a structure of central services for the Trust and develop a model structure for five years, planning for new central services as the Trust grows
- Secure central financial services and appoint a Chief Financial Officer
- Secure central school improvement provision and appoint an Executive Principal: School Improvement
- Determine appropriate appointment for business leadership by reviewing a range of job descriptions for Chief Executive Officer; Chief Operating Officer; Business Manager etc. to determine appropriate appointment
- Secure central business service by appointing a Chief Operating Officer
- Establish centralised budgeting processes through setting up Correro so that as new schools join the Trust the budgeting systems are appropriate

Public Benefit

The Trustees confirm that they have complied with the duty in Section 17(5) of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Academy Trust's aims and objectives and in planning its future activities.

STRATEGIC REPORT

Achievements and Performance

The Trust has made good progress through the 2014/15 academic year. It has supported Isca Academy through a period of transition and appointed a new Head Teacher who will start in Jan 2016. The Trust has opened the Cranbrook Education Campus at the new town in the East of Exeter. The Trust has agreed to St James School joining the Multi Academy Trust and supported the Local Governing Body in the process of converting to Academy status.

The Trust has increased its capacity by appointing an Executive Head Teacher and a Chief Finance Officer. A governing body for the new school has been established successfully and an interim Head Teacher for Cranbrook Education Campus has been appointed.

The Trust has agreed a five year strategic plan. The Strategic aims are:

- To be a multi-academy trust of 5-8 schools by 2019
- To have established an effective central service infrastructure
- To have developed strong governance at both board and local governing body levels
- To have secured a trajectory of school improvement in all Trust schools
- To have established co-operation and collaboration across Trust schools both in shared back-office services and school improvement
- To have closed the gap between Pupil Premium and non-Pupil Premium students in 2019 by 10% on 2014 results

The Trust plans to appoint a Chief Operating Officer in October 2015 and increase its Human Resource capacity.

Key Performance Indicators

The Education Brief for Isca Academy makes specific reference to the improvement of outcomes in order to raise the profile of the school, thereby making it a more attractive choice for parents and so increasing school numbers. The school has set ambitious targets using Fischer Family Trust data and setting targets at the minimum of the 25th percentile.

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**TRUSTEES' REPORT (continued)
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A core of Key Performance Indicators will be consistently used over at least the next 3 years in order that trends can be identified. The Education Brief makes consistent reference to the performance and progression of 'every student' and whilst exclusive measures such as 5A* C (EM) are identified in the KPIs, there is greater emphasis on progression made by all students from point of entry to the end of Key Stage 4. This will facilitate the Trust's ability to evaluate the performance of lower attaining students who have historically not achieved well. These KPIs also reflect the priority identified in the Education Brief to 'narrow the gap' in performance between those students deemed pupil Premium' and other pupils.

In recognition of the high level of 'in school variation' in individual subject performance beyond English and mathematics, the KPIs also include levels of progress, as well as A* C data, which for optional subjects is of limited value.

Headline Key Performance Indicators

| CORE HEADLINE RESULTS | | | | | |
|-----------------------------|--------|-----------|-----------------|-------------|----------------|
| | 2013 | 2014 | 2015 prediction | 2015 actual | FFT A25 target |
| 5A*-C inc Eng & Maths | 56% | 53%(Best) | 60% | 52% | 58% |
| 5A*-G | 96% | 94% | 97% | 93% | 94% |
| English A*-C | 66% | 71% | 72% | 63% | 74% |
| Maths A*-C | 66% | 66% | 67% | 66% | 72% |
| Science 2 A*-C | 44% | 52% | 54% | 52% | 63% |
| Best 8 CPS with Eng & Maths | 333.7 | 294 | 317 | 309 | |
| Best8 value added | 1000.9 | 984.5 | | 1017 | NA |
| Best 8 Progress | | | | +0.14 | NA |
| EBacc | 18% | 19% | 21% | 15% | 21% |

The Ebacc decline is the result of weak MFL and history outcomes. These are priority areas for 2016.

Progression Key Performance Indicators

| PROGRESSION DATA | | | | | |
|---------------------------------------|------|------|-----------------|-------------|----------------|
| | 2013 | 2014 | 2015 prediction | 2015 actual | FFT A25 target |
| Key Stage 2 Average Point Score (APS) | 26.8 | 27.2 | NA | 26.3 | NA |
| National KS2 (APS) | 27.9 | 27.8 | | 27.5 | NA |
| +/- National | -1.1 | -0.6 | | -1.2 | NA |
| 3 Levels of progress: English | 71% | 80% | 72% | 73% | 73% |
| 3 Levels of progress: Maths | 67% | 66% | 67% | 69% | 68% |
| 4 Levels of progress: English | 34% | 32% | 38% | 31% | 38% |
| 4 Levels of progress: Maths | 32% | 26% | 36% | 32% | 32% |

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**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015**

Narrowing the Gap Key Performance Indicators

| NARROWING THE GAP | | | | | | | | | | |
|-------------------------------|------|--------|------|------|--------|------|------|--------|------|-------------|
| | 2013 | | | 2014 | | | 2015 | | | 2015 Target |
| | PP | Non PP | GAP | PP | Non PP | GAP | PP | Non PP | GAP | FFT A25 |
| Number of FSM/PP | 55 | 121 | | 58 | 112 | | 43 | 106 | | |
| % 5A*-C inc Eng and Maths | 29% | 69% | -40% | 33% | 64%* | -31% | 38% | 58% | -20% | |
| % 5A*-G | 89% | 97% | -8% | 90% | 96%* | -6% | 89% | 94% | -5% | |
| 3 Levels of progress: English | 51% | 81% | 30% | 75% | 84% | -9% | 61% | 78% | -17% | |
| 3 Levels of progress: Maths | 40% | 79% | -39% | 54% | 68%* | -14% | 53% | 79% | -26% | |

The mathematics progress gap has been highlighted in an outcome analysis meeting with the Head of Department to identify actions to address this gap for 2016.

In School Variation Key Performance Indicators

| SUBJECT RESULTS: 3 LEVELS of PROGRESS | | | | | |
|--|------|------|-----------------|-------------|------------------------|
| In brackets – students entered Red – Concerns Green - Good | 2013 | 2014 | 2015 prediction | 2015 actual | 2015 Target (FFT A 25) |
| <i>Art GCSE</i> 3 levels of progress | 71% | 63% | 78% | 65%(20) | |
| A* - C | 74% | 80% | 90% | 67% | 84% |
| <i>Art BTEC</i> 3 levels of progress | 85% | 70% | 45% | 25%(13) | |
| A* - C | 100% | 70% | 42% | 21% | 70% |
| <i>Drama BTEC</i> 3 levels of progress | 92% | 96% | 100% | 81%(26) | |
| A* - C | 92% | 100% | 100% | 80% | 64% |
| <i>Dance</i> 3 levels of progress | 6% | 20% | NA | NA | NA |
| A* - C | 6% | 18% | NA | NA | NA |
| <i>Music</i> 3 levels of progress | NA | 75% | 75% | 45%(11) | |
| A* - C | NA | 80% | 69% | 54% | 61% |
| <i>French</i> 3 levels of progress | 35% | 53% | 72% | 42%(44) | |
| A* - C | 44% | 67% | 86% | 52% | 68% |
| <i>Spanish</i> 3 levels of progress | 0% | 19% | 26% | 0%(10) | |
| A* - C | 7% | 26% | 30% | 10% | 53% |
| <i>PE</i> 3 levels of progress | 40% | 65% | 91% | 55%(36) | |
| A* - C | 51% | 91% | 94.45 | 50% | 73% |
| <i>Geography</i> 3 levels of progress | 50% | 50% | 81% | 49%(80) | |
| A* - C | 54% | 59% | 79.5% | 50% | 67% |
| <i>History</i> 3 levels of progress | 51% | 64% | 67% | 44%(28) | |
| A* - C | 53% | 71% | 67.8% | 43% | 64% |

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| SUBJECT RESULTS: 3 LEVELS of PROGRESS cont'd | | | | | |
|--|------|------|--------------------|----------------|------------------------------|
| In brackets – students entered Red – Concerns Green - Good | 2013 | 2014 | 2015 prediction | 2015 actual | 2015 Target (FFT A 25) |
| <i>RE</i> 3 levels of progress | 75% | 48% | 79% | 68%(130) | |
| A* - C | 78% | 47% | 69.8% | 65% | 61% |
| <i>Computing</i> 3 levels of progress | NA | 11% | 80% | 46%(14) | |
| A* - C | NA | 19% | 87.5% | 50% | 65% |
| <i>Catering</i> 3 levels of progress | 75% | 68% | 79% | 81%(16) | |
| A* - C | 75% | 68% | 57.9% | 75% | 70% |
| <i>H & Soc Care</i> 3 levels of progress | | | | 39%(22) | |
| A*-C | | | 48% | 36% | 56% |
| <i>RM</i> 3 levels of progress | 65% | 56% | 60% | 50%(20) | |
| A* - C | 53% | 55% | 38.1% | 40% | 42% |
| <i>Graphic Design</i> 3 levels of progress | | | | 32%(20) | |
| A*-C | | | 45% | 35% | 51% |
| <i>Chemistry</i> 3 levels of progress | 81% | 73% | 93% | 92%(36) | |
| A* - C | 87% | 84% | 100% | 94% | 87%* |
| <i>Biology</i> 3 levels of progress | 84% | 75% | 89% | 92%(36) | |
| A* - C | 87% | 91% | 100% | 92% | 88%* |
| <i>Physics</i> 3 levels of progress | 87% | 81% | 80% | 94%(36) | |
| A* - C | 90% | 97% | 90.9% | 94% | 86%* |
| <i>Science core</i> 3 levels of progress | | | | 44%(102) | |
| A*-C | | | | 41% | 32%* |
| <i>Environ Science</i> 3 levels of progress | | | | 0%(19) | |
| A*-C | | | | 0% | |
| <i>Science additional</i> 3 levels of progress | | | | 51%(78) | |
| A*-C | | | | 45% | |
| <i>Textiles</i> 3 levels of progress | 89% | 100% | 95% | 82%(17) | |
| A* - C | 92% | 100% | 95.2% | 70% | 80% |
| <i>English Lit</i> 3 levels of progress | 68% | 79% | 77% | 69%(134) | |
| A* - C | 61% | 71% | 74.2% | 66% | 64% |
| <i>Media BTEC</i> 3 levels of progress | NA | 58% | 71% | 33%(17) | |
| A* - C | NA | 67% | 77.7% | 46% | 77% |
| <i>Maths</i> 3 levels of progress | 67% | 66% | 67% | 71%(146) | 68% |
| A*-C | 66% | 66% | 71% | 66% | 65% |
| <i>English</i> 3 levels of progress | 71% | 80% | 72% | 73%(146) | 74% |
| A*-C | 66% | 71% | 75% | 63% | 64% |
| ECDL(Computer use) | | | | 100%(130) | 69% |

In school variations in outcome have been considered at examination analysis meeting with subject leaders. Progression rate variation is a more reliable indicator of variation than attainment as it considers every student, so is an inclusive measure, from their starting point of KS2 points, hence fair to each student. This is especially important in option subjects where attainment rates (A*-C) vary dependent on prior attainment to a large degree and is an exclusive measure not taking into account all students.

Within the Education Brief an important priority is that of improving attendance. Identifying trends over time will be crucial in order to evaluate the impact of actions taken by the school.

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015**

Attendance and Exclusions Key Performance Indicators

Attendance

| | 2012-13 | 2013-14 | 2014-15 |
|----------------------|-----------------|-----------------|-----------------|
| Whole school | 92.0* 94.5** | 93.2* 94.9** | 93.8* 95.1** |
| Year 7 | 94 | 96.8 | 95.5 |
| Year 8 | 94.6 | 94.3 | 95.9 |
| Year 9 | 92.7 | 94.3 | 94.4 |
| Year 10 | 93 | 93.6 | 94.7 |
| Year 11 (5 terms) | 92.4 | 95.1 | 95.4 |
| FSM+6 | 93 | 93.8 | 93.6 |

*This figure is for 6 terms and reflects year 11 absent for summer 2 term

**Attendance up to and including term 5

Notes

- Attendance has improved over a 3 year trend this is due to a relentless focus on improving attendance from all staff- HOH appraisal targets and 2 weekly meeting with attendance officer, tutors share statistics with students, raising profile (weekly tutor awards), tiered system of letters/meetings with parents, daily calls/texts and appointment of new attendance officer
- FSM attendance remains below non-FSM but still higher than national (approximately 92% nationally)
- Year 11 attendance has improved dramatically due to 'passport to prom' and raising expectations within this year group- we now count some year 10 attendance towards this scheme
- Year 9 and 10 attendance still needs significant improvement- the impact of the new options process (starting GCSE in year 9) is not yet discernible

Exclusions

| | 2012-13 | 2013-14 | 2014-15 |
|--|---------|---------|---------|
| Permanent exclusions - PEX | 2 | 2 | 2 |
| Fixed term exclusions –FTE- (Days lost) | 130.5 | 156 | 104.5 |

Fixed term exclusion by year group- Incidents of exclusion

| | 2012-13 | 2013-14 | 2014-15 |
|----------|---------|---------|---------|
| Year 7 | 11 | 7 | 4 |
| Year 8 | 8 | 23 | 8 |
| Year 9 | 15 | 17 | 15 |
| Year 10 | 15 | 21 | 34 |
| Year 11* | 9 | 7 | 24 |

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**TRUSTEES' REPORT (continued)
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Notes

- PEX have remained static- these figures compare very favourably with other schools locally
- FTE have fluctuated due to changes in behaviour management system- with restorative element in place we are confident this reduction (in second half of year) can be maintained
- The majority of FTE come from a very small cohort- around 1% of student population- who are subject to multiple exclusions- the majority of these become PEX or leave before the end of year 11 for alternative provision
- The increase in year 10/11 exclusions in 2014/15 coincides with best results in Academy's history- this could suggest an increased focus on ensuring disruption to learning is minimised in these year groups

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 Going concern policy.

FINANCIAL REVIEW

Financial Review

Most of the Academy's income is obtained from the Department for Education (DfE) via the Education Funding Agency in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the period ended 31 August 2015 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

Due to current needs being met by the provisions of the lease of the premises at Isca and maintained under the terms of the current PFI service level agreement, Capital Funding of £15,677.50 for fixed assets was received during the period, as shown in the Statement of Financial Activities regarding the Fixed Asset Fund. For those fixed assets that belong to the Trust, the fund balance is reduced by annual depreciation charges over the useful life of the assets concerned, as defined in the Academy's accounting policies.

During the period ended 31 August 2015, (excluding restricted fixed asset funds and pension reserves), total expenditure of £4,522,991 was covered by recurrent grant funding from the DfE, together with other incoming resources of £4,323,308. The excess of expenditure over income for the year was £199,683.

At 31 August 2015 the net book value of fixed assets was £459,711 and movements in tangible fixed assets are shown in note 15 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

A 125 year lease of the land, buildings and other assets at Isca was granted to the Trust upon conversion. Whilst land and buildings were professionally valued on 23 May 2014, this has not been recognised in the accounts due to the PFI agreement. Other assets have been included in the financial statements at a best estimate, taking into account purchase price and remaining useful lives.

Unrestricted income was derived from a variety of sources, including:

- Earnings from consultancy services by the Executive Principal
- Sale of uniforms to parents
- Contributions and voluntary donations towards activities and events

Uniform sales to parents are made at cost value. Trips expenditure is in excess of Trips income from contributions and voluntary donations.

The Academy has taken on the deficit in the Local Government Pension Scheme in respect of its non teaching

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staff transferred on conversion. The deficit is incorporated within the Statement of Financial Activities with details in Note 28 to the financial statements.

Key financial policies adopted or reviewed during the year include the Internal Framework Document and Finance Policy which together lay out the framework for financial management, including financial responsibilities of the Board, Head Teacher, managers, budget holders and other staff, as well as delegated authority for spending. Other policies reviewed and updated included Terms of Reference for the Audit Committee and the Trust VAT policy.

In the period up to 31 August 2015 the Trust was in the process of setting up Cranbrook Education Campus which received Capital and Start Up Funding amounting to £1,056,500. Costs committed and incurred are within budget. Cranbrook Education Campus opened on Thursday 3rd September 2015.

Reserves Policy

Reserves are that part of the Trust's unrestricted income that is freely available to spend on any of the Trust's purposes. The reserve fund specifically excludes restricted income funds, which were paid to the Trust during the period for specific purposes.

The Trustees have applied a systematic approach to developing management instruments taking into consideration the priorities of their due responsibility for the sponsorship of Isca and its effective management. The Trustees, as part of their project planning in the set up of Cranbrook Education Campus identified key income and expenditure streams and satisfied themselves that the project was viable in the long term. The Trustees review the reserve levels of the Academies annually as part of the budget setting process. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees also take into consideration the future plans of its Academies, any uncertainty over future income streams and other key risks identified during the risk review.

The Trustees determined that the appropriate level of free reserves in this period should not normally exceed 5% of annual funding. The reason for this was to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies, together with financing the provision of centralised or corporate services as required, for example in legal, accounting and communications costs.

In addition, the Trustees forecast the need to carry over a level of restricted use funding from the period to the following year, in order to maintain curriculum diversity for existing pupils where a future fall in numbers is anticipated.

It is the intention of the Trustees to determine a level of reserves that is allocated on a per pupil basis from each Academy and that the use of such funds is managed to the overall benefit of all pupils. Future corporate expenditure from reserves is expected to include the employment costs of Chief Operating Officer and other central support and infrastructure costs as per the three year infrastructure plan.

It is the intention of the Trustees, in the revision of the Reserves policy, to determine a level of reserves that is allocated on a per pupil basis from each Academy and that the use of such funds is managed to the overall benefit of all pupils. Future corporate expenditure from reserves is expected to include the employment costs of CEO, Finance Director, HR consultant and PA support, as per the three year infrastructure plan (see Figure 2).

For the period ending 31 August 2015, total reserves of the Academy Trust amount to a deficit of £161,593, although £1,017,505 of this deficit is invested in fixed assets or represents non GAG restricted funds. The remaining surplus of £500,902 (representing £438,796 unrestricted funds and £62,106 unspent GAG) is the balance that the Trustees monitor in accordance with the Board's reserves policy. This represents over 1 month of normal recurring expenditure.

The defined benefit pension scheme reserve has a negative balance. The effect of the deficit position of the pension scheme is that the Academy Trust is paying higher employers' pension contributions over a period of years. The higher employers' pension contributions will be met from the Academy Trust's budgeted annual income, whilst the deficit will not be immediately eliminated, there should be no actual cash flow deficit on the fund, or direct impact on the free reserves of the academy Trust.

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The Trust has no other funds in deficit.

Investment Policy

Another matter that is scheduled for attention during the year ending 31 August 2016 is the adoption and implementation of a managed Investment Policy.

It is the Trustees' intention that all funds surplus to immediate requirements are invested to optimal effect. On a daily basis this is likely to be achieved by automatic transfer of surplus funds to overnight deposit. Where cash flow allows, sums in excess of £100,000 may be invested on deposit for extended periods.

Due to the nature and timing of receipt of funding, the Academy may at times hold cash balances surplus to its short term requirements. The Trustees plan to authorise the opening of additional short term bank investment accounts to take advantage of higher interest rates. No other form of investment is likely to be authorised.

Trustees are committed to ensuring that all funds under their control are managed in such a way as to maximise return whilst minimising risk. Any cash not required for operating expenses will be placed on deposit at the most favourable rate available from providers covered by the Financial Services Compensation Scheme. Day to day management of the surplus funds held by each Academy will be delegated to the Headteacher and funds held by the Corporate Account, to the Chief Finance Officer, within strict guidelines approved by the Board of Trustees.

PRINCIPAL RISKS AND UNCERTAINTIES

The Board of Trustees has reviewed the major risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Trust has a Risk Register which is reviewed at each Audit Committee.

The principal risks and uncertainties facing the Academy are as follows:

Financial - the Trust has considerable reliance on continued Government funding through the Education Funding Agency. In the last year almost 100% of the Trust's incoming resources were ultimately Government funded and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

Financial – a further financial risk is the falling rolls at Isca Academy due to a combination of demographic changes and parental choice, combined with the risk of increased costs in the new PFI settlement. This risk has been addressed through a clear plan to attract new students to Isca and careful scrutiny of the budget forecast for the Academy.

Failures in governance and/or management - the risk in this area arises from potential failure to effectively manage the Trust's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks. In particular, the appointment of a Chief Financial Officer is a key mitigator against this risk

Reputational – the Trust was invited to sponsor Isca Academy at a time when its educational achievements were in question. The challenges faced by the Academy cannot all be overcome in the short term. Accordingly, reputational risks exist, particularly in relation to other Trust schools. However, the Trust has closely monitored and reviewed the academic achievements of Isca Academy and the 2015 results are their best ever.

Staffing - the success of the Trust schools is reliant upon the quality of its staff and so the Trustees monitor and review policies and procedures to ensure that Trust schools are appropriately staffed and that there is continued development and training as well as clear succession planning.

Fraud and mismanagement of funds - The Academy has appointed a Responsible Officer to carry out checks on financial systems and records as required by the Academy Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area. A multi level Finance Team meets to ensure that financial controls are maintained.

The financial health of Trust schools is examined formally every term by the Local Governing Body. They review

**THE TED WRAGG MULTI ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015**

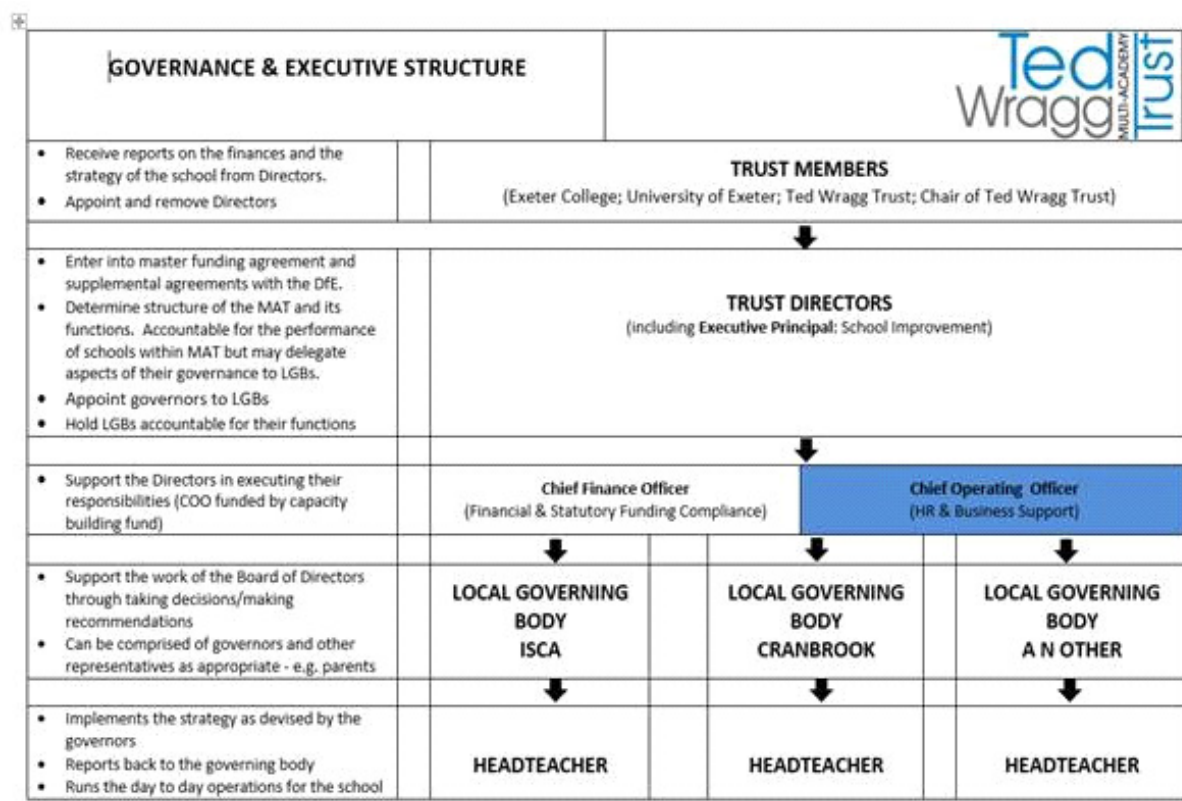
performance against budgets and overall expenditure by means of regular update reports at Governor and Finance Team meetings. The Trustees also ensure that the Local Governing Body review cash flow forecasts and ensure sufficient funds are held to cover all known and anticipated commitments.

At the year end, the Academy had no significant liabilities arising from trade creditors or debtors that would have a significant effect on liquidity.

The Board of Trustees recognises that the defined benefit pension scheme deficit (Local Government Pension Scheme), which is set out in Note 28 to the financial statements, represents a significant potential liability. However as the Trustees consider that the Academy is able to meet its known annual contribution commitments for the foreseeable future, this risk from this liability is minimised.

PLANS FOR FUTURE PERIODS

The following diagram illustrates the development of the Trust's infrastructure from 2015 to 2016:



**THE TED WRAGG MULTI ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015**

In addition to St James School joining the Trust in Feb 2016, there also plans to expand to one further secondary school in 2016 as illustrated below:



FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The Academy and its Trustees do not act as the Custodian Trustees of any other Charity.

AUDITORS

In so far as the Trustees are aware:

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

The auditors, Bishop Fleming LLP, are willing to continue in office and a resolution to appoint them will be proposed at the annual general meeting.

Trustees' report, incorporating a strategic report, approved by order of the board of trustees, as company directors, on 14 December 2015 and signed on the board's behalf by:

**Prof. Debra Myhill
Chair of Trustees**

**THE TED WRAGG MULTI ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

The board of trustees has delegated the day-to-day responsibility to the Chair of the Trust, as Executive Finance 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 Ted Wragg Multi Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

The board of trustees has delegated authority for the core governance responsibilities to the Local Governing Body, with appropriate controls in place to ensure the board of trustees is able to exercise its mandated responsibilities.

GOVERNANCE

The information on governance included here supplements that described in the Trustees' report and in the Trustees' responsibilities statement. The board of trustees has formally met 5 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

| Trustee | Meetings attended | Out of a possible |
|--|-------------------|-------------------|
| Prof. Debra Myhill, Chair of Trustees | 5 | 5 |
| Vanessa Cobb | 3 | 3 |
| Roger Fetherston, School Improvement Officer | 3 | 5 |
| Exeter Diocesan Education Network (Tatiana Wilson) | 3 | 5 |
| Simon Gregory | 1 | 5 |
| Steven Hayfield | 0 | 5 |
| Richard Jacobs | 5 | 5 |
| Saxon Spence | 5 | 5 |
| Susan Baker | 1 | 5 |
| Robert Bosworth, Vice Chair | 5 | 5 |
| Lewis Banfield, Principal Financial Officer | 2 | 2 |
| Raymond Beale | 2 | 2 |
| Lynda Jones | 1 | 1 |
| Moirra Marder, Executive Principal | 0 | 0 |

In this the second year of the Ted Wragg Multi Academy Trust's operation, there have been no major changes to the composition of the Trust. Vanessa Cobb resigned from the Trust on 31st December 2014, to be formally replaced at Principal Financial Officer by Lewis Banfield. Steven Hayfield resigned from the Trust in May but the Trust has appointed two new Trustees in Ray Beale and Lynda Jones.

There have been no major challenges for the Board, other than becoming familiar with the various reporting requirements and systems associated with being a Multi Academy Trust.

Governance reviews:

As part of its annual evaluation the Trustees have reviewed and updated their individual governance records including code of conduct, declaration of interests, skills review and other key documents. They hold an annual Trustees Away Day where they review the Vision, Strategy and Structure of the Trust and update their internal self-assessment document based on recent achievements and developments. The Trust has agreed to review the self-assessment document quarterly at each Trust meeting and this has been added to the Cycles of Business. Documents and information have been made more accessible to Trustees via the website, with key information now publicly available. Processes for appointments of new Trustees and new Governors have been simplified and documents made available to all. Policies across the Trust schools will be formally reviewed following the appointment of the Chief Operating Officer post. Internal reviews of financial processes have been

**THE TED WRAGG MULTI ACADEMY TRUST
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GOVERNANCE STATEMENT (continued)

conducted at Isca, and will shortly be set up for Cranbrook. Findings from these reviews are fed back to the Audit Committee for discussion and action as necessary. The Risk Register for the Trust is reviewed quarterly at Audit Committee and reported to the Trust meetings. The Trust has agreed to conduct an external review of governance in its third year.

The Audit Committee is also a sub-committee of the main board of trustees. Its Terms of Reference are set out below:

Membership

The Board of Directors shall appoint the Committee from the Non-Executive Directors of the Trust. The Committee shall consist of not less than three Directors. A quorum shall be three Directors. One Director shall have recent and relevant financial experience.

Attendance at Meetings

The Chair of the Trust, Accounting Officer, PFO, CEO, CFO, ROs or other persons shall attend meetings at the invitation of the committee. The Committee shall invite the External Auditors to attend the November meeting each year.

Frequency of Meetings

Meetings shall be held not less than 3 times a year to coincide with key dates in the financial reporting cycle. Additional meetings may be requested by the Chair of the Audit Committee.

Authority

The Committee is authorised by the Board of Directors to:

- Investigate any activity within its terms of reference
- Seek any information that it requires from any Director, Governor or Employee of the Trust and its Schools
- Obtain outside legal or independent professional advice

Duties

Financial Reporting

To review and where necessary to challenge the actions and judgements of Trust and School Governance and Management in relation to financial reporting, accounting policies and practices, budgets, unusual transactions, disclosures, adjustments resulting from audits and compliance with Statutory Duties.

Internal Control and Risk Management

To monitor and review the integrity of the Trust's internal financial controls, including procedures to detect and prevent fraud and impropriety and those to identify, assess and manage risk

Internal Audit

To direct the Responsible Officer(s) in conducting internal audits within each of the Trust's Schools three times per year and to receive reports based upon these exercises; to ensure findings are shared with appropriate Trustees, Governors and Staff and to review and monitor Governance and Management's response to findings.

External Audit

1. To recommend the appointment, re-appointment or removal of the external auditor and oversee the Trust's relations with them; to approve the terms of engagement and remuneration to be paid to the external auditor.
2. To discuss with the external auditor, before the audit commences, the nature and scope of the audit
3. To review with the external auditor the findings of their work, including any major issues arising and their resolution, key accounting judgements and levels of errors identified during the audit.
4. To assess the effectiveness of the audit process at the end of its cycle
5. To oversee the Trust's need for impartiality by the external auditor with reference to their non-audit services, to ensure objectivity is not impaired through their delivery

Reporting

The Committee is required by the Board of Directors to report:

- Minutes of its meetings regularly
- Evaluation of its own effectiveness annually
- Summary of its role and responsibilities and actions taken to discharge them, for inclusion in the Annual Report

**THE TED WRAGG MULTI ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

GOVERNANCE STATEMENT (continued)

Attendance at meetings in the year was as follows:

| Trustee | Meetings attended | Out of a possible |
|---|-------------------|-------------------|
| Prof Debra Myhill | 4 | 4 |
| Vanessa Cobb | 2 | 2 |
| Robert Bosworth | 2 | 4 |
| Richard Jacobs | 3 | 4 |
| Lewis Banfield, Principal Financial Officer | 2 | 2 |

REVIEW OF VALUE FOR MONEY

The Ted Wragg Multi-Academy Trust adopted a variety of methods for ensuring value for money in our procurement, across all levels of operations. Until September 2015, the Trust had only one school (Isca) under its umbrella, thus value for money is related mostly to expenditure in this school. However, with Cranbrook Education Campus entering the Trust in September 2015 this will create new opportunities for securing value for money, including across schools.

Embedding Value for Money in Trust Operations

The Trust is committed to ensuring that the maximum amount of funding it receives is directed to meet the educational needs of children in its schools. Therefore, the concept of value for money is embedded in the way it operates. We have a Competitive Tendering Policy to formalise value for money in procurement processes, and routinely, consideration is given to alternative possibilities for spending and procurement which would yield better value for money. For example, when introducing a new school uniform, the Headteacher actively negotiated a good deal with a uniform company, having evaluated the standard provider as both more costly and less responsive to our needs. Also, Isca now buys all its stationery in bulk, generating cost savings.

Isca PFI Service Contract

By far the biggest expense to the Trust at Isca, other than staff salaries, is the PFI contract for building and site management and maintenance, utilities, cleaning and catering. The contract pre-dates academisation and was brokered between Devon County Council and Modern Schools Exeter Ltd, with current service provision delivered by Carillion. While terms of this agreement are too far removed from the Trust to be negotiable at present, the only way of ensuring value for money is by close scrutiny of performance on a day-to-day basis. This has been handled effectively by the Senior Leadership Team in Isca. On 1 September 2015 the service provider changed from Carillion to Sodexo. Sodexo are still settling into the Contract.

Central Services

With only one academy operating under the Trust's control for the period under review, it has been impossible to apply the economies of scale that would otherwise be possible with two or more academies. However, Trustees and Members of the Trust have volunteered considerable time on a personal and professional basis in order to lead the development of the Trust in its formative years. This has involved significant time investment by the Chair, Vice-Chair and School Improvement Lead, in particular, focusing on school improvement at Isca, establishment as a Multi-Academy Trust and school sponsor, and strategic vision and growth.

Cranbrook Education Campus

As part of the process of setting up Cranbrook Education Campus information and quotes were obtained from potential contractors for services through an informal tendering process and decisions made by the Cranbrook Education Campus Steering Group Committee and Shadow Governing Body.

**THE TED WRAGG MULTI ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

GOVERNANCE STATEMENT (continued)

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. We have endeavoured to ensure appropriate internal control of financial arrangements are achieved through:

- delegation of authority and segregation of duties;
- comprehensive budgeting and monitoring systems with an annual and three year forecast budget and periodic financial reports which are reviewed and agreed by the Local Governing Body;
- tri annual monitoring by the Principal Finance Officer of financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes (reporting to the TWMAT Board of Directors);
- clearly defined procurement (asset purchase or capital investment) investment and expenditure guidelines for the Local Governing Body and Ted Wragg Multi Academy Trust.
- identification and management of financial, business and operational risks.

To achieve this, we have established an Internal Control Framework which identifies the areas of responsibility and the mechanism by which this responsibility is assured. The system of internal control has been in place in the Ted Wragg Multi Academy Trust from 7 May 2014..

CAPACITY TO HANDLE RISK

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on going process for identifying, evaluating and managing the Academy Trust's significant risks that have been in place for the period 1st September 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements. To manage this responsibility, the Board developed a Risk Register which was adopted on 7 May 2014. This Risk Register has been expanded and developed and is now reviewed at every Audit Committee meeting and reported to each Trust meeting.

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:

- regular communication between members of the Finance Team, which includes:
 - Appropriate Leadership, Finance and Administrative staff of the Academy and Trust
 - Members of the Local Governing Body with Financial Portfolios
 - Members of the Board of Trustees with Financial Portfolios
- 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 Team of reports which indicate financial performance against forecasts of income and expenditure programmes;
- setting targets to measure performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- 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 Ian Rogers, a member of the Local Governing Body, as Responsible Officer (RO) for Isca.

A RO is yet to be appointed for Cranbrook Education Campus. The appointment will be made once operating systems and procedures have been embedded at Cranbrook Education Campus. The Trust's Chief Finance Officer has and will continue to monitor controls and processes until a RO is appointed.

Going forward, the RO's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. The RO reports to the Audit Committee on the operation of the systems of

**THE TED WRAGG MULTI ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

GOVERNANCE STATEMENT (continued)

control and on the discharge of the Board of Trustees' financial responsibilities. 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.

REVIEW OF EFFECTIVENESS

As Accounting Officer, the Chair of the Trust has responsibility for reviewing the effectiveness of the system of internal control. The effectiveness of the Trust's systems and processes is reviewed through the Audit Committee. During the period in question the review has been informed by:

- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.
- the reporting from the Responsible Officer.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Audit 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 board of trustees on 14 December 2015 and signed on its behalf, by:

Prof. Debra Myhill
Accounting Officer

Lewis Banfield
Principal Finance Officer

**THE TED WRAGG MULTI ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Executive Finance Officer of The Ted Wragg Multi Academy Trust I have considered my responsibility to notify the 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 Academy Trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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

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

**Prof. Debra Myhill
Accounting Officer**

Date: 14 December 2015

**THE TED WRAGG MULTI ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015**

The Trustees (who act as governors of The Ted Wragg Multi Academy Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' report (including the Strategic 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 of the Charities SORP;
- make judgments 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 financial statements;
- 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 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 and signed on its behalf by:

**Prof. Debra Myhill
Chair of Trustees**

Date: 14 December 2015

**THE TED WRAGG MULTI ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE TED WRAGG MULTI ACADEMY TRUST

We have audited the financial statements of The Ted Wragg Multi Academy Trust for the year ended 31 August 2015 which comprise the Statement of financial activities, the Balance sheet, the Cash flow statement 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) and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

This report is made solely to the Academy Trust'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 Academy Trust'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 Academy Trust and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the Academy Trust 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 Academy Trust'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 Academy Trust's affairs as at 31 August 2015 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

**THE TED WRAGG MULTI ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE TED WRAGG MULTI ACADEMY TRUST

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

Tim Borton FCA DChA (Senior Statutory Auditor)

for and on behalf of

Bishop Fleming LLP

Chartered Accountants

Statutory Auditors

2nd Floor Stratus House

Emperor Way

Exeter Business Park

Exeter

EX1 3QS

16 December 2015

**THE TED WRAGG MULTI ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO THE TED WRAGG MULTI ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 25 May 2014 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Ted Wragg Multi Academy Trust during the year 1 September 2014 to 31 August 2015 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 Ted Wragg Multi Academy Trust and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The Ted Wragg Multi Academy Trust and 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 Ted Wragg Multi Academy Trust and EFA, for our work, for this report, or for the conclusion we have formed.

RESPECTIVE RESPONSIBILITIES OF THE TED WRAGG MULTI ACADEMY TRUST'S EXECUTIVE FINANCE OFFICER AND THE REPORTING ACCOUNTANT

The executive finance officer is responsible, under the requirements of The Ted Wragg Multi Academy Trust's funding agreement with the Secretary of State for Education dated 19 September 2013, and the Academies Financial Handbook extant from 1 September 2014, 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 2014 to 2015. 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 2014 to 31 August 2015 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 2014 to 2015 issued by EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

Our work on regularity included a review of the internal controls policies and procedures that have been implemented and an assessment of their design and effectiveness to understand how the academy complied with the framework of authorities. We also reviewed the reports commissioned by the trustees to assess the internal controls throughout the year.

We performed detailed testing based on our assessment of the risk of material irregularity, impropriety and non-compliance. This work was integrated with our audit on the financial statements where appropriate and included analytical review and detailed substantive testing of transactions.

**THE TED WRAGG MULTI ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO THE TED
WRAGG MULTI ACADEMY TRUST 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 2014 to 31 August 2015 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Tim Borton FCA DChA (Reporting Accountant)

Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
2nd Floor Stratus House
Emperor Way
Exeter Business Park
Exeter
EX1 3QS

16 December 2015

THE TED WRAGG MULTI ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES
(incorporating income and expenditure account and statement of total recognised gains and losses)
FOR THE YEAR ENDED 31 AUGUST 2015

| | Note | Unrestricted funds 2015 £ | Restricted funds 2015 £ | Restricted fixed asset funds 2015 £ | Total funds 2015 £ | Total funds 2014 £ |
|--|------|---------------------------------|-------------------------------|---|--------------------------|--------------------------|
| INCOMING RESOURCES | | | | | | |
| Incoming resources from generated funds: | | | | | | |
| Voluntary income | 2 | - | 99,154 | 2,000 | 101,154 | 78,905 |
| Activities for generating funds | 3 | 32,907 | - | - | 32,907 | 34,747 |
| Investment income | 4 | 1,152 | - | - | 1,152 | 473 |
| Incoming resources from charitable activities | | 65,688 | 4,124,407 | 937,178 | 5,127,273 | 4,023,893 |
| TOTAL INCOMING RESOURCES | | 99,747 | 4,223,561 | 939,178 | 5,262,486 | 4,138,018 |
| RESOURCES EXPENDED | | | | | | |
| Charitable activities | | 34,288 | 4,564,129 | 76,975 | 4,675,392 | 3,806,587 |
| Governance costs | 9 | - | 27,574 | - | 27,574 | 67,571 |
| Transfer from Local Authority on conversion | | - | - | - | - | 657,973 |
| TOTAL RESOURCES EXPENDED | 6 | 34,288 | 4,591,703 | 76,975 | 4,702,966 | 4,532,131 |
| NET INCOMING / (OUTGOING) RESOURCES BEFORE REVALUATIONS | | 65,459 | (368,142) | 862,203 | 559,520 | (394,113) |
| Actuarial gains and losses on defined benefit pension schemes | | - | (47,000) | - | (47,000) | (280,000) |
| NET MOVEMENT IN FUNDS FOR THE YEAR | | 65,459 | (415,142) | 862,203 | 512,520 | (674,113) |
| Total funds at 1 September | | 373,337 | (1,202,752) | 155,302 | (674,113) | - |
| TOTAL FUNDS AT 31 AUGUST | | 438,796 | (1,617,894) | 1,017,505 | (161,593) | (674,113) |

All activities relate to continuing operations.

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 29 to 47 form part of these financial statements.

THE TED WRAGG MULTI ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER: 08545109

BALANCE SHEET
AS AT 31 AUGUST 2015

| | Note | £ | 2015 £ | £ | 2014 £ |
|--|------|--------------------|--------------------------------|-------------------------|-------------------------|
| FIXED ASSETS | | | | | |
| Tangible assets | 15 | | 459,711 | | 119,135 |
| CURRENT ASSETS | | | | | |
| Stocks | 16 | 29,578 | | 40,093 | |
| Debtors | 17 | 713,293 | | 217,245 | |
| Cash at bank and in hand | | 850,589 | | 661,875 | |
| | | | <u>1,593,460</u> | <u>919,213</u> | |
| CREDITORS: amounts falling due within one year | 18 | (527,264) | | (171,461) | |
| NET CURRENT ASSETS | | | <u>1,066,196</u> | | <u>747,752</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | <u>1,525,907</u> | | <u>866,887</u> |
| CREDITORS: amounts falling due after more than one year | 19 | | <u>(7,500)</u> | | <u>(11,000)</u> |
| NET ASSETS EXCLUDING PENSION SCHEME LIABILITY | | | <u>1,518,407</u> | | <u>855,887</u> |
| Defined benefit pension scheme liability | 26 | | <u>(1,680,000)</u> | | <u>(1,530,000)</u> |
| NET LIABILITIES INCLUDING PENSION SCHEME LIABILITY | | | <u><u>(161,593)</u></u> | | <u><u>(674,113)</u></u> |
| FUNDS OF THE ACADEMY | | | | | |
| Restricted funds: | | | | | |
| General funds | 20 | 62,106 | | 327,248 | |
| Fixed asset funds | 20 | 1,017,505 | | 155,302 | |
| | | | <u>1,079,611</u> | <u>482,550</u> | |
| Restricted funds excluding pension liability | | | <u>1,079,611</u> | <u>482,550</u> | |
| Pension reserve | | (1,680,000) | | (1,530,000) | |
| | | | <u>(600,389)</u> | <u>(1,047,450)</u> | |
| Total restricted funds | | | <u>(600,389)</u> | <u>(1,047,450)</u> | |
| Unrestricted funds | 20 | | <u>438,796</u> | <u>373,337</u> | |
| TOTAL DEFICIT | | | <u><u>(161,593)</u></u> | <u><u>(674,113)</u></u> | |

**THE TED WRAGG MULTI ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**BALANCE SHEET (continued)
AS AT 31 AUGUST 2015**

The financial statements were approved by the Trustees, and authorised for issue, on 14 December 2015 and are signed on their behalf, by:

**Prof Debra Myhill
Chair of Trustees**

The notes on pages 29 to 47 form part of these financial statements.

**THE TED WRAGG MULTI ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015**

| | Note | 2015 £ | 2014 £ |
|--|-------------|-------------------|-------------------|
| Net cash flow from operating activities | 22 | (534,917) | 597,051 |
| Returns on investments and servicing of finance | 23 | 1,152 | 473 |
| Capital expenditure and financial investment | 23 | 722,479 | 33,667 |
| Cash transferred on conversion to an academy trust | | - | 30,684 |
| INCREASE IN CASH IN THE YEAR | | 188,714 | 661,875 |

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
FOR THE YEAR ENDED 31 AUGUST 2015**

| | 2015 £ | 2014 £ |
|--|-------------------|-------------------|
| Increase in cash in the year | 188,714 | 661,875 |
| MOVEMENT IN NET FUNDS IN THE YEAR | 188,714 | 661,875 |
| Net funds at 1 September 2014 | 661,875 | - |
| NET FUNDS AT 31 AUGUST 2015 | 850,589 | 661,875 |

The notes on pages 29 to 47 form part of these financial statements.

**THE TED WRAGG MULTI ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

1. ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, the Academies Accounts Direction 2014 to 2015 issued by EFA, applicable accounting standards and the Companies Act 2006.

1.2 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 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 Department for Education.

Investment income, gains and losses are allocated to the appropriate fund.

1.3 INCOMING RESOURCES

All incoming resources are included in the Statement of financial activities when the Academy Trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

Grants are included in the Statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund.

Capital grants are recognised when receivable 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 are recognised on a receivable basis where there is certainty of receipt and the amount can be reliably measured.

Other income, including the hire of facilities, is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

1. ACCOUNTING POLICIES (continued)

1.4 RESOURCES EXPENDED

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

Charitable activities are costs incurred in the Academy Trust's educational operations.

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

All resources expended are inclusive of irrecoverable VAT.

1.5 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 Academy Trust to continue as a going concern. The Trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

The Trustees conclude that it is appropriate to prepare accounts on the going concern basis for the year ended 31 August 2015.

1.6 TANGIBLE FIXED ASSETS AND DEPRECIATION

All assets costing more than £1,000 are capitalised.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of financial activities and are carried forward in the Balance sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy Trust's depreciation policy. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

| | | |
|-----------------------|---|-------------------|
| Motor vehicles | - | 25% straight line |
| Fixtures and fittings | - | 20% straight line |
| Computer equipment | - | 33% straight line |

1. ACCOUNTING POLICIES (continued)

1.7 OPERATING LEASES

Rentals under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term.

1.8 STOCKS

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

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.

1.10 PENSIONS

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 26, the TPS is a multi-employer scheme and the Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of financial activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

**THE TED WRAGG MULTI ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

2. VOLUNTARY INCOME

| | Unrestricted funds 2015 £ | Restricted funds 2015 £ | Total funds 2015 £ | Total funds 2014 £ |
|---|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Donations | - | - | - | 728 |
| School trip donations | - | 99,154 | 99,154 | 75,677 |
| Donations towards fixed asset purchases | - | 2,000 | 2,000 | 2,500 |
| | <u>-</u> | <u>101,154</u> | <u>101,154</u> | <u>78,905</u> |
| Voluntary income | <u>-</u> | <u>101,154</u> | <u>101,154</u> | <u>78,905</u> |

3. ACTIVITIES FOR GENERATING FUNDS

| | Unrestricted funds 2015 £ | Restricted funds 2015 £ | Total funds 2015 £ | Total funds 2014 £ |
|-------------------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Sales to students | 32,907 | - | 32,907 | 34,747 |
| | <u>32,907</u> | <u>-</u> | <u>32,907</u> | <u>34,747</u> |

4. INVESTMENT INCOME

| | Unrestricted funds 2015 £ | Restricted funds 2015 £ | Total funds 2015 £ | Total funds 2014 £ |
|---------------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Bank interest | 1,152 | - | 1,152 | 473 |
| | <u>1,152</u> | <u>-</u> | <u>1,152</u> | <u>473</u> |

5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

| | Unrestricted funds 2015 £ | Restricted funds 2015 £ | Total funds 2015 £ | Total funds 2014 £ |
|-----------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Education | 55,688 | 5,061,585 | 5,117,273 | 4,023,893 |
| Nursery | 10,000 | - | 10,000 | - |
| | <u>65,688</u> | <u>5,061,585</u> | <u>5,127,273</u> | <u>4,023,893</u> |

**THE TED WRAGG MULTI ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

| | Unrestricted funds 2015 £ | Restricted funds 2015 £ | Total funds 2015 £ | Total funds 2014 £ |
|-------------------------------------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| DfE/EFA grants | | | | |
| Capital Grants | - | 937,178 | 937,178 | 16,471 |
| General Annual Grant | - | 3,461,914 | 3,461,914 | 3,307,082 |
| Start up Grants | - | 103,000 | 103,000 | 187,050 |
| Lead In Funding | - | 125,000 | 125,000 | 86,054 |
| Pupil Premium | - | 228,789 | 228,789 | 150,707 |
| | - | 4,855,881 | 4,855,881 | 3,747,364 |
| Other Government grants | | | | |
| High Needs | - | 140,492 | 140,492 | 171,092 |
| Other Government grants non capital | - | 28,205 | 28,205 | 27,518 |
| | - | 168,697 | 168,697 | 198,610 |
| Other funding | | | | |
| Income from secondments | 32,362 | - | 32,362 | 44,319 |
| Donations | 950 | 37,007 | 37,957 | 33,600 |
| Income for hosting trainee teachers | 22,376 | - | 22,376 | - |
| | 55,688 | 37,007 | 92,695 | 77,919 |
| Total | 55,688 | 5,061,585 | 5,117,273 | 4,023,893 |

6. RESOURCES EXPENDED

| | Staff costs 2015 £ | Non Pay Premises 2015 £ | Expenditure Other costs 2015 £ | Total 2015 £ | Total 2014 £ |
|--|--------------------------|----------------------------------|---|--------------------|--------------------|
| Direct costs | 2,898,280 | - | 521,448 | 3,419,728 | 2,756,318 |
| Support costs | 414,421 | 529,134 | 312,109 | 1,255,664 | 1,050,270 |
| CHARITABLE ACTIVITIES | 3,312,701 | 529,134 | 833,557 | 4,675,392 | 3,806,588 |
| GOVERNANCE | - | - | 27,574 | 27,574 | 67,571 |
| TRANSFER FROM LOCAL AUTHORITY ON CONVERSION | - | - | - | - | 657,973 |
| | 3,312,701 | 529,134 | 861,131 | 4,702,966 | 4,532,132 |

**THE TED WRAGG MULTI ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

7. DIRECT COSTS

| | Total 2015 £ | Total 2014 £ |
|------------------------|-----------------------------|-----------------------------|
| Pension finance costs | 48,000 | 46,000 |
| Educational supplies | 157,997 | 77,918 |
| Staff development | 78,533 | 66,351 |
| School trips | 92,242 | 42,585 |
| Supply teachers | 926 | 5,587 |
| Transport costs | 22,832 | 21,009 |
| Legal and professional | 58,269 | 37,077 |
| Uniform costs | 32,836 | 34,747 |
| Other costs | 22,095 | 14,263 |
| Wages and salaries | 2,374,850 | 1,960,278 |
| National insurance | 169,393 | 146,332 |
| Pension cost | 295,768 | 250,262 |
| Depreciation | 65,987 | 53,909 |
| | 3,419,728 | 2,756,318 |

8. SUPPORT COSTS

| | Total 2015 £ | Total 2014 £ |
|---------------------------------------|-----------------------------|-----------------------------|
| Other costs | 7,938 | 3,150 |
| Recruitment and support | 12,698 | 6,503 |
| Maintenance of premises and equipment | 3,983 | 2,085 |
| Rates and leasing costs | 52,978 | 72,975 |
| Energy costs | 83,873 | 81,435 |
| Insurance | 68,885 | 51,029 |
| Security and transport | 5,140 | 8,076 |
| Catering | 51,892 | 42,447 |
| Office overheads | 142,580 | 105,107 |
| Legal and professional | 14,150 | 17,323 |
| Bank interest and charges | 94 | 312 |
| PFI agreement costs | 388,300 | 384,783 |
| Wages and salaries | 299,044 | 204,725 |
| National insurance | 19,275 | 11,277 |
| Pension cost | 96,102 | 53,385 |
| Depreciation | 8,732 | 5,657 |
| | 1,255,664 | 1,050,269 |

**THE TED WRAGG MULTI ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

9. GOVERNANCE COSTS

| | Total funds 2015 £ | Total funds 2014 £ |
|---------------------------|---------------------------------------|---------------------------------------|
| Auditors' remuneration | 7,025 | 9,928 |
| Auditors' non audit costs | 3,065 | 2,134 |
| Legal and Professional | 15,995 | 49,568 |
| Other costs | 1,489 | 5,941 |
| | <u>27,574</u> | <u>67,571</u> |

10. NET INCOMING / (OUTGOING) RESOURCES

This is stated after charging:

| | 2015 £ | 2014 £ |
|--|-------------------|-------------------|
| Depreciation of tangible fixed assets: | | |
| - owned by the charity | 74,719 | 59,567 |
| Auditors' remuneration | 7,025 | 9,928 |
| Auditors' remuneration - non-audit | 3,065 | 2,134 |
| Operating lease rentals: | | |
| - plant and machinery | 19,095 | 20,343 |
| PFI agreement costs | 422,000 | 384,783 |
| | <u>422,000</u> | <u>384,783</u> |

11. STAFF

a. Staff costs

Staff costs were as follows:

| | 2015 £ | 2014 £ |
|-----------------------|-------------------|-------------------|
| Wages and salaries | 2,673,894 | 2,165,003 |
| Social security costs | 188,668 | 157,609 |
| Pension costs | 391,870 | 303,648 |
| | <u>3,254,432</u> | <u>2,626,260</u> |
| Supply teacher costs | 58,269 | 42,933 |
| | <u>3,312,701</u> | <u>2,669,193</u> |

**THE TED WRAGG MULTI ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

11. STAFF (continued)

b. Staff numbers

The average number of persons employed by the Academy Trust during the year expressed as full time equivalents was as follows:

| | 2015 No. | 2014 No. |
|----------------------------|-----------------------|----------------|
| Teachers | 46 | 37 |
| Administration and support | 38 | 33 |
| Management | 6 | 6 |
| | <hr/> 90 <hr/> | <hr/> 76 <hr/> |

c. Higher paid staff

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

| | 2015 No. | 2014 No. |
|---------------------------------|----------------------|---------------|
| In the band £80,001 - £90,000 | 1 | 0 |
| In the band £100,001 - £110,000 | 0 | 1 |
| | <hr/> 0 <hr/> | <hr/> 1 <hr/> |

The above employee participated in the Teachers' Pension Scheme. During the period ended the 31st August 2015, pension contributions for this member of staff amounted to £6,791 (2014: £12,299).

12. CENTRAL SERVICES

No central services were provided by the Academy Trust to its academy during the year and no central charges arose.

13. TRUSTEES' REMUNERATION AND EXPENSES

Staff Trustees only receive remuneration in respect of services they provide under their contracts of employment, and not in respect of their role as Trustees, The value of Trustees' remuneration and other benefits fell within the following bands: M Marder: Remuneration £1,001 - £5,000 (2014: £Nil), Employer's pension contribution £Nil (2014: £Nil).

During the year, no Trustees received any benefits in kind (2014: £NIL).

During the year ended 31 August 2015, expenses totalling £286 (2014: £NIL) were reimbursed to 1 Trustee (2014: 0).

Other related party transactions involving the trustees are set out in note 28

**THE TED WRAGG MULTI ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

14. 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 business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2015 was £4,484 (2014: £3,954). The cost of this insurance is included in the total insurance cost.

15. TANGIBLE FIXED ASSETS

| | Motor vehicles £ | Fixtures and fittings £ | Computer equipment £ | Total £ |
|-----------------------|------------------------|-------------------------------|----------------------------|----------------|
| COST | | | | |
| At 1 September 2014 | - | - | 178,702 | 178,702 |
| Additions | 20,250 | 155,533 | 241,768 | 417,551 |
| | <u>20,250</u> | <u>155,533</u> | <u>420,470</u> | <u>596,253</u> |
| At 31 August 2015 | 20,250 | 155,533 | 420,470 | 596,253 |
| DEPRECIATION | | | | |
| At 1 September 2014 | - | - | 59,567 | 59,567 |
| Charge for the year | 5,063 | 263 | 71,649 | 76,975 |
| | <u>5,063</u> | <u>263</u> | <u>131,216</u> | <u>136,542</u> |
| At 31 August 2015 | 5,063 | 263 | 131,216 | 136,542 |
| NET BOOK VALUE | | | | |
| At 31 August 2015 | <u>15,187</u> | <u>155,270</u> | <u>289,254</u> | <u>459,711</u> |
| At 31 August 2014 | <u>-</u> | <u>-</u> | 119,135 | 119,135 |

16. STOCKS

| | 2015 £ | 2014 £ |
|-------------------------|---------------|---------------|
| Stationery and clothing | 29,578 | 40,093 |
| | <u>29,578</u> | <u>40,093</u> |

17. DEBTORS

| | 2015 £ | 2014 £ |
|--------------------------------|----------------|----------------|
| Trade debtors | 4,800 | 1,038 |
| VAT Recoverable | 192,434 | 136,883 |
| Prepayments and accrued income | 516,059 | 79,324 |
| | <u>713,293</u> | <u>217,245</u> |

**THE TED WRAGG MULTI ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

**18. CREDITORS:
AMOUNTS FALLING DUE WITHIN ONE YEAR**

| | 2015 £ | 2014 £ |
|------------------------------------|----------------|----------------|
| Trade creditors | 113,853 | 18,279 |
| Other taxation and social security | 52,164 | 50,254 |
| EFA creditor: abatement of GAG | 12,010 | - |
| Other creditors | 53,684 | 54,890 |
| Accruals | 295,553 | 48,038 |
| | <u>527,264</u> | <u>171,461</u> |

**19. CREDITORS:
AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

| | 2015 £ | 2014 £ |
|-----------------|--------------|---------------|
| Other creditors | 7,500 | 11,000 |
| | <u>7,500</u> | <u>11,000</u> |

20. STATEMENT OF FUNDS

| | Brought Forward £ | Incoming resources £ | Resources Expended £ | Gains/ (Losses) £ | Carried Forward £ |
|----------------------------|-------------------------|----------------------------|----------------------------|-------------------------|-------------------------|
| UNRESTRICTED FUNDS | | | | | |
| Unrestricted funds | 373,337 | 89,747 | (34,288) | - | 428,796 |
| Nursery | - | 10,000 | - | - | 10,000 |
| | <u>373,337</u> | <u>99,747</u> | <u>(34,288)</u> | <u>-</u> | <u>438,796</u> |
| RESTRICTED FUNDS | | | | | |
| General Annual Grant (GAG) | 327,248 | 3,461,918 | (3,727,060) | - | 62,106 |
| Start up grant | - | 103,000 | (103,000) | - | - |
| Lead In Funding | - | 125,000 | (125,000) | - | - |
| Pupil Premium | - | 228,789 | (228,789) | - | - |
| High Needs | - | 140,492 | (140,492) | - | - |
| Other LA | - | 28,205 | (28,205) | - | - |
| Other donations | - | 37,006 | (37,006) | - | - |
| School trips | - | 99,151 | (99,151) | - | - |
| Pension reserve | (1,530,000) | - | (103,000) | (47,000) | (1,680,000) |
| | <u>(1,202,752)</u> | <u>4,223,561</u> | <u>(4,591,703)</u> | <u>(47,000)</u> | <u>(1,617,894)</u> |

**THE TED WRAGG MULTI ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

20. STATEMENT OF FUNDS (continued)

RESTRICTED FIXED ASSET FUNDS

| | | | | | |
|--|--------------------|------------------|--------------------|-----------------|------------------|
| LA fixed asset funding for equipping | - | 921,500 | - | - | 921,500 |
| Fixed assets transferred on conversion | 119,135 | - | (76,975) | - | 42,160 |
| Donations for the purchase of fixed assets | 2,500 | 2,000 | - | - | 4,500 |
| Devolved formula capital | 16,471 | 15,678 | - | - | 32,149 |
| Devolved formula capital carried forward on conversion | 17,196 | - | - | - | 17,196 |
| | <u>155,302</u> | <u>939,178</u> | <u>(76,975)</u> | <u>-</u> | <u>1,017,505</u> |
| Total restricted funds | <u>(1,047,450)</u> | <u>5,162,739</u> | <u>(4,668,678)</u> | <u>(47,000)</u> | <u>(600,389)</u> |
| Total of funds | <u>(674,113)</u> | <u>5,262,486</u> | <u>(4,702,966)</u> | <u>(47,000)</u> | <u>(161,593)</u> |

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

RESTRICTED FUNDS

General Annual Grant - Income from the EFA which is to be used for the normal running costs of the Academy, including education and support costs.

Education Services Grant - Income from the EFA which is to be used for the normal running costs of the Academy, including education and support costs.

Start up Grants - This represents one off funding received from the EFA to contribute to the cost of setting up a new academy.

Lead In funding - This represents one off funding received from the Local Authority Growth Fund to contribute to the cost of setting up a new academy.

Pupil Premium - Pupil premium represents funding received from the EFA for children that qualify for free school meals to enable the academy to address the current underlying inequalities between those children and their wealthier peers.

High Needs - Funding received by the Local Authority to fund further support for students with additional needs.

Other - These relate to other income received from the DfE that is not included in an individual heading. The amounts are used for the normal running costs of the Academy, including education and support costs.

Other donations - These amounts relate to other restricted donations received which are not in an individual heading. They have been spent on the purpose for which they were intended.

School Trips - These are amounts obtained for the purpose of school trips. Therefore this money will be used against the relevant school trip expenditure incurred by the school.

Pension reserve - This represents the academy's share of the assets and liabilities in the Local Government Pension Scheme.

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20. STATEMENT OF FUNDS (continued)

RESTRICTED FIXED ASSET FUNDS

Local Authority fixed asset funding for equipping - This represents one off funding received from the Local Authority growth fund to contribute to the cost of setting up a new Academy.

Fixed assets transferred on conversion - This represents the buildings and equipment donated from the Local Authority on initial conversion to an academy less the depreciation charged to date.

Donations for the purchase of fixed assets - This represents donations made to the school for the purchase of fixed assets. The donation will be used to buy the relevant asset only.

Devolved formula capital - This represents funding from the EFA to cover the maintenance and purchase of the academy's assets.

Devolved formula capital on conversion - This represents the devolved formula capital money that was left unspent upon transfer into the academy. Will be used to cover the maintenance and purchases of the academy's assets.

OTHER INFORMATION

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2015.

ANALYSIS OF ACADEMIES BY FUND BALANCE

Fund balances at 31 August 2015 were allocated as follows:

| | Total £ |
|---|--------------------|
| Isca | 490,188 |
| Central | 10,714 |
| | <hr/> |
| Total before fixed asset fund and pension reserve | 500,902 |
| Restricted fixed asset fund | 1,017,505 |
| Pension reserve | (1,680,000) |
| | <hr/> |
| Total | (161,593) |
| | <hr/> <hr/> |

ANALYSIS OF ACADEMIES BY COST

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

| | Teaching and educational support staff costs £ | Other support staff costs £ | Educational supplies £ | Other costs excluding depreciation £ | Total £ |
|---------|---|--|---------------------------------------|---|--------------------|
| Isca | 2,728,038 | 353,288 | 154,052 | 1,102,747 | 4,338,125 |
| Central | 79,898 | 109,133 | 3,925 | 94,910 | 287,866 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| | 2,807,936 | 462,421 | 157,977 | 1,197,657 | 4,625,991 |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |

THE TED WRAGG MULTI ACADEMY TRUST
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SUMMARY OF FUNDS

| | Brought Forward £ | Incoming resources £ | Resources Expended £ | Gains/ (Losses) £ | Carried Forward £ |
|------------------------------|-------------------------|----------------------------|----------------------------|-------------------------|-------------------------|
| General funds | 373,337 | 99,747 | (34,288) | - | 438,796 |
| Restricted funds | (1,202,752) | 4,223,561 | (4,591,703) | (47,000) | (1,617,894) |
| Restricted fixed asset funds | 155,302 | 939,178 | (76,975) | - | 1,017,505 |
| | <u>(674,113)</u> | <u>5,262,486</u> | <u>(4,702,966)</u> | <u>(47,000)</u> | <u>(161,593)</u> |

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

| | Unrestricted funds 2015 £ | Restricted funds 2015 £ | Restricted fixed asset funds 2015 £ | Total funds 2015 £ | Total funds 2014 £ |
|--|------------------------------------|----------------------------------|---|-----------------------------|-----------------------------|
| Tangible fixed assets | - | - | 459,711 | 459,711 | 119,135 |
| Current assets | 438,796 | 596,870 | 557,794 | 1,593,460 | 919,213 |
| Creditors due within one year | - | (527,264) | - | (527,264) | (171,461) |
| Creditors due in more than one year | - | (7,500) | - | (7,500) | (11,000) |
| Pension scheme liability | - | (1,680,000) | - | (1,680,000) | (1,530,000) |
| | <u>438,796</u> | <u>(1,617,894)</u> | <u>1,017,505</u> | <u>(161,593)</u> | <u>(674,113)</u> |

22. NET CASH FLOW FROM OPERATING ACTIVITIES

| | 2015 £ | 2014 £ |
|--|------------------|----------------|
| Net incoming resources before revaluations | 559,520 | (394,113) |
| Returns on investments and servicing of finance | (1,152) | (473) |
| Pension deficit on conversion | - | 1,182,000 |
| Depreciation of tangible fixed assets | 76,975 | 59,567 |
| Capital grants from DfE | (937,178) | (16,471) |
| Decrease/(increase) in stocks | 10,514 | (40,093) |
| Increase in debtors | (472,674) | (217,245) |
| Increase in creditors | 126,078 | 182,461 |
| Capital grants on conversion | - | (17,196) |
| Fixed assets on conversion | - | (178,702) |
| Cash received on conversion | - | (30,684) |
| Defined benefits pension scheme adjustments | 55,000 | 22,000 |
| FRS17 pension costs less contributions paid | 48,000 | 46,000 |
| NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES | <u>(534,917)</u> | <u>597,051</u> |

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23. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

| | 2015 £ | 2014 £ |
|--|-----------------------|----------------------|
| RETURNS ON INVESTMENTS AND SERVICING OF FINANCE | | |
| Interest received | 1,152 | 473 |
| | <u>1,152</u> | <u>473</u> |
| | 2015 £ | 2014 £ |
| CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT | | |
| Purchase of tangible fixed assets | (214,699) | 17,196 |
| Capital grants from DfE | 937,178 | 16,471 |
| | <u>(214,699)</u> | <u>17,196</u> |
| NET CASH INFLOW FROM CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT | <u>722,479</u> | <u>33,667</u> |

24. ANALYSIS OF CHANGES IN NET FUNDS

| | 1 September 2014 £ | Cash flow £ | Other non-cash changes £ | 31 August 2015 £ |
|---------------------------|-----------------------------|-----------------------|-----------------------------------|------------------------|
| Cash at bank and in hand: | 661,875 | 188,714 | - | 850,589 |
| NET FUNDS | <u>661,875</u> | <u>188,714</u> | <u>-</u> | <u>850,589</u> |

25. 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.

26. PENSION COMMITMENTS

The Academy Trust's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Devon County 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 2013.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

Teachers' Pension Scheme

Introduction

26. PENSION COMMITMENTS (continued)

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

The pension costs paid to TPS in the period amounted to £238,541 (2014: £200,726).

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

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The Academy Trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Academy Trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2015 was £106,000, of which employer's contributions totalled £101,000 and employees' contributions totalled £33,000. The agreed contribution rates for future years are 19.7% for employers and 5.5 - 7.5% for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the

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26. PENSION COMMITMENTS (continued)

Department for Education. The guarantee came into force on 18 July 2013.

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

| | Expected return at 31 August 2015 % | Fair value at 31 August 2015 £ | Expected return at 31 August 2014 % | Fair value at 31 August 2014 £ |
|---------------------------------------|--|---|--|---|
| Equities | 6.00 | 466,000 | 6.70 | 400,000 |
| Gilts and bonds | 6.00 | 81,000 | 3.20 | 65,000 |
| Property | 6.00 | 87,000 | 5.90 | 65,000 |
| Cash | 6.00 | 19,000 | 2.90 | 14,000 |
| Target return portfolio | 6.00 | 122,000 | 5.90 | 97,000 |
| Infrastructure and alternative assets | 6.00 | 39,000 | 4.50 | 31,000 |
| Total market value of assets | | <u>814,000</u> | | <u>672,000</u> |
| Present value of scheme liabilities | | <u>(2,494,000)</u> | | <u>(2,202,000)</u> |
| (Deficit)/surplus in the scheme | | <u><u>(1,680,000)</u></u> | | <u><u>(1,530,000)</u></u> |

The amounts recognised in the Balance sheet are as follows:

| | 2015 £ | 2014 £ |
|-------------------------------------|---------------------------|--------------------|
| Present value of funded obligations | (2,494,000) | (2,202,000) |
| Fair value of scheme assets | 814,000 | 672,000 |
| Net liability | <u>(1,680,000)</u> | <u>(1,530,000)</u> |

The amounts recognised in the Statement of financial activities are as follows:

| | 2015 £ | 2014 £ |
|----------------------------------|-------------------------|-------------------|
| Current service cost | (156,000) | (102,000) |
| Interest on obligation | (92,000) | (82,000) |
| Expected return on scheme assets | 44,000 | 36,000 |
| Total | <u>(204,000)</u> | <u>(148,000)</u> |

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26. PENSION COMMITMENTS (continued)

Movements in the present value of the defined benefit obligation were as follows:

| | 2015 £ | 2014 £ |
|--------------------------------------|------------------|------------------|
| Opening defined benefit obligation | 2,202,000 | - |
| Current service cost | 156,000 | 102,000 |
| Interest cost | 92,000 | 82,000 |
| Contributions by scheme participants | 33,000 | 26,000 |
| Actuarial Losses | - | 297,000 |
| Benefits paid | 11,000 | (7,000) |
| Liability transferred on conversion | - | 1,702,000 |
| | <u>2,494,000</u> | <u>2,202,000</u> |
| Closing defined benefit obligation | <u>2,494,000</u> | <u>2,202,000</u> |

Movements in the fair value of the Academy Trust's share of scheme assets:

| | 2015 £ | 2014 £ |
|-------------------------------------|----------------|----------------|
| Opening fair value of scheme assets | 672,000 | - |
| Expected return on assets | 44,000 | 36,000 |
| Actuarial gains and (losses) | (47,000) | 17,000 |
| Contributions by employer | 101,000 | 80,000 |
| Contributions by employees | 33,000 | 26,000 |
| Benefits paid | 11,000 | (7,000) |
| Asset transferred on conversion | - | 520,000 |
| | <u>814,000</u> | <u>672,000</u> |
| | <u>814,000</u> | <u>672,000</u> |

The cumulative amount of actuarial gains and losses recognised in the Statement of financial activities was £327,000 loss (2014: £280,000 loss).

The Academy Trust expects to contribute £99,000 to its Defined benefit pension scheme in 2016.

The major categories of scheme assets as a percentage of total scheme assets are as follows:

| | 2015 | 2014 |
|---------------------------------------|---------|---------|
| Equities | 57.00 % | 59.00 % |
| Gilts and bonds | 10.00 % | 10.00 % |
| Property | 11.00 % | 10.00 % |
| Cash | 2.00 % | 2.00 % |
| Target return portfolio | 15.00 % | 14.00 % |
| Infrastructure and alternative assets | 5.00 % | 5.00 % |

Principal actuarial assumptions at the Balance sheet date (expressed as weighted averages):

| | 2015 | 2014 |
|--|--------|--------|
| Discount rate for scheme liabilities | 4.00 % | 4.00 % |
| Expected return on scheme assets at 31 August | 6.00 % | 6.00 % |
| Rate of increase in salaries | 4.50 % | 4.50 % |
| Rate of increase for pensions in payment / inflation | 2.70 % | 2.70 % |

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26. PENSION COMMITMENTS (continued)

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

| | 2015 | 2014 |
|----------------------|-------------|------|
| Retiring today | | |
| Males | 22.8 | 22.7 |
| Females | 26.1 | 26.0 |
| Retiring in 20 years | | |
| Males | 25.1 | 24.9 |
| Females | 28.4 | 28.3 |

Amounts for the current and previous four periods are as follows:

Defined benefit pension schemes

| | 2015 | 2014 | 2013 | 2012 | 2011 |
|--|--------------------|-------------|------|------|------|
| | £ | £ | £ | £ | £ |
| Defined benefit obligation | (2,494,000) | (2,202,000) | - | - | - |
| Scheme assets | 814,000 | 672,000 | - | - | - |
| Deficit | (1,680,000) | (1,530,000) | - | - | - |
| Experience adjustments on scheme liabilities | - | (297,000) | - | - | - |
| Experience adjustments on scheme assets | (47,000) | 17,000 | - | - | - |

27. OPERATING LEASE COMMITMENTS

At 31 August 2015 the Academy Trust had annual commitments under non-cancellable operating leases as follows:

| | Land and buildings | | Other | |
|-------------------------|---------------------------|---------|---------------|--------|
| | 2015 | 2014 | 2015 | 2014 |
| | £ | £ | £ | £ |
| EXPIRY DATE: | | | | |
| Within 1 year | - | - | - | 936 |
| Between 2 and 5 years | - | - | 19,095 | 19,095 |
| After more than 5 years | 422,000 | 407,000 | - | - |

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28. RELATED PARTY TRANSACTIONS

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 arm's length and in accordance with the academy trust's financial regulations and normal procurement procedures.

The following related party transactions occurred in the year ending 31st August 2015:

Foot Anstey LLP, an LLP in which Simon Gregory (Trustee) is a designated member charged The Ted Wragg Multi Academy Trust £650 (2014: £800) for services completed in the year.

With the exception of the above and those disclosed in note 13, there were no other related party transactions occurring in the period.