

Registered number: 07698631

William Howard Trust

(formerly William Howard School (an Academy) Limited)
(A company limited by guarantee)

Trustees' report and financial statements

31 August 2015

William Howard Trust
(A company limited by guarantee)

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Reference and administrative details of the academy, its members/ trustees and advisers For the year ended 31 August 2015

Trust Board
(from 1 September 2015)

- S Goodliffe, Board Member
- L Hughes, Executive Headteacher/CEO
- C Irving, Chair of LAB
- J Keetley, Board Member
- R Lakin, Headteacher, Yewdale School & Director of Primary Education
- J Logan, Headteacher, Workington Academy
- J Mottram, Board Member
- M Payne, Board Member
- M Simpson, Chair of Board

**William Howard School,
Board of Trustees**

- S Angland, Teaching Staff Trustee
- C Cartwright, Appointed Trustee
- P Cookson, Appointed Trustee (appointed 14 November 2014)
- A Fullerton, Appointed Trustee
- S Goodliffe, Academy Trust Member
- J Haydon, Parent Trustee
- R Hayton, Parent Trustee (resigned 23 February 2015)
- L Hughes, Accounting Officer
- C Irving, Parent Trustee & Chair of Trustees
- M Payne, Academy Trust Member
- N Polmear, Support Staff Trustee
- J Simpson, Appointed Trustee (appointed 26 February 2015)
- J Storr, Appointed Trustee (appointed 26 February 2015)
- G Wolstencroft, Parent Trustee

**Company registered
number** 07698631

**Principal and registered
office** Longtown Road
Brampton
Cumbria
CA8 1AR

Company secretary M Lawler

Executive Headteacher L Hughes

**Leadership &
Management Team**

- L Hughes, Executive Headteacher/CEO
- R Lakin, Headteacher, Yewdale School & Director of Primary Education
- J Logan, Headteacher, Workington Academy
- D Volpe, Head of School, William Howard School
- M Lawler, Finance Director
- N Polmear, Estates Manager
- M Graham, Operations Manager

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**Reference and administrative details of the academy, its members/ trustees and advisers
For the year ended 31 August 2015**

Administrative details (continued)

	W Smith, HR Manager
Independent auditors	UNW LLP Chartered Accountants Citygate St James Boulevard Newcastle upon Tyne NE1 4JE
Bankers	Barclays Bank plc 16 Front Street Brampton Cumbria CA8 1NG
Solicitors	Burnetts 6 Victoria Place Carlisle Cumbria CA1 1ES

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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 auditor's report of the charitable company for the year to 31 August 2015. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

During the year to 31 August 2015, the trust operated one academy for students aged 11 to 18 serving a catchment area around Brampton, Cumbria. It had 1,487 students on roll in May 2015. On 13 February 2015, the trust changed its governing document to become a multi-academy trust (MAT) and changed its name from William Howard School (an academy) Limited to William Howard Trust. On 1 September 2015 two additional schools joined the academy trust. From 1 September 2015, the trust operates two secondary academies and one primary academy in Cumbria.

Structure, governance and management

a. 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 William Howard Trust are also directors of the charitable company for the purposes of company law. The charitable company is known as William Howard Trust.

Details of the trustees who served during the year are included in the Reference and Administrative Details on page 1.

b. Members' liability

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

c. Method of recruitment and appointment or election of Trustees

Appointed Trustees

Appointed trustees are appointed by the academy trust. They are people with a wide range of expertise in specific areas who are interested in working on the board of trustees to move the school forward.

Parent Trustees

A letter advising of parent trustee vacancy or vacancies and the arrangements for the election process, is posted to every person entitled to vote in the election. A letter of nomination and a short personal statement is requested by a specific date. Any election that is contested shall be held by secret ballot.

Staff Trustees

Support staff and teaching staff, as appropriate, are advised of a vacancy and the arrangements for the election process. A letter of nomination and a short personal statement is requested by a specific date. Any election that is contested shall be held by secret ballot.

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Trustees' report (continued)
For the year ended 31 August 2015

d. Policies and procedures adopted for the induction and training of Trustees

All new trustees receive a letter of appointment and appropriate documentation for completion. An induction file is provided and the Chair conducts an introduction meeting. Internal training on areas such as data, finance and safeguarding is arranged, supplemented in some cases by external training as appropriate.

During the year to 31 August 2015, trustees were attached to Learning Zones and meetings are held with the respective Assistant Headteachers of the Learning Zones to discuss key issues, for example targets and performance.

e. Organisational structure

The academy trust is run by the board of trustees. There are various sub-committees made up of members of the board of trustees which deal with the various areas of business. During the year to 31 August 2015, sub-committees included Finance, Curriculum, Human Resources, etc. Each committee has a chair. The committees meet in various time cycles, reporting to the board of trustees following their meeting.

The Executive Headteacher is the accounting officer of the academy trust and a trustee.

During the year to 31 August 2015, the academy's leadership and operational structure consisted of two groups, the Leadership Team, comprising Executive Headteacher, Head of School, Deputy Headteacher and Assistant Headteachers, who met weekly to discuss academy business, primarily teaching and learning. They were supported by the various Curriculum Leaders. In addition, there was the Management Team which comprised individual managers for Finance, HR, Estates, IT and Learning Provision, who support the Leadership Team in all other aspects of academy trust business.

There are clear lines of delegation from the board of trustees through the sub-committees to the Executive Headteacher, Head of School and to individuals in each group in order that issues are dealt with promptly and effectively.

f. Connected organisations, including related party relationships

The academy trust currently works in a collaborative partnership with a number of local academies and schools working towards academy status. The aims and objectives are as follows:

- To improve the quality of teaching and learning throughout the partnership.
- To develop partnership models for all levels of self-evaluation.
- To extend better professional development opportunities for all staff.
- To ensure value for money in all our schools, some of which are very small, and to add capacity and improve efficiency thus ensuring more available resource for students.

During the year the trust has worked in close collaboration with the two schools who joined the academy on 1 September 2015. William Howard Trust also works in partnership with the RLA (Rural Learning Alliance), CASL (Cumbria Alliance of System Leaders) and CSLC (Carlisle Secondary Learning Consortium).

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Trustees' report (continued) **For the year ended 31 August 2015**

Objectives and Activities

a. Objectives and aims

The academy trust's objectives are to advance by establishing and developing schools offering a broad and balanced curriculum, and to promote the provision of facilities for recreation or other leisure time occupation for the public at large.

The vision of William Howard Trust is to enable every young person to reach their potential. We know that first class education improves the life chances and choices of young people and are committed to providing an engaging and innovative learning experience which inspires students to achieve the success they deserve. At the heart of the trust organisation are the principles of Respect, Responsibility and Resilience.

The trust believes in continual improvement; we are committed to supporting and challenging our students, staff and schools to 'be the best they can be'. We aim to empower local communities and work in partnership with them to bring education alive for everyone.

b. Objectives, strategies and activities

These are covered in the Strategic Report below.

c. Public benefit

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on Public Benefit when reviewing the charity's aim and objectives and in planning future activities. In particular the trustees consider how planned activities will contribute to the aims and objectives they have set.

The trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers or duties.

Strategic Report

Achievements and performance

a. INTRODUCTION

William Howard School has now been operating as an academy for four years and continues to achieve the forecast numbers of students. The focus for the academy has always been and will continue to be on providing our students with the very best opportunities to achieve the outcomes that will have a major bearing on their future life chances and that every individual reaches their full potential and is equipped in a holistic way for the rest of their lives once they leave school.

The students at William Howard School have a range of backgrounds and abilities that reflect the community that the academy serves. The academy serves a significant, largely rural, geographical area and the number of feeder primary schools that our students come from is significantly higher than average. The extensive provision for transition to secondary school is very successful in allowing for a smooth and successful passage

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Trustees' report (continued)

For the year ended 31 August 2015

between schools and we are confident that students feel safe and happy. Parents and carers are key partners and we take every measure to ensure that an effective dialogue is maintained throughout their association with the school. An extensive provision of both student and family support is a strong characteristic of William Howard School which our stakeholders value highly. This has been further strengthened in 2014/15 by the redevelopment of the fourth learning zone – Learning Provision.

The curriculum at William Howard School continues to develop with the major aim of improving provision for young people that allows them to follow pathways for success throughout their time at the academy and beyond. Following an 18 month curriculum review of the whole academy there has been significant curriculum development supporting the changing educational landscape and ensuring that it firmly holds the student at the centre.

b. SCHOOL IMPROVEMENT - PERFORMANCE & PLANS FOR THE FUTURE

The following sections give an outline of the School Improvement Plan for 2014/15, and the self-assessment evaluative judgements in these categories based on 2014/15 performance. Whilst there is significant crossover, the sections are broken down into:

Achievement
Quality of teaching
Behaviour and safety
Leadership & Management

which reflect the structure of academy improvement plans.

(i) Achievement

The key school improvement priorities in 2014-15 were focused on continuing to narrow the achievement gap of key subgroups of students: Pupil Premium, SEND and different ability bandings, such that their progress is at least in line with the full year cohort in all subjects. To ensure that rapid progress continues to be made by all students from each different starting point in English and Maths. To raise achievement in underperforming areas through raising achievement plans (RAPs).

Context

In January 2012 Ofsted judged achievement at William Howard School as 1: Outstanding. This is based on outcomes for all students over time across the school and evidence to support provision and capacity for progress in the future. The strong outcomes in 2012 and 2013 consolidated this judgement in our self-evaluation. Headline outcomes in 2014 did show the expected dip nationally as well as at William Howard. 2015 figures are significantly improved.

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Trustees' report (continued)

For the year ended 31 August 2015

Key Stage 4 Headlines (GCSE or Equivalent) (All measures are invalidated)

68% achieved 5 A*-C grades including English and Maths. (52.8% is the national average for 2015). Attainment in English, Maths and the other English Baccalaureate subjects of Geography, History and Languages was also strong this year with notable success in English achieving well above the national average.

- 74% of all entries were graded A*-C (National average in 2014 was 68.8%)
- 73.8% (target 84%) of all students achieved 5 or more A*-C
- **68% (target 72%) of all students achieved 5 or more A*-C inc Maths and English**
- 100% of all students achieved 1 or more A*-G
- 27% (37% eligible) of all students achieved the English Baccalaureate (73% of those eligible)
- 36% of all students achieved a A*- C in a Modern Foreign Language
- 69% of all students achieved A* - C or more in two sciences or equivalent
- In English 85% achieved A*-C with almost half the cohort exceeding their expected outcomes
- In Maths 74% achieved A*-C with almost a third of students exceeding their expected outcomes
- In Maths 60% of students achieved 3 or more levels of progress
- In English 86% of students achieved 3 or more levels of progress
- In Maths 20% of students achieved 4 or more levels of progress
- In English 41% of students achieved 4 or more levels of progress
- 22% of all grades gained were A/A* or equivalent (21% national average)
- Pupil Premium gap in 5A*-C reduced to 26% from 33% in 2014
- 50% of Statemented students achieved 5A*-C

Key whole school targets were missed with the exception of attainment and progress in English. To some degree, the results had been anticipated through the year as detailed in achievement reports to trustees in 2014/15. Targeted work has been undertaken to identify the reasons for underachievement in all curriculum areas and they will be addressed through curriculum area plans which are being monitored through RAP (Raising Achievement Plan) processes. The gap was narrowed for Pupil Premium/Disadvantaged students.

Key Stage 5

Year 13

Overview

100% of A level students gained an A*-E in one subject with 84% passing in three subjects. Overall, the percentage of students achieving 3 A*- B grades is 22%. In vocational qualifications, the average outcome in the sixth form is at distinction level.

- The average points score (per student) of 682 is down on 2014 (861 pts).
- The average points score per entry is 205 points (203 for A Level and 215 for vocational qualifications).
- The Level 3 Value Added calculations measure progress for each qualification type and by subject. Provisional estimates show that value added for A Level is -0.09.
- The overall ALPS T-score (reflecting the quality of achievement, teaching and learning) was 5 (Good).

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Trustees' report (continued)
For the year ended 31 August 2015

Conclusion

At Key Stage 4 early indications are that overall achievement has improved significantly and we will receive confirmation of this when RAISE online is published in December. Despite some positive indicators, it is clear that there were a significant number of underperformances that are our priority to address over the coming weeks and months. The most notable of these being in the levels of expected progress in Mathematics

At Key Stage 5, outcomes were down overall on last year, as had been anticipated over the year. The challenge will be to transform these less positive outcomes in some areas for the upcoming Year 13 in 2015/16.

For 2015-16 the key school improvement priorities will be to maximise the use of accurate assessment and tracking to create a forensic approach to all students learning and progress. To exceed expected progress for all students in literacy and numeracy.

(ii) Quality of Teaching

The key school improvement priorities in 2014-15 were focused on continuing to focus on embedding appropriate challenge and engagement for all learners to enable rapid and sustained progress. To continue to embed a systematic and consistently high quality approach to feedback for learning across the school. To embed a strategic approach to imaginative teaching strategies including appropriate home learning and clearly directed intervention matched to individual need.

Profiling the quality of typicality of practice in the classroom across the school has been supported greatly by the use of BlueSky giving a robust evidence base. 91% of teachers practice was rated as good or better which was a 3% increase on the previous year's data. This practice measure is triangulated through not only observations but also data, work scrutiny and feedback evidence.

Joint practice development and peer support have been effectively used to develop classroom practice further. Lead Teachers were in post, focusing on the key areas within the School Improvement Plan. Through Innovative Practice CPD sessions, significant strides have been made in establishing a high quality, consistent and imaginative provision in the classroom.

Feedback for Learning has remained a key focus this year for all curriculum areas. The JPD focus has been via collaborative classrooms workshops lead by key staff. These sessions have focused on how to mark and give quality feedback, how to manage marking workload and how to engage students in the feedback.

CPD throughout 2014/15 continued to focus on sharing good practice, developing new themes and bringing in fresh ideas and expertise from elsewhere. The annual Teaching & Learning Fair is now well established and was supported greatly by the main exam boards focusing on the changing educational landscape. Carousel INSET sessions, whole school INSET sessions and 'Teachmeets' all featured throughout the year and were extended recently to provide opportunities for support staff.

For 2015/16 the key school improvement priorities will be to improve the consistency of good and outstanding lessons through a robust assessment and reflection strategy that will impact significantly on learning outcomes for all. To develop high level communication skills that accelerates the progress for all learners across the curriculum.

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Trustees' report (continued)

For the year ended 31 August 2015

(iii) Behaviour & Safety

The key school priorities in 2014-15 were focused on continuing the development of a 'Rewards and Awards' structure that reflects the school values, support SMSC education and also the school House system, so moving towards Outstanding. To continue the drive for a focus on relationships across the school community through the Restorative agenda including staff training and a Restorative Curriculum. To further develop the use of behaviour and attendance data to ensure all students are making rapid and sustained progress.

Attendance

Improving attendance and punctuality has been a keen focus for school improvement and 2014/15 saw the overall attendance rise to 94.34%. This is a figure we intend to raise to over 95% in 2015/16. There will also be greater focus on subgroup attendance. Attendance Weeks will continue with an emphasis on getting all form tutors to take ownership of this and they will have a sharper focus on individuals at risk of becoming persistent absentees (individuals with 10% or more absence). We are looking at options to further improve attendance, especially within sub groups.

Behaviour & Safety

There were two permanent exclusions from William Howard School in 2014-15. These were upheld on appeal and were agreed to on the grounds of the health and safety of staff and students. The fixed term exclusion figure of 3.2% is a slight decrease from the 2014/15 figure of 3.5%.

Work was done on embedding the Rewards system through the introduction of the Vivo system for awarding House Points. This has had a positive impact. All staff were trained in Restorative Approaches, to support the drive towards a relationship building focus for behaviour management.

The behaviour team was remodelled into 'Provision Plus' as a part of the Learning Provision team whose aims are similar but will have the delivery of engagement programmes at their core.

For 2015-16 the key priorities for development will be to build pride in being part of the William Howard School Community. To refine and continue to develop an effective stakeholder voice system. To ensure that there is a robust Safeguarding programme in school that ensures that staff are aware of their responsibilities and that students are kept safe.

(iv) Leadership & Management

Leadership and Management school improvement priorities 2014/15 focused on improving communication with all stakeholders at all levels throughout the organisation, ensuring that Outstanding teaching and learning was the focus for all leaders throughout the school and that all staff felt valued and supported, with all middle and senior leaders being highly visible and proactive.

New systems of monitoring of teaching and learning were successfully adopted and are under review to further improve impact at all levels of leadership, leading to a much greater understanding of the strengths and weaknesses of the school. New systems of performance appraisal were developed providing a much more robust approach to an important area of school management.

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Trustees' report (continued)

For the year ended 31 August 2015

The non-negotiables have been developed setting out a clear focus of expectations at all levels of leadership from the classroom through Middle leadership to expectations upon the senior team within school.

Leadership development has been a key focus throughout the school over the past year and has been extended to include staff at all levels.

The transition programme for Yr6 to Yr7 has been completely reviewed with new curriculum structures in place from Sept 2015. This is an exciting development that has been developed jointly with primary colleagues to support the transition of students into a new environment at secondary schooling level.

Maintaining mechanisms for meaningful dialogue with all parents has been a key area for review over the course of 2014/15. Schemes such as 'Parents as Partners' and 'Parents as Learners' have been successful over the last year in providing mutual insight and support in achieving our shared goals and will continue to be at the heart of developing communication structures.

Teaching School Status – Rural Learning Alliance (RLA)

William Howard remains an active strategic partner at the heart of the Rural Learning Alliance. William Howard is key lead for the recruitment and deployment of Specialist Leaders of Education (SLE). There are now 20 recruited to the Rural Learning Alliance.

The aim of the RLA is to support and work with schools in the north of the county, co-ordinating a network of school to school support. A significant number of senior leaders in school have worked collaboratively with other schools last year, in the region and beyond. This extends and complements the work already being done on a collaborative footing through the Carlisle Secondary Learning Consortium (CSLC).

William Howard Trust

William Howard School is a part of the William Howard Trust, a multi-academy trust (MAT). The trust consists of three schools, William Howard School, Workington Academy and Yewdale Primary School. This is an exciting prospect as we are now in a position to work collaboratively across the Trust. The MAT structure allows economies of scale in shared services such as finance and administration. It also allow the schools to obtain better terms in negotiating contracts and services and hence improve value for money. A more formalised structure strengthens the brand image of the school and could help in attracting parents and applications for admissions.

The role of the MAT board of trustees in supporting school management has been evident over the course of the last year. The school will have a Local Advisory Board from September 2015.

For 2015-16 the key priorities for development will be to ensure outstanding student progress is kept at the heart of all planning, meeting the requirements and challenges of all curriculum developments with clear accountability, linking feedback and assessment to outstanding outcomes at all levels. The refining of strategies that are used to interact at all levels to ensure the school's vision, ethos and systems are shared and respected.

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Trustees' report (continued) **For the year ended 31 August 2015**

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.

Financial review

a. Financial and risk management objectives and policies

The revenue balances carried forward at 31 August 2015 are £43k (2014: £18k) on the Restricted General Fund and £213k (2014: £134k) on the Unrestricted Fund, totalling £256k (2014: £152k).

The increase in reserves over the year can be accounted for entirely by grants received for setting up the multi-academy trust. These grants are restricted for particular purposes and will be fully spent in the 2015/16 year. The William Howard School outturn was a deficit of £78k, due to unbudgeted costs including additional contributions to the LGPS pension scheme.

The majority of the academy trust's income (81% in 2014/15) is obtained from the Education Funding Agency (EFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the EFA, and the associated expenditure, are shown as restricted funds in the Statement of Financial Activities. Grant income is also received from the Local Authority for students with Special Educational Needs. Other income is generated from letting of facilities and the WHS Fitness and Wellbeing complex. The academy trust also receives income from catering and out-of-catchment school transport (both of which aim to operate on a cost-neutral basis).

The academy also receives grants for capital expenditure from the EFA. In accordance with Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2005), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

The Local Government Pension Scheme as it relates to the academy trust, as part of the combined Cumbria/Lancashire pension fund, has been valued by the actuary as having a net deficit of £2,771k as at 31 August 2015 (2014: £2,643k). The deficit may increase further in future years if the economic climate does not improve and contributions, both employer and employee, are not increased. This is a material figure in terms of the academy's total assets and further details on the figures are included in note 28 to the accounts.

The total income received has been invested in the furtherance of the high quality education provided at the academy trust by the employment of suitably qualified teaching staff, the provision of specialist staff support for both teaching and the various support functions of the academy, the provision of suitable resources for the staff and students and the maintenance and refurbishment of the buildings and equipment.

b. Principal risks and uncertainties

The major risks to which the academy trust is exposed, as identified by the trustees, are regularly reviewed, and systems and procedures have been established to manage those risks. Risk is considered as part of the reporting procedures to the various committees.

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Trustees' report (continued)

For the year ended 31 August 2015

A major risk for the academy trust is the national picture for education funding which is constantly changing. Trustees have identified a requirement to project budgets for a three year period to advise them in advance of the potential impact of funding changes.

The second major risk faced by the academy trust at present is the bringing together of three schools into one trust from 1 September 2015 with the inevitable pressures on management time as systems are aligned, whilst still maintaining quality service provision across the three sites. Trustees are satisfied that sufficient planning had been undertaken prior to 1 September, and that procedures are in place to deal efficiently and effectively with any issues arising during with first few months of operation.

The academy trust, through its board of trustees and staff, strives to become an outstanding organisation and recognises the need to maintain and increase student numbers as they are the major influence over finance.

c. Reserves policy

The board of trustees has previously indicated that it would wish revenue balances to reach, cumulatively, some 3% to 5% of the revenue budget to provide a financial safeguard for the future and enable to the academy to manage the financial impact of year to year fluctuations in funding arising from changing student numbers. The current level is 2.8%, however much of this is due to grants received shortly before the year-end in connection with bringing schools into the multi-academy trust. The trust intends to build up reserves over time.

The board of trustees regularly review the level of reserve levels of the academy trust.

d. Material investments policy

The academy trust is able to generate a modest financial return by transferring funds from the current to savings account until needed. During the year the academy trust did not have sufficient cash to be able to lock funds away and generate higher returns.

Plans for future periods

a. Future developments

A review of future developments for the William Howard School has been included in the 'Achievements & Performance' section above.

With regards to the wider trust, we are committed to supporting all pupils/students, staff and academies within the William Howard Trust to 'be the best they can be'.

Each of the trust's academies has its own unique ethos, however they will all share a common vision and values, which are central to the life of the academy and underpin all the Trust's activities.

The Trust will operate with a student-centred approach which values relationships and respect for others:

- **Inspiring learning** – creating a happy, positive and vibrant learning environment for all students.
- **Achieving success** – enabling every student to reach their potential by providing high quality teaching.
- **Creating opportunities** – broadening children's experiences and opportunities.
- **Empowering communities** – working in partnership with the local community to bring education alive for all.

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Trustees' report (continued)
For the year ended 31 August 2015

Our vision is to enable every young person to reach their potential and achieve the success they deserve by providing an innovative and inspiring learning experience. At the heart of our organisation are the principles of respect, responsibility and resilience.

(end of Strategic Report)

Disclosure of information to auditors

Insofar as the trustees are aware:

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

This trustees' report, incorporating the strategic report, was approved by order of the board of trustees, as the company/directors, on 7 December 2015 and signed on the board's behalf by:


Martin Simpson
Chair of Trust Board

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Governance Statement

Scope of Responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that William Howard 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 Executive Head Teacher, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between William Howard Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the trustees' report and in the trustees' responsibilities statement. The board of trustees has formally met 5 times during the year and in addition an Extra-Ordinary meeting was held in September 2014 to discuss a confidential matter. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
S Angland, Teaching Staff Trustee	4	5
C Cartwright, Appointed Trustee	4	5
P Cookson, Appointed Trustee	4	4
A Fullerton, Appointed Trustee	1	5
S Goodliffe, Academy Trust Member	4	5
J Haydon, Parent Trustee	5	5
R Hayton, Parent Trustee	2	3
L Hughes, Executive Headteacher	2	5
C Irving, Parent Trustee & Chair of Trustees	5	5
M Payne, Academy Trust Member	5	5
N Polmear, Support Staff Trustee	3	5
J Simpson, Parent Trustee	1	2
J Storr, Appointed Trustee	2	2
G Wolstencroft, Parent Trustee	1	5

Apologies had been received from the Trustees in respect of the meetings that they were unable to attend.

Mrs Hughes, Executive Headteacher, had been unable to attend some of the Board of Trustee meetings and Committee meetings owing to her role as Seconded Executive Headteacher to Southfield and Stainburn Schools in Workington, Cumbria.

Due to personal circumstances, Mrs Fullerton had been unable to attend some of the Board of Trustee meetings and Committee meetings, however she kept in regular contact and responded, as and when required.

Mr Cartwright, Academy Trust Member and Chair of Trustees, had resigned at the end of the summer term 2014 and Mr Irving, Parent Trustee, was elected Chair of Trustees at the first meeting in the autumn term 2014.

Mr Cookson was appointed onto the Board of Trustees as an Appointed Governor, with effect from 7 November 2014.

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Governance Statement (continued)

Dr Hayton resigned from her role as a Parent Trustee with effect from 23 February 2015.

Both Mrs Simpson and Dr Storr were appointed onto the Board of Trustees as Appointed Governors, with effect from 26 February 2015.

The Board of Trustees had been constituted of 3 Academy Trust Members (Trustees), 3 Staff Trustees (including the Executive Headteacher), 4 Parent Trustees and 5 Appointed Trustees.

With effect from 1 September 2015, there is a Local Advisory Board for William Howard School. A Scheme of Delegation has been made between the William Howard Trust (Trust Directors), which is a Multi Academy Trust, and the Local Advisory Board of William Howard School. Consequently a number of Trustees' relinquished their roles as of 31 August 2015: Ms Angland (Teaching Staff Trustee), Mr Polmear (Support Staff Trustee) and Mr Wolstencroft (Parent Trustee). Both Miss Goodlife and Mrs Payne, Academy Trust Members, were appointed as Board Members on the William Howard Trust Board.

Governance reviews:

In light of the conversion to a MAT during the year, a full governance review was undertaken as described in the Trustees report.

The Finance Committee was a sub-committee of the main Board of Trustees during 2014/15. Its purpose was to assist the decision making of the Board of Trustees, by enabling more detailed consideration to be given to the best means of fulfilling the Board of Trustees' responsibility to ensure sound management of the Academy's finance and resources, including proper planning, monitoring and probity.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
S Angland, Appointed Trustee	5	5
C Cartwright, Appointed Trustee	2	5
P Cookson, Appointed Trustee	4	4
J Haydon, Parent Trustee	5	5
L Hughes, Executive Headteacher	2	5
C Irving, Parent Trustee & Chair of Trustees	5	5
N Polmear, Support Staff Trustee	3	5

The Admissions Committee met only once during the year.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
J Haydon, Parent Trustee	1	1
L Hughes, Executive Headteacher	0	1
C Irving, Parent Trustee & Chair of Trustees	1	1
M Payne, Academy Trust Member	1	1
G Wolstencroft, Parent Trustee	1	1

Curriculum Committee

William Howard Trust

(A company limited by guarantee)

Governance Statement (continued)

There had been 2 meetings scheduled during the year but the June meeting was cancelled and instead a detailed report was forwarded to the Board of Trustees for consideration.

Trustee Meetings	Attended	Out of a possible
S Angland, Teaching Staff Trustee	1	1
C Cartwright, Appointed Trustee	1	1
A Fullerton , Appointed Trustee	0	1
R Hayton, Parent Trustee	1	1
L Hughes, Executive Headteacher	0	1
C Irving, Parent Trustee & Chair of Trustees	1	1

Personnel Committee

Attendance at meetings in the year was as follows:

Trustee Meetings	Attended	Out of a possible
A Fullerton, Appointed Trustee	0	3
S Goodliffe, Academy Trust Member	3	3
R Hayton, Parent Trustee	0	1
L Hughes, Executive Headteacher	1	3
C Irving, Parent Trustee & Chair of Trustees	3	3
M Payne, Academy Trust Member	1	3
J Simpson, Appointed Trustee	1	2
J Storr, Appointed Trustee	2	2

It should be noted that Finance Committee Trustees had also been invited to attend a Personnel Committee meeting in March 2015 to discuss confidential staffing and finance matters.

Review of Value for Money

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

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

- Achieving the educational outcomes as set out in the Trustees' Report. Outcomes include many positive indicators. Educational outcomes were improved with the same resource by taking steps to further improve the quality of teaching, as set out in the Trustees' Report.
- The formation of the multi-academy trust enabled us to share delivery and good practice across all schools within the trust. This has driven up standards for least cost.
- The Personnel Committee regularly reviews the staffing structure to ensure that staff are deployed as efficiently as possible to support an improved curriculum, and to target areas of the curriculum in need of development.

William Howard Trust

(A company limited by guarantee)

Governance Statement (continued)

- We have supported and collaborated with many other schools in the county and beyond through collaborative working with other schools through the RLA (Rural Learning Alliance), CASL (Cumbria Alliance of System Leaders) and CSLC (Carlisle Secondary Learning Consortium). We also support other schools through teaching and learning and leadership programmes, and have worked closely with local primary schools in a number of areas, including curriculum development to ensure a smooth transition from Key Stage 2 to Key Stage 3.
- The academy trust introduced a range of new courses in 2014/15 including Travel and Tourism and BTEC Construction.
- Contracts and services are regularly appraised and renegotiated in a timely manner to ensure value for money. One area where we have been able to realise savings in recent years is energy costs. These were £7k lower than in 2014 and £26k lower than in 2013, reflecting both new contract terms and efforts taken to minimise energy usage. During 2014/15 we also renegotiated a reprographics contract which will save £10k per annum.
- Options appraisals are carried out before purchases are made, including assessing the costs and benefits of alternatives over the longer term. A range of quotes is obtained for all major purchases so that the trust knows it is getting a good deal.
- The trust explores opportunities to generate income through the letting of facilities to the local community and the provision of support services to local schools. The WHS Fitness and Wellbeing Centre is well-established and provides a community gym facility and sports facilities which are used extensively by local sporting clubs.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in William Howard Trust for the year 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the academy 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 ongoing process for identifying, evaluating and managing the academy's significant risks, that has been in place for the year 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

William Howard Trust

(A company limited by guarantee)

Governance Statement (continued)

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the relevant governance committees of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.

The 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 Mr Paul Cookson, a trustee, as Responsible Officer (RO).

The RO's role includes giving advice on financial matters and performing a range of checks on the academy's financial systems. In particular the checks carried out in the current period included:

- Reviews of debtors and creditors
- Confirmation of insurance arrangements
- Review of cash receipts
- Tracing a sample of receipts to remittance advices
- Tracing a sample of orders through to invoice
- Sample check of payroll items
- Review of bank reconciliations
- Review of credit card reconciliations.

The RO reported twice during the year to the board of trustees on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities. No major issues were reported.

The trust has now tendered for an internal audit service.

Review of Effectiveness

As accounting officer, the Executive Head Teacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

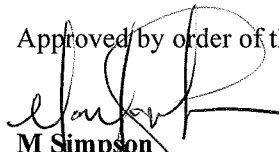
- the work of the Responsible Officer;
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy who have responsibility for the development and maintenance of the internal control framework.


William Howard Trust
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Governance Statement (continued)

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Finance 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 7 December 2015 and signed on its behalf, by:


M Simpson
Chair of Trustees


L Hughes,
Accounting Officer

William Howard Trust

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Statement on Regularity, Propriety and Compliance

As accounting officer of William Howard Trust I have considered my responsibility to notify the academy 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 and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook (2014).

I confirm that I and the academy board of trustees are able to identify any material, irregular or improper use of funds by the academy, or material non-compliance with the terms and conditions of funding under the academy's funding agreement and the Academies Financial Handbook (2014).

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.



L Hughes
Accounting Officer

Date: 7 December 2015

William Howard Trust

(A company limited by guarantee)

Trustees' responsibilities statement For the year ended 31 August 2015

The trustees (who act as governors of William Howard 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;
- 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 on 7 December 2015 and signed on its behalf by:



M Simpson
Chair of Trustees



(A company limited by guarantee)

Independent auditors' report to the members of William Howard Trust

We have audited the financial statements of William Howard 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'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'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 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 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'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'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.



(A company limited by guarantee)

Independent auditors' report to the members of William Howard Trust

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.

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.

Michael Morris ACA FCCA (Senior Statutory Auditor)
for and on behalf of UNW LLP, Statutory Auditor
Chartered Accountants
Newcastle upon Tyne

7 December 2015

William Howard Trust

(A company limited by guarantee)

Independent reporting accountants' assurance report on regularity to William Howard Trust and the Education Funding Agency

In accordance with the terms of our engagement letter dated 5 November 2015 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 William Howard 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 William Howard Trust and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to William Howard 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 William Howard Trust and EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of William Howard Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of William Howard Trust's funding agreement with the Secretary of State for Education dated 1 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's income and expenditure.

The work undertaken to support our conclusion includes:

- testing a sample of expenditure to verify that the trusts procurement procedures have been followed for the items selected;
- testing a sample of payments to ensure they are correctly authorised in accordance with the trust

William Howard Trust

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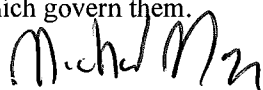
Independent reporting accountants' assurance report on regularity to William Howard Trust and the Education Funding Agency (continued)

policies;

- testing a sample of expenditure to verify the nature of spend is in line with funding agreements;
- testing a sample of income and expenditure to ensure systems and controls are being implemented in line with the trust policies;
- confirming that appropriate departmental authority has been obtained for any extra-contractual payments to staff such as severance pay;
- where any disposals of land or buildings were made, enquire as to whether appropriate approval was obtained from the EFA; and
- where any transactions or contracts are entered to with connected parties, enquire as to whether the appropriate procedures were followed in line with trust policies.

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.



**Michael Morris, FCA ACCA (Senior Statutory Auditor)
for and on behalf of UNW LLP, Statutory Auditors**

Chartered Accountants
Newcastle upon Tyne

7 December 2015

William Howard 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	321,357	-	-	321,357	284,938
Activities for generating funds	3	68,947	-	-	68,947	71,750
Investment income	4	213	-	-	213	2,553
Incoming resources from charitable activities	5	-	7,503,374	107,444	7,610,818	7,581,474
Other incoming resources	6	-	1,161,582	-	1,161,582	875,391
Total incoming resources		390,517	8,664,956	107,444	9,162,917	8,816,106
Resources expended						
Costs of generating funds:						
Costs of generating voluntary income	7	311,665	-	-	311,665	323,597
Charitable activities	11	-	8,806,684	252,580	9,059,264	8,815,320
Governance costs	8	-	21,009	-	21,009	28,000
Total resources expended	11	311,665	8,827,693	252,580	9,391,938	9,166,917
Net incoming / (outgoing) resources before transfers		78,852	(162,737)	(145,136)	(229,021)	(350,811)

William Howard Trust
(A company limited by guarantee)

Statement of financial activities (continued)
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 £
Transfers between Funds	23	-	79,680	(79,680)	-	-
Net expenditure for the year		78,852	(83,057)	(224,816)	(229,021)	(350,811)
Actuarial gains and losses on defined benefit pension schemes		-	(20,000)	-	(20,000)	(219,000)
Net movement in funds for the year		78,852	(103,057)	(224,816)	(249,021)	(569,811)
Total funds at 1 September 2014		134,000	(2,625,000)	6,338,818	3,847,818	4,417,629
Total funds at 31 August 2015		212,852	(2,728,057)	6,114,002	3,598,797	3,847,818

All activities relate to continuing operations.

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

The notes on pages 30 to 51 form part of these financial statements.

William Howard Trust
(A company limited by guarantee)

Balance sheet
As at 31 August 2015

	Note	£	2015 £	£	2014 £
Fixed assets					
Tangible assets	19		6,114,002		6,255,038
Current assets					
Stocks	20	63,062		72,221	
Debtors	21	448,630		200,484	
Cash at bank and in hand		168,699		346,422	
			680,391	619,127	
Creditors: amounts falling due within one year	22	(424,596)		(383,347)	
Net current assets			255,795		235,780
Total assets less current liabilities			6,369,797		6,490,818
Defined benefit pension scheme liability	28		(2,771,000)		(2,643,000)
Net assets including pension scheme liability			3,598,797		3,847,818
Funds of the academy					
Restricted funds:					
Restricted funds	23	42,943		18,000	
Restricted fixed asset funds	23	6,114,002		6,338,818	
Restricted funds excluding pension liability		6,156,945		6,356,818	
Pension reserve		(2,771,000)		(2,643,000)	
Total restricted funds			3,385,945		3,713,818
Unrestricted funds	23		212,852		134,000
Total funds			3,598,797		3,847,818

The financial statements were approved by the trustees, and authorised for issue, on 7 December 2015 and are signed on their behalf, by:


Chair of Trustees

The notes on pages 30 to 51 form part of these financial statements.

Company registered number: 07698631

William Howard 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	25	(173,836)	(357,364)
Returns on investments and servicing of finance	26	213	2,553
Capital expenditure and financial investment	26	(4,100)	58,000
Decrease in cash in the year		<u>(177,723)</u>	<u>(296,811)</u>

Reconciliation of net cash flow to movement in net funds
For the year ended 31 August 2015

	2015 £	2014 £
Decrease in cash in the year	(177,723)	(296,811)
Movement in net funds in the year	(177,723)	(296,811)
Net funds at 1 September 2014	346,422	643,233
Net funds at 31 August 2015	<u>168,699</u>	<u>346,422</u>

The notes on pages 30 to 51 form part of these financial statements.

William Howard 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 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 Education Funding Agency and Department for Education.

1.3 Incoming resources

All incoming resources are included in the statement of financial activities when the academy 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.

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

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

William Howard Trust

(A company limited by guarantee)

Notes to the financial statements For the year ended 31 August 2015

1. Accounting policies (continued)

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.

1.4 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.

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

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

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

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 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.

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.

William Howard Trust

(A company limited by guarantee)

Notes to the financial statements For the year ended 31 August 2015

1. Accounting policies (continued)

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's depreciation policy.

The policy with respect to impairment reviews of fixed assets 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:

Freehold property	-	2% (50 years)
Plant and equipment	-	15% (6 - 7 years)
Computer equipment	-	20% (5 years)

The academy's solar panels are being depreciated over 30 years, the Street Park over 20 years and the Boiler House over 15 years. These are all included within plant and equipment

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.

1.9 Taxation

The academy 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 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.

William Howard Trust
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2015

1. Accounting policies (continued)

1.10 Pensions

Retirement benefits to employees of the academy 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.

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 in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 28, the TPS is a multi-employer scheme and the academy 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 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.

2. Voluntary income

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Donation of assets	-	-	-	7,400
School fund	321,357	-	321,357	277,538
	<hr/>	<hr/>	<hr/>	<hr/>
Voluntary income	321,357	-	321,357	284,938
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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Notes to the financial statements
For the year ended 31 August 2015

3. Activities for generating funds

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Hire of facilities	68,947	-	68,947	71,750

4. Investment income

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Investment income	213	-	213	2,553

5. Incoming resources from charitable activities

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Academy's educational operations	-	7,610,818	7,610,818	7,581,474

Funding for Academy Trust's educational operations

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
DfE/EFA revenue grants				
General Annual Grant (GAG)	-	6,393,416	6,393,416	6,688,908
Other DfE / EFA grants	-	880,441	880,441	616,441
Local authority grants	-	229,517	229,517	144,742
Capital grants	-	107,444	107,444	131,383
	-	7,610,818	7,610,818	7,581,474

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Notes to the financial statements
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6. Other incoming resources

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Miscellaneous income including catering and transport	-	1,161,582	1,161,582	875,391

7. Costs of generating voluntary income

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Costs of school trips and other associated activities	311,665	-	311,665	323,597

8. Governance costs

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Auditors' remuneration	-	7,800	7,800	6,000
Legal and professional fees	-	13,209	13,209	22,000
	-	21,009	21,009	28,000

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Notes to the financial statements
For the year ended 31 August 2015

9. Direct costs

	Academy's educational operations £	Total 2015 £	Total 2014 £
Pension finance costs	83,000	83,000	98,000
Educational supplies	211,758	211,758	204,189
Examination fees	144,149	144,149	144,206
Staff development	20,264	20,264	33,356
Educational consultancy	71,573	71,573	104,531
Other direct costs	454,898	454,898	380,964
Wages and salaries	4,571,014	4,571,014	4,621,803
National insurance	345,866	345,866	338,423
Pension cost	648,090	648,090	631,369
	<u>6,550,612</u>	<u>6,550,612</u>	<u>6,556,841</u>

10. Support costs

	Academy's educational operations £	Total 2015 £	Total 2014 £
Maintenance of premises and equipment	112,482	112,482	110,700
Cleaning	11,484	11,484	17,261
Rent and rates	41,114	41,114	40,630
Heat and light	99,091	99,091	106,166
Insurance	47,185	47,185	47,676
Transport	305,555	305,555	239,751
Catering	209,117	209,117	219,119
Technology costs	34,546	34,546	59,482
Bank interest and charges	2,921	2,921	3,338
Other support costs	188,953	188,953	163,946
Depreciation	252,580	252,580	235,478
Wages and salaries	962,765	962,765	846,248
National insurance	41,421	41,421	34,490
Pension cost	199,438	199,438	134,194
	<u>2,508,652</u>	<u>2,508,652</u>	<u>2,258,479</u>

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Notes to the financial statements
For the year ended 31 August 2015

11. Resources expended

	Staff costs	Non Pay Expenditure		Total	Total
	2015	Premises	Other costs	2015	2014
	£	2015	2015	£	£
		£	£		
Costs of generating voluntary income	-	-	311,665	311,665	323,597
Costs of generating funds	-	-	311,665	311,665	323,597
Academy's educational operations	5,796,989	-	753,623	6,550,612	6,556,841
Support costs - Academy's educational operations	1,203,624	439,970	865,058	2,508,652	2,258,479
Charitable activities	7,000,613	439,970	1,618,681	9,059,264	8,815,320
Governance	-	-	21,009	21,009	28,000
	7,000,613	439,970	1,951,355	9,391,938	9,166,917

12. Analysis of resources expended by activities

	Activities undertaken directly	Support costs	Total	Total
	2015	2015	2015	2014
	£	£	£	£
Academy's educational operations	6,550,612	2,508,652	9,059,264	8,815,320

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Notes to the financial statements
For the year ended 31 August 2015

13. Net incoming / (outgoing) resources

This is stated after charging / (crediting):

	2015 £	2014 £
Depreciation of tangible fixed assets:		
-owned by the charity	252,580	235,478
Legal and professional fees	13,209	22,000
Audit of these financial statements	<u>6,500</u>	<u>6,000</u>

14. Staff

a. Staff costs

Staff costs were as follows:

	2015 £	2014 £
Wages and salaries	5,533,778	5,468,050
Social security costs	387,287	372,914
Other pension costs (Note 28)	847,528	765,563
	<u>6,768,593</u>	<u>6,606,527</u>
Supply teacher costs	229,020	200,000
Compensation payments	3,000	55,000
	<u>7,000,613</u>	<u>6,861,527</u>

Included in compensation payments are non-statutory/non-contractual severance payments totalling £nil (2014: £39,000)

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Notes to the financial statements
For the year ended 31 August 2015

14. Staff (continued)

b. Staff numbers

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

	2015	2014
	No.	No.
Teachers	80	79
Administration and support	91	92
Management	13	14
	<hr/> 184 <hr/>	<hr/> 185 <hr/>

c. Higher paid staff

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

	2015	2014
	No.	No.
In the band £60,001 - £70,000	2	2
In the band £70,001 - £80,000	0	1
In the band £80,001 - £90,000	1	0
In the band £100,001 - £110,000	0	1
	<hr/> 0 <hr/>	<hr/> 1 <hr/>

All the employees above participated in the Teachers' Pension Scheme. During the year ended 31 August 2015, pension contributions for these staff amounted to £32,000 (2014: £44,000).

15. Central services

No central services were provided by the Trust to its academies during the year and no central charges arose. Details of the costs of the Trust, as opposed to the costs of William Howard School are detailed in note 23.

16. Trustees' remuneration and expenses

During the year retirement benefits were accruing to 2 trustees (2014 – 3) in respect of defined benefit pension schemes.

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Notes to the financial statements For the year ended 31 August 2015

One or more trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The Principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and other staff members under their contracts of employment, and not in respect of their role as trustees. During the year to 31 August 2015 the Executive Headteacher was seconded to Cumbria County Council and as such her remuneration was paid by the Local Authority, and is not included within these financial statements. The value of trustees' remuneration and other benefits was as follows:

	2015 £	2014 £
L Hughes, Executive Headteacher - salary	-	105,000-110,000
L Hughes, Executive Headteacher - pension contributions	-	10,000-15,000
N Polmear, Support Staff Trustee - salary	40,000-45,000	35,000-40,000
N Polmear, Support Staff Trustee - pension contributions	5,000-10,000	5,000-10,000
S Angland - salary	45,000-50,000	45,000-50,000
S Angland- pension contributions	5,000-10,000	5,000-10,000

During the year, 2 trustees (2014: 2) received reimbursement of expenses totalling £786 (2014: £335). The direct cost of the various board of trustee meetings was £nil (2014: £684).

17. Trustees' and officers' insurance

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2015 was £1,047 (2014 - £1,077). The cost of this insurance is included in the total insurance cost.

18. Other finance income

	2015 £	2014 £
Expected return on pension scheme assets	117,000	102,000
Interest on pension scheme liabilities	(200,000)	(200,000)
	(83,000)	(98,000)

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Notes to the financial statements
For the year ended 31 August 2015

19. Tangible fixed assets

	Freehold property £	Plant and equipment £	Computer equipment £	Total £
Cost				
At 1 September 2014	5,958,270	519,051	416,715	6,894,036
Additions	-	104,142	7,402	111,544
At 31 August 2015	<u>5,958,270</u>	<u>623,193</u>	<u>424,117</u>	<u>7,005,580</u>
Depreciation				
At 1 September 2014	319,826	100,777	218,395	638,998
Charge for the year	109,312	58,445	84,823	252,580
At 31 August 2015	<u>429,138</u>	<u>159,222</u>	<u>303,218</u>	<u>891,578</u>
Net book value				
At 31 August 2015	<u>5,529,132</u>	<u>463,971</u>	<u>120,899</u>	<u>6,114,002</u>
At 31 August 2014	<u>5,638,444</u>	<u>418,274</u>	<u>198,320</u>	<u>6,255,038</u>

20. Stocks

	2015 £	2014 £
Finished goods and goods for resale	<u>63,062</u>	<u>72,221</u>

21. Debtors

	2015 £	2014 £
Trade debtors	240,985	82,183
Other debtors	117,117	64,089
Prepayments and accrued income	90,528	54,212
	<u>448,630</u>	<u>200,484</u>

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Notes to the financial statements
For the year ended 31 August 2015

22. Creditors:
Amounts falling due within one year

	2015 £	2014 £
Trade creditors	143,121	61,272
Other taxation and social security	115,858	110,733
Other creditors	99,279	106,904
Accruals and deferred income	66,338	104,438
	<u>424,596</u>	<u>383,347</u>

Deferred income

Deferred income at 1 September 2014	61,306
Resources deferred during the year	66,338
Amounts released from previous years	(61,306)
Deferred income at 31 August 2015	<u>66,338</u>

23. Statement of funds

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds						
General Funds	134,000	390,517	(311,665)	-	-	212,852
Restricted funds						
Restricted Funds	18,000	8,664,956	(8,719,693)	79,680	-	42,943
Pension reserve	(2,643,000)	-	(108,000)	-	(20,000)	(2,771,000)
	<u>(2,625,000)</u>	<u>8,664,956</u>	<u>(8,827,693)</u>	<u>79,680</u>	<u>(20,000)</u>	<u>(2,728,057)</u>
Restricted fixed asset funds						
Restricted Fixed Asset Funds	6,338,818	107,444	(252,580)	(79,680)	-	6,114,002
Total restricted funds	<u>3,713,818</u>	<u>8,772,400</u>	<u>(9,080,273)</u>	<u>-</u>	<u>(20,000)</u>	<u>3,385,945</u>
Total of funds	<u>3,847,818</u>	<u>9,162,917</u>	<u>(9,391,938)</u>	<u>-</u>	<u>(20,000)</u>	<u>3,598,797</u>

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Notes to the financial statements For the year ended 31 August 2015

23. Statement of funds (continued)

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

The Unrestricted Fund represents those resources which may be used towards meeting any of the charitable objects of the academy Trust at the discretion of the trustees. The Unrestricted Fund includes the School Fund which receives income for uniform, trips, visits and charities and all expenditure relating to this fund is charged against the balance.

Restricted Fixed Asset Funds are resources which are to be applied to specific capital purposes imposed by the relevant funders where the asset acquired or created is held for specific purpose. The transfer from the restricted fixed asset fund to the restricted general fund represents capital maintenance spend in prior years where the costs were charged through general restricted expenditure. The remaining balance on the fund represents the carrying value of fixed assets held for use by the academy.

Restricted General Funds comprise all other restricted funds received and include grants from the Education Funding Agency.

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

Analysis of academies by fund balance

Fund balances at 31 August 2015 were allocated as follows:

	Total £
William Howard Trust	153,525
William Howard School	102,270
Total before fixed asset fund and pension reserve	<u>255,795</u>
Restricted fixed asset fund	6,114,002
Pension reserve	(2,771,000)
Total	<u><u>3,598,797</u></u>

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Notes to the financial statements
For the year ended 31 August 2015

23. Statement of funds (continued)

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 £
William Howard Trust	-	16,560	-	91,475	108,035
William Howard School	5,564,970	1,187,064	998,851	960,973	8,711,858
	<u>5,564,970</u>	<u>1,203,624</u>	<u>998,851</u>	<u>1,052,448</u>	<u>8,819,893</u>

Summary of funds

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
General funds	134,000	390,517	(311,665)	-	-	212,852
Restricted funds	(2,625,000)	8,664,956	(8,827,693)	79,680	(20,000)	(2,728,057)
Restricted fixed asset funds	6,338,818	107,444	(252,580)	(79,680)	-	6,114,002
	<u>3,847,818</u>	<u>9,162,917</u>	<u>(9,391,938)</u>	<u>-</u>	<u>(20,000)</u>	<u>3,598,797</u>

24. 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	-	-	6,114,002	6,114,002	6,255,038
Current assets	212,852	467,539	-	680,391	619,127
Creditors due within one year	-	(424,596)	-	(424,596)	(383,347)
Provisions for liabilities and charges	-	(2,771,000)	-	(2,771,000)	(2,643,000)
	<u>212,852</u>	<u>(2,728,057)</u>	<u>6,114,002</u>	<u>3,598,797</u>	<u>3,847,818</u>

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Notes to the financial statements
For the year ended 31 August 2015

25. Net cash flow from operations

	2015 £	2014 £
Net incoming resources before revaluations	(229,021)	(350,811)
Returns on investments and servicing of finance	(213)	(2,553)
Depreciation of tangible fixed assets	252,580	235,000
Capital grants from DfE and others	(107,444)	(131,000)
Decrease/(increase) in stocks	9,159	(21,000)
Increase in debtors	(248,146)	(15,000)
Increase/(decrease) in creditors	41,249	(169,000)
FRS 17 adjustments	108,000	97,000
Net cash outflow from operations	(173,836)	(357,364)

26. Analysis of cash flows for headings netted in cash flow statement

	2015 £	2014 £
Returns on investments and servicing of finance		
Interest received	213	2,553
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(111,544)	(73,000)
Capital grants from DfE	107,444	101,000
Other capital grants and donations	-	30,000
Net cash (outflow)/inflow capital expenditure	(4,100)	58,000

27. Analysis of changes in net funds

	1 September 2014 £	Cash flow £	Other non-cash changes £	31 August 2015 £
Cash at bank and in hand:	346,422	(177,723)	-	168,699
Net funds	346,422	(177,723)	-	168,699

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Notes to the financial statements For the year ended 31 August 2015

28. Pension commitments

The academy'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 Mercer . 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

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%

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Notes to the financial statements For the year ended 31 August 2015

28. Pension commitments (continued)

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 £155,217 (2014: £187,653).

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 has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy 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 £436,000, of which employer's contributions totalled £338,000 and employees' contributions totalled £98,000. The agreed contribution rates for future years are % for employers and % for employees.

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

The amounts recognised in the balance sheet are as follows:

	2015 £	2014 £
Present value of funded obligations	(5,371,000)	(4,837,000)
Fair value of scheme assets	2,600,000	2,194,000
Net liability	<u>(2,771,000)</u>	<u>(2,643,000)</u>

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Notes to the financial statements
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28. Pension commitments (continued)

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

	2015 £	2014 £
Current service cost	(350,000)	(292,000)
Interest on obligation	(200,000)	(200,000)
Expected return on scheme assets	117,000	102,000
Gains on curtailments and settlements	(13,000)	-
	<u>(446,000)</u>	<u>(390,000)</u>
Total	<u>(446,000)</u>	<u>(390,000)</u>
Actual return on scheme assets	<u>97,000</u>	<u>246,000</u>

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

	2015 £	2014 £
Opening defined benefit obligation	4,837,000	3,945,000
Current service cost	350,000	292,000
Interest cost	200,000	200,000
Contributions by scheme participants	98,000	93,000
Actuarial Losses	-	276,000
Losses on curtailments	13,000	-
Benefits paid	(127,000)	31,000
	<u>5,371,000</u>	<u>4,837,000</u>
Closing defined benefit obligation	<u>5,371,000</u>	<u>4,837,000</u>

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Notes to the financial statements
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28. Pension commitments (continued)

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

	2015 £	2014 £
Opening fair value of scheme assets	2,194,000	1,618,000
Expected return on assets	117,000	102,000
Actuarial gains and (losses)	(20,000)	57,000
Contributions by employer	338,000	293,000
Contributions by employees	98,000	93,000
Transfer/ Benefits paid	(127,000)	31,000
	<u>2,600,000</u>	<u>2,194,000</u>

The cumulative amount of actuarial gains and losses recognised in the statement of total recognised gains and losses was £20,000 (2014 - £219,000).

The academy expects to contribute £308,000 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	52.60 %	57.50 %
Government bonds	18.30 %	17.00 %
Other bonds	7.20 %	7.20 %
Property	11.10 %	7.20 %
Cash / liquidity	2.80 %	8.00 %
Other	8.00 %	3.10 %

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	5.18 %	5.33 %
Rate of increase in salaries	3.70 %	3.70 %
Rate of increase for pensions in payment / inflation	2.20 %	2.20 %
Inflation assumption (CPI)	2.20 %	2.20 %
Commutation of pensions to lump sums	50.00 %	50.00 %

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28. 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	23.0	23.0
Females	25.6	25.5
Retiring in 20 years		
Males	25.8	25.7
Females	28.8	28.7

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

Defined benefit pension schemes

	2015	2014	2013	2012
	£	£	£	£
Defined benefit obligation	(5,371,000)	(4,837,000)	(3,945,000)	(3,416,000)
Scheme assets	2,600,000	2,194,000	1,618,000	1,099,000
Deficit	(2,771,000)	(2,643,000)	(2,327,000)	(2,317,000)
Experience adjustments on scheme liabilities	-	(276,000)	-	(125,000)
Experience adjustments on scheme assets	(20,000)	57,000	98,000	-

29. Operating lease commitments

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

	Land and buildings		Other	
	2015	2014	2015	2014
	£	£	£	£
Expiry date:				
Between 2 and 5 years	-	-	4,000	4,000

William Howard Trust
(A company limited by guarantee)

Notes to the financial statements
For the year ended 31 August 2015

30. Related party transactions

Owing to the nature of the academy'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's financial regulations and normal procurement procedures.

The Trust made sales of £33,257 (2014: £nil) to Cumbria Alliance of Systems Leaders and had a year end balance due of £16,628 (2014: £nil). Sales of £90 (2014: £nil) were made to the University of Cumbria, together with purchases of £4,034 (2014: £nil). There were no year end balances outstanding with this entity.

31. Post balance sheet events

Following conversion to a MAT during the year, on 1 September two additional schools joined the Trust. The changes to the governance and leadership arrangements are described in full in the Trustees report.