Registered number: 07698631

William Howard Trust

(A company limited by guarantee)

Trustees' report and financial statements

31 August 2016

William Howard Trust

(A company limited by guarantee)

Contents

Reference and administrative details
Year ended 31 August 2016

Trust Board (from 1 September 2015)	L Hughes, Executive Headteacher/CEO M Simpson, Chair of Board S Goodliffe, Board Member C Irving, Board Member J Keetley, Board Member R Lakin, Headteacher, Yewdale School & Director of Primary Education (resigned 20 May 2016) J Logan, Headteacher, Workington Academy (resigned 20 May 2016) D Volpe, Head Of School, William Howard School (resigned 1 September 2015) J Mottram, Board Member M Payne, Board Member
William Howard School LAB	L Hughes, Executive Headteacher/CEO D Volpe, Head of School C Irving, Chair of LAB C Cartright, LAB Member P Cookson, LAB Member A Fullerton, LAB Member J Haydon, LAB Member (resigned 22 March 2016) J Simpson, LAB Member J Storr, LAB Member S Graham, Parent LAB Member G McLean, Staff LAB Member
Workington Academy LAB	L Hughes, Executive Headteacher/CEO J Logan, Headteacher T Stainton, Chair of LAB P Armstrong, LAB Member G Askew, LAB Member (resigned 18 April 2016) E Blackmore, LAB Member I Scott, LAB Member C Sutcliffe, LAB Member A Taylor, Staff LAB Member (resigned 31 August 2016) K Featherstone, Parent LAB Member S Wilson, Parent LAB Member
Yewdale Primary School LAB	L Hughes, Executive Headteacher/CEO R Lakin, Headteacher J Keetley, Chair of LAB S Polmear, LAB Member R Watling, LAB Member E Frodsham, Staff LAB Member J Logan, LAB Member (appointed 23 November 2015, resigned 11 September 2016)

William Howard Trust

(A company limited by guarantee)

Reference and administrative details
Year ended 31 August 2016

Company registered number	07698631
Charity registered number	07698631
Company name	William Howard Trust
Principal and registered office	Longtown Road Brampton Cumbria CA8 1AR
Company secretary	M Graham
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 (resigned March 2016) N Polmear, Infrastructure and Assurance Director M Graham, Operations Manager W Smith, HR Manager (resigned 22 July 2016) M Robson, ICT Services Manager (appointed 1 June 2016) D Wilson, Data & Reporting Manager (appointed 1 June 2016)
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

Trustees' report
Year ended 31 August 2016

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 2016. The annual report serves the purposes of both a Trustees' report, and a Directors' report under company law.

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 Trust. From 1 September 2015, the Trust operated two secondary academies and one primary academy in Cumbria. The secondary schools are William Howard School, Brampton Cumbria and Workington Academy, Workington, Cumbria. The primary school is Yewdale Primary School in Carlisle.

In September 2015 the Trust schools provided education for 2,611 students

Structure, governance and management

Constitution

William Howard 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 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.

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.

Method of recruitment and appointment or election of Trustees

Appointed Trustees
Appointed Trustees are appointed by the 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 schools forward.

Parent Trustees
A letter advising of a Parent Trustee vacancy or vacancies and the arrangements for the appointment process is shared with every person entitled to put themselves or someone else forward. A letter of nomination and a short personal statement is requested by a specific date. The Trustees appoint all Parent Trustees.

Staff Trustees
All staff 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. Should more applications be received than places, then a ballot will take place.

Policies and procedures adopted for the induction and training of Trustees

All new Trustees receive a letter of appointment and appropriate documentation for completion. The Chair or a Trustee conducts an induction meeting. Internal training on areas such as data, finance and safeguarding is arranged, supplemented in some cases by external training as appropriate.

Organisational structure

The Trustees make up the Trust Board. There are two committees made up of members. They are the Audit & Risk Committee and the Achievement & Climate Committee. Each committee has a chair. The committees meet in various time cycles, reporting to the Trust Board following their meetings.

The Executive Headteacher is the Chief Accounting Officer of the Trust and a Board Member.

The Trust has a Central Team, which is made up of support staff who lead and support with operational matters within the Trust's academies. The team comprises of HR, Finance, Operations, ICT Services, Data and Reporting and Infrastructure & Assurance.

There are clear lines of delegation from the Board Members through the sub committees to the Executive Headteacher, Central Team and Headteachers through to individuals in each academy in order that issues are dealt with promptly and effectively.

Arrangements for setting pay and remuneration of key management personnel

The CEO/Executive Headteacher & Headteachers are paid in line with Standard Teachers Pay And Conditions Document (STPCD). The Central Team, which are predominantly support staff, are paid in line with the Cumbria LA pay structure.

Connected organisations, including related party relationships

The Trust academies work in collaboration with each other and their local schools. The aims and objectives are as follows:

- To improve the quality of teaching and learning throughout collaborative working and partnerships.
- 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 of the Trust academies by sharing resources, good practice and ensuring efficiencies of scale.

William Howard Trust also works in partnership with the RLA (Rural Learning Alliance), CASL (Cumbria Alliance of System Leaders), LASLs (Local Alliance of System Leaders), CSLC (Carlisle Secondary Learning Consortium), Western Headteachers Association, CASH (Cumbria Association of Secondary Headteachers) and CSP (Carlisle Schools' Partnership).

Objectives and Activities

Objectives and aims

The Trust's objectives are to improve outcomes for children in Cumbria by establishing and developing schools offering a broad and balanced curriculum and outstanding teaching & learning.

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.

Objectives, strategies and activities

These are covered in the Strategic Report below.

Achievements and performance

WILLIAM HOWARD TRUST

William Howard Trust is a multi academy trust (MAT). The Trust consists of three schools - Workington Academy (sponsored) ("WA"), William Howard School (convertor) ("WHS") and Yewdale Primary School (sponsor).

At the end of the first year of the MAT much has been achieved; however there is still much to do to fully deliver our ambitious aims. We are at the early stage of development and much of the operation is at an embryonic stage that is developing on a day to day basis. We are beginning to create a strong culture and ethos in all our schools. In essence we are a newly formed family that is working together to achieve our aspiring aspirations. In September 2016 Longtown Primary School (sponsored) joined the MAT.

Statement of Public Benefit

Schools within William Howard Trust have its charitable purpose, to promote education for the public benefit, and this underpins all our objectives, strategies and activities while having proper regard to relevant Charity Commission guidance.

The MAT structure allows economies of scale in shared services such as finance and administration. It also gives the schools opportunities to obtain better terms in negotiating contracts and services and hence improve value for money.

Admissions

William Howard Trust schools provide education to 3-19 year old pupils/students who are admitted to the schools through their Admissions Policies. All Trust schools are non-fee paying schools. The pupils/students are not selected by ability or aptitude; the Trust admits all pupil/students of the relevant age, living within the geographical area of its' school catchment areas. The Admissions Policies outline the criteria for admission from the wider geographical area and Trust schools.

Overall Performance

There is a strong strategic vision; our core values are understood by stakeholders.

The Trust's Strategic Priorities are shared throughout the organisation. There is now some evidence in the individual School Improvement Plans (SIP) that they are working towards and contributing to the Trust's overall strategic priorities.

Accountability Framework

The Trust is embedding accountability systems across its academies, with each academy at a different stage of the journey.

The Trust's Appraisal Policy is being used consistently across the Trust and new systems are being implemented to support this process.

Accountability is understood from the Chair of the Local Advisory Boards, to Headteachers and through to Middle Leadership. Development of accountability structures within the Middle Leader structure is being further developed and strengthened in some of the academies.

Improving consistency and performance

The Trust has committed to further developing shared approaches across the organisation that will bring about improvements in delivery.

Shared CPD is common practice across the Trust, with inset days co-ordinated on the schools' calendars.

Key collaborative working groups are now meeting to discuss strategy, improve practice and share ideas.

We also have a suite of policies in place across the Trust. In the main, all HR policies are Trust wide. However some policies are split into parts 1, 2 & 3 – Part 1 outlines the Trust's intention whilst Parts 2 & 3 determine the organisational and operational aspects of the schools.

Governance

There is a distinction between the roles of the Trustees and the roles of the Local Advisory Board (LAB) members. This is underpinned by a clear Scheme of Delegation. Communication between the LAB and Trust Board is developing.

The Trust Board have recruited two new Trustees, one of which came via the Academy Ambassador programme.

Regular training sessions were arranged for the Board of Trustees and Local Advisory Board Members to help them understand and make sense of the data, processes and systems used in the Trust schools, which in turn will lead to improved challenge and support.

School Improvement

The school improvement strategy across the Trust, in the main, is embedded. The schools are challenged and supported by the Executive Headteacher (CEO) on a day to day basis. A Director of Primary Education is now in place.

The Trust commission support from a SIP (Ofsted Inspector) and a teaching & learning expert.
External support is commissioned as required through CASL (Cumbria Alliance of System Leaders) or colleagues in other counties.

The academies have ownership of their SEF, and SIPs are approved by the Trust Board.

School To School Support

System Leadership and collaboration is at the heart of the Trust's school improvement ethos. School to school support is encouraged within the Trust and beyond. Staff have engaged in school to school support, with staff being deployed across the Trust and beyond as necessary.

Risk Indicators

The Trust has an Audit and Risk Committee, it is developing a Contingency and Business Continuity Plan. They are considering future growth carefully.

Succession Planning

The Trust are beginning to formalise succession planning.

Opportunities have become available in year one for staff to progress i.e. Assistant Headteacher at WHS became Deputy Headteacher at WA.

Strategic Priorities

The Trust's strategic priorities are: -

1. Improving student/pupil outcomes in all of the Trust academies.
2. All schools to be graded Good or better by September 2017.
3. Ensure all finances are appropriate and effectively managed.
4. Ensure the school estate across the Trust is not only fit for purpose, but improving.
5. To build and develop the Trust.

WILLIAM HOWARD SCHOOL

The school exists for the benefit of its students and as such their outcomes are the easiest to measure as achievements and as a reflection on the performance of the school. The school achieved many of its objectives in 2015-16 that it had set itself and made some progress towards the remainder.

Key Stage 4 Outcomes

The cohort taking their exams in summer 2016 was of slightly below average ability when compared to the national average and were not as academically able as the preceding years cohort.

In a year where results nationally have remained in-line with previous years the school can report that its students have made good levels of progress against several measures and at least maintained its performance in others. 64% of the students in the year group achieved the Basics Measure by securing good passes in both English and Maths; last year's National average was much lower than this at 58%. Pass rates in most subjects remained steady and the gap for Pupil Premium students reduced in school to 22% from 28% the previous year. The number of students achieving the EBacc suite of subjects was 25% and will be in-line with the national average. The number of students making expected and better than expected progress in English was again substantially above the national average. In Maths the steady improvements in the number of students making expected progress continued, though the number making better than expected progress was disappointing and adversely affected by a decision to enter the ablest students for an additional exam.

Progress 8 was just in line with expectations. This was due to two factors. One was that a significant number of students had taken some specialised courses like Agriculture that do not count in official tables but which make up the qualification suite taken by some students. These local need courses do not count in headline measures and as such do not contribute to the overall Progress 8 score; this hides some significantly positive achievement of some students in these courses. The second factor was that 6 students who faced a variety of challenging circumstances across the spectrum of Child Protection, Youth Offending and Mental Health did not achieve any results. The range of interventions in place for these students was extensive and the school continues to learn from the strategies employed to eradicate such incidents recurring in the future.

A clear area for focus remains the number of students making progress above expectations in Maths while also maintaining the performance of English as the transition to new format GCSEs in these subjects concludes in summer 2017. The progress of Pupil Premium students continues to also be a major focus so that this comes into line with students from the same starting points nationally.

Key Stage 5 Outcomes

Year 13 performed well in their exams and achieved significantly better outcomes than in the previous year. The provisional value-added figures for all Level 3 courses indicates that the students made good progress in all subjects with particularly strong results being achieved in English Literature and English Language.

At AS Level results appear to be improved from the previous year. A definitive conclusion cannot be made as past years cannot be compared to this year's results as these are the first using the new decoupled exams. The school is confident, given performance of Year 13 last year, that the results will continue to be strong at A Level next year.

Other Outcome Measures

Progression measures for students at both Key Stage 5 and Key Stage 4 remain a strength of the school. 91% of students were accepted into their first choice of University in Year 13 and all students moved into either Higher Education or Employment. Year 11 destinations were also strong with the majority of students going into Further Education or a Sixth Form, twice the national average went into apprenticeships and none are known to be NEET.

One area that was disappointing was attendance. The school's attendance rate has declined so that it is now slightly below the national average and the number of students classified as persistent absentees has grown. This is a focus of the current Improvement Plan as it needs to improve over the next year.

Wider Opportunities

The school continues to provide all of its students with a rich variety of opportunities beyond the taught curriculum. These have included numerous Music and Performing Arts productions and recitals, competitive sport including football, rugby, netball, hockey as well as athletics and various others, alongside a comprehensive list of trips and visits. Students have had the opportunity to travel to Tanzania, Taiwan, France and Austria amongst other excursions during the year. The wider life of the school is one its greatest assets and highly valued by students and parents.

Plans for Future

The school has over the last two years been in transition as the William Howard Trust has come into being and a Central Team for the Trust has been put into place. The school and the Central Trust team are now distinct entities that are able to work together to further develop the educational opportunities and outcomes for its students.

Part of this process has been the appointment of a new substantive Headteacher for William Howard School. The school under the direction of the new Headteacher has developed this year's School Improvement Plan. The objectives set out in this centre around the school developing its assessment processes further as well as improving attendance. A summary of this and the school's self-evaluation are available on the school's website. The main areas for focus in 2016-17 are:

- Students will achieve outstanding academic outcomes.
  Progress 8 VA will be 0.18 or better. 0. Attainment 8 will lead to an average grade of C+, 23% of students to achieve EBacc, L3VA to be positive at 0.13 or better. Pupil Premium Students will aim to make similar progress to other students nationally given the same starting points.
- Enhance and maximise the potential of Middle Leaders to drive improvement and challenge within their areas of responsibility.
- Develop the leadership of students across the school and community.
- Assessment and feedback is always planned for and leads to concrete sustained improvement in student understanding.
- Assessment is always used effectively and efficiently to inform lesson planning.
- Ensure that students are resilient and increasingly responsible for their own learning.
- Increase engagement and responsibility for high attendance with students and parents.
- Ensure consistently high levels of progress across all subjects.
- Continue to develop strategies that have the impact of narrowing the gap for PP students and boys.

YEWDALE PRIMARY SCHOOL

Yewdale Primary School provides a curriculum that is fun and engaging, making full use of the opportunities afforded by the locality with useful cross curricular links drawn through a range of subjects. Our engaging curriculum that fosters International Mindedness through its broad and balanced thematic approach offers a vibrant learning journey to all of its pupils and is confident in its provision that enables its pupils to learn in a range of different contexts. We are proud of our improving provision and Trustees are confident that the school will continue the rapid progress made in the last twelve months since converting to academy status.

The school works collaboratively with a range of local schools both primary and secondary. The school offers help, support and advice to its partner school in Carlisle and is committed to collaborative research to add value to its provision. Many extra-curricular activities and clubs are available, including various sports clubs, dance, drama, art and choir. Music lessons with peripatetic specialists are offered within the school.

Achievements and Performance

In its first year of operation the total number of pupils in the year ended 31 August 2016 was 249 which was below our PAN. Numbers for September 2016 were 266.

Achievement at the end of Early Years Foundation Stage was in excess of Cumbria and national averages. Results of the year 1 phonics screening check were below that of national average. Attainment for KS1 will be below that of national average, trends over time show that the gap between school achievement and national achievement is widening and this is evidenced by attainment at KS2 being significantly above national averages.

Children with Special Educational Needs are making progress at Yewdale Primary School. Pupils in receipt of Pupil Premium are making less progress than that of their peers.

At the last Ofsted in March 2014, our school was judged to be Inadequate, as a result of not making sufficient progress under special measures. The school converted to Academy status in September 2015 as part of the William Howard Trust. Self-evaluation shows an improvement since conversion and is graded as Requires Improvement

Analysis of 2016 Assessments:

Year 1 Phonics Screening Check
In 2016, year 1 children 55% of children achieved the expected standard.
In 2015, year 1 children 79% of children achieved the expected standard. These results are above the national standard of 74%.

Year 2 SAT attainment
Towards the end of year 2 pupil's attainment is assessed by their teacher in reading, punctuation & grammar, writing and maths.

KS1 SATs Results 2016

Subject	% at Age related expectation	Average standardised score
Reading	56%	96.82
Writing	46.3%	94.09
Punctuation & Grammar	46.3%	94.09
Maths	51.2%	94.08
Science	65.8%	n/a

KS2 SATS Results 2016

Subject	% at Age related expectation	% achieving a high standard	Average standardised score	Progress Measures
Reading	61%	14%	101	-0.3
Writing	89%	14%	n/a	+3.8
Punctuation & Grammar	71%	21%	103	n/a
Maths	71%	14%	103	+1.2
Combined	61%	4%	n/a	n/a

Plans for the future

Key priorities listed below are taken from last year's school development plan. This working document is produced annually and reviewed regularly alongside the Local Advisory Board and updates provided to the Trustees at full Board Meetings. Targets for the period 2015/16 are outlined below:

In the coming academic year, the school will continue to improve provision and raise standards for all children by:

Leadership and Management

- To train the new Deputy Headteacher in line with the job description. Developing specific roles and having responsibility to improve standards of teaching and learning as cited in school improvement plan.
- Middle leaders are accountable for progress and standards within their area of responsibility. Through effective monitoring and evaluation and actions teaching and learning improve.
- All policy and procedures are consistently implemented by all stakeholders, from which improved outcomes for all pupils are evident by September 2017.

Improving the quality of teaching, learning and assessment:

- Robust assessment informs planning in long term, medium term and short.
- Marking and feedback builds pupil's knowledge, self-esteem and autonomy into building improvements and becoming resilient learners.
- Vibrant curriculum and engaging classroom environment captures the children's interest and stimulates a love of learning.
- SPAG – through high aspirations and an expectation of consistent application, learning is developed through implicit and explicit delivery throughout the curriculum.

Personal Development, Behaviour and Welfare:

- Through an effective curriculum that is vibrant and engaging, learning opportunities are enhanced by an explicit learning to learn culture. As a result, pupils learning behaviour improves.
- High aspirations exist throughout the school environment as a result pupil's attitudes to all aspects of learning are consistently positive.
- All stakeholders have sufficient trust, adhere to and have confidence in the whole school behaviour policy as a result, incident rates of low level disruption continue to diminish so that behaviour is consistently good.

Improving Outcomes for Pupils

- To develop a 'Love of Reading' so that standards in reading at KS1 and KS2 are at least in line with national average or where pupils from significantly below starting points are making rapid and sustained progress. Standards in phonics improve so that a very large majority achieve the expected standard in the national phonics check.
- Outcomes for all vulnerable groups improved, the gap between vulnerable and non-vulnerable pupils is significantly reduced from 2015/16 standards in 2016/17 standards.
- For attainment in KS1 to improve so that outcomes for 2017 are at least in line with national expectation for Phonics (yr 1 and 2 retake) and standards in English and Maths at KS1 have significantly improved so outcomes are in line with national average and where pupils are significantly below they have made rapid and sustained progress (to make at least better than expected progress from starting points).

Develop Effectiveness of the EYFS provision:

- Best practice is shared from lead practitioner as part of induction to new teacher to ensure that outcomes for children remain in excess of national average.
- Monitoring and evaluation of T&L provided by EYFS leader is strengthened ensuring that all sessions are matched to the needs of children.

WORKINGTON ACADEMY

Key Stage 4 Outcomes

The year group had a KS2 average fine points score of 26.5, which is 1.0 below the National average for students in this year group. There were 169 students in the year group, 121 were ex-Stainburn students, 45 were ex-Southfield and 3 students joined during Year 11. There were a significant number of students with a legacy of poor attendance and behavioural difficulties. Ten students in the year group were educated elsewhere or refused to attend despite the school's best efforts. These ten have a significant impact on all our performance measures. Despite some good results in English and Maths (57% of students achieved A*-C in both English and Maths), and in other subjects such as Art, German and Child Care the overall Progress 8 score fell below floor standard when this year's matrix was applied.

Key Stage 5 Outcomes

Year 13 performed well in their vocational courses with a value added score of +0.23. Vocational students outnumber academic students and the academy is delivering well in this area. Academic subjects performed less well with a value added score of -0.17. There were strong performances in particular areas such as English Language and Literature but further work is needed to ensure students achieve targets set in all their academic subjects.

Destinations and Attendance

Year 11 destinations were strong with the majority of students going into further education or a sixth form, a significant number now go into apprenticeships. Year 13 had 78% of students go on to higher education or apprenticeships with the remainder taking on employment

Attendance was a concern throughout the year with the overall attendance figure coming in below the 95% target set at the start of the academic year. An attendance officer has been employed from September and their role is to continually monitor attendance whilst providing individual support to students and families who are at risk of being persistently absent.

Wider Opportunities

There is a wealth of opportunities available to all students at the academy allowing them the chance to develop a whole range of skills and competences. Sport plays a significant part in the life of the academy and there were many successes in local and county competitions throughout all key stages. One highlight was the Y8 and Y9 girls' rugby league teams who finished 7th and 9th respectively in the National Cup Competition. The Y10 boys won the Allerdale Cup and a number of students have signed for professional rugby league clubs including Wigan and Warrington.

There were several performances throughout the year including the school choir, orchestra and samba band. The orchestra and samba band also performed in the local community on a number of occasions raising the profile of the academy.

Extra-curricular clubs were very successful last year with over 80% of the cohort attending at least one activity. The clubs included a variety of opportunities from sporting activities to chess and rubix cube.
Students had the opportunity to travel to Taiwan, France and Italy amongst other excursions during the year.

Plans for the Future

The academy has over the last two years been in transition as the William Howard Trust has come into being and a Central Team for the Trust has been put into place. The academy and the Central Trust team are now distinct entities that are able to work together to further develop the educational opportunities and outcomes for its students.
Areas for school improvement in 2016-2017 are:

- Progress 8 VA will be 0.15 or better. L3VA to be positive at 0.15 or better for academic and 0.25 for vocational subjects.
- Further develop Middle Leaders to drive improvement and challenge within their areas of responsibility.
- Develop the leadership of students in school, particularly focusing on post 16 students.
- Improve attendance and move closer to the 95% target, utilise the attendance officer to work with persistent absentees.
- Improve attainment in subjects that underperformed in 2016.

Financial review

Financial risk management objectives and policies

The revenue balances carried forward at 31 August 2016 are (£253k) (2015: £43k) on the Restricted General Fund and £510k (2015: £213k) on the Unrestricted Fund, totalling £257k (2015: £256k).

Reserves have been maintained at a similar level to 2015. A significant contribution to the income within the year can be attributable to grants received for incorporating Longtown Primary School into the multi-academy trust. These grants are restricted for particular purposes and will be fully spent in the 2016/2017 year.

The individual schools outturn positions are as follows:

- William Howard School outturn was a deficit of £132k
- Workington Academy outturn was a surplus of £9k
- Yewdale Primary School outturn was a deficit of £15k.

In both William Howard School and Yewdale Primary School the deficits were due to unbudgeted costs and increases in salaries partly due to staff absences.

The majority of the Trust's recurring income (86% in 2015/2016) 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 in each of the constituent schools from letting of facilities and the WHS Fitness and Wellbeing complex. The Trust also received income from catering and out of catchment school transport (both of which aim to operate on a cost neutral basis). The Trust has now outsourced both catering and cleaning contracts to third parties from 1 September 2016.

The Trust also receives grants for capital expenditure from the EFA. In accordance with Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2015), such grants are shown in the Statement of Financial Activities as restricted income in the 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 Trust, as part of the combined Cumbria/Lancashire pension fund, has been valued by the actuary as having a net deficit of £8,129k as at 31 August 2016 (2015: £2,771k). 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 Trust's total assets and further details on the figures are included in note 24 to the accounts.

The total income received has been invested in the furtherance of the high quality education provided across each School within the multi 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 multi academy trust, the provision of suitable resources for the staff and students and the maintenance and refurbishment of the buildings and equipment.

Principal risks and uncertainties

The major risks to which the 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.

A major risk for the 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.

Last year it was reported that a major risk faced by the multi academy trust was the bringing together of three schools into one Trust from 1 September 2015. This brought with it the inevitable pressures on management time as systems are aligned, whilst still maintaining quality service provision across the three sites. This risk continues as a further school was incorporated on 1 September 2016 and future plans are to grow further. Trustees are satisfied that sufficient planning had been undertaken prior to taking on new schools, and that procedures are in place to deal efficiently and effectively with any issues arising during with first few months of operation.

The 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.

Going concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the 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.

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 the Trust to manage the financial impact of year to year fluctuations in funding arising from changing student/pupil numbers. The current level is 1%. As with previous years, an element of the reserves carried forward is due to grants being 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 Trust.

Material investments policy

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

Plans for future periods

Future developments

William Howard Trust is 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 all share a common vision and values, which are central to the life of the academies and underpin all the Trust's activities. 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.

The Trust's strategic priorities are: -

1. Improving student/pupil outcomes in all of the Trust academies.
2. All schools to be graded Good or better by September 2017.
3. Ensure all finances are appropriate and effectively managed.
4. Ensure the school estate across the Trust is not only fit for purpose, but improving.
5. To build and develop the Trust.

Employee involvement and employment of the disabled

Employees have been consulted on issues of concern to them by means of regular consultative committee and staff meetings and have been kept informed on specific matters directly by management. The academy carries out exit interviews for all staff leaving the organisation and has adopted a procedure of upward feedback for senior management and the .

The academy has implemented a number of detailed policies in relation to all aspects of personnel matters including:

- Equal opportunities policy
- Volunteers' policy
- Health & safety policy

In accordance with the academy's equal opportunities policy, the academy has long established fair employment practices in the recruitment, selection, retention and training of disabled staff.

Full details of these policies are available from the academy's offices.

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 report was approved by order of the board of trustees as the company directors, on 12 December 2016 and signed on its behalf by:

Martin Simpson
Chair of Trust Board

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 Headteacher, as Chief 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

From 1 September 2015, there is a Local Advisory Board in place for all William Howard Trust schools. A Scheme of Delegation has been determined by the Trust Board, and is followed by the Local Advisory Boards.

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 6 times during the year. Attendance during the year at meetings of the Board of Trustees, the two Committees and the LABs was as follows:

William Howard Trust Board		Committee	Trust Board		Audit & Risk (Including Finance) Committee		Achievement & Climate (Including Personnel) Committee	
			Attended	Out of a Possible	Attended	Out of a possible	Attended	Out of a possible
Lorrayne Hughes	Executive Headteacher & CEO	Audit & Risk, Achievement & Climate	6	6	2	2	2	2
Martin Simpson	Chair of WHT Board	Audit & Risk, Achievement & Climate	6	6	2	2	2	2
Sheila Goodliffe	Trust Board Member	Achievement & Climate	5	6	n/a	n/a	1	2
Jane Mottram	Trust Board Member	Audit & Risk	5	6	1	2	n/a	n/a
Margaret Payne	Trust Board Member	Achievement & Climate	5	6	n/a	n/a	2	2
Chris Irving	Chair of WHS LAB		6	6	n/a	n/a	n/a	n/a
Joyce Keetley	Chair of Yewdale LAB		4	6	n/a	n/a	n/a	n/a
Jonathan Logan	Headteacher, Workington Academy		5	6	n/a	n/a	n/a	n/a
Rob Lakin	Headteacher, Yewdale Primary		5	6	n/a	n/a	n/a	n/a

Governance Statement (continued)

William Howard School Local Advisory Board			Local Advisory Board		Audit & Risk (Including Finance) Committee		Achievement & Climate (Including Personnel) Committee	
		Committee	Attended	Out of a Possible	Attended	Out of a possible	Attended	Out of a possible
Lorrayne Hughes	Executive Headteacher	Audit & Risk, Achievement & Climate	4	4	1	1	0	1
Domenic Volpe	Headteacher	Audit & Risk, Achievement & Climate	4	4	1	1	0	1
Chris Irving	Chair of LAB	Audit & Risk, Achievement & Climate	4	4	1	1	1	1
Corinna Cartwright	LAB Member	Audit & Risk	4	4	1	1	1	1
Paul Cookson	LAB Member	Audit & Risk	4	4	1	1	n/a	n/a
Angie Fullerton	LAB Member	Achievement & Climate	0	0	1	1	1	1
John Haydon	LAB Member (resigned)	Audit & Risk	3	4	n/a	n/a	n/a	n/a
Jill Simpson	LAB Member	Achievement & Climate	3	4	n/a	n/a	n/a	n/a
John Storr	LAB Member	Achievement & Climate	4	4	n/a	n/a	1	1
Sharon Graham	Parent LAB Member	Achievement & Climate	2	2	n/a	n/a	1	1
Gill McLean	Staff LAB Member	Audit & Risk	2	2	1	1	n/a	n/a

Workington Academy Local Advisory Board		Local Advisory Board (Including A&R & A&C Committees)	
		Attended	Out of a Possible
Lorrayne Hughes	Executive Headteacher	3	3
Jonathan Logan	Headteacher	3	3
Tracy Stainton	Chair of LAB	3	3
Paul Armstrong	LAB Member	2	3
Gavin Askew	LAB Member (resigned)	1	2
Edward Blackmore	LAB Member	3	3
Ian Scott	LAB Member	1	3
Chris Sutcliffe	LAB Member	3	3
Ali Taylor	Staff LAB Member (resigned)	2	2
Karen Featherstone	Parent LAB Member	2	2
Stephen Wilson	Parent LAB Member	2	2

Yewdale Primary School Local Advisory Board		Local Advisory Board (Including A&R & A&C Committees)	
		Attended	Out of a possible
Lorrayne Hughes	Executive Headteacher	3	3
Rob Lakin	Headteacher, Yewdale Primary	3	3
Joyce Keetley	Chair of LAB	2	3
Sharon Polmear	LAB Member	2	3
Rosemary Watling	LAB Member	3	3
Jennifer Logan	LAB Member	1	2
Elizabeth Frodsham	Staff LAB Member	2	2

Review of Value for money

As Chief Accounting Officer, the Executive Headteacher has responsibility for ensuring that the Trust delivers good value in the use of public resources. The Chief Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The Chief 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 Chief Accounting Officer for the 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 Achievement & Climate Committee 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.
- We have supported and collaborated with other schools in the county and beyond. We also supported other schools through teaching & learning and leadership programmes.
- During the budget preparation process in 2015/2016 a major staffing restructure was considered within the Trust to centralise various posts such as management of the IT function, data function, human resources and school improvement. This has allowed the Trust to continue to grow, develop and provide the support to each constituent school. A further staff restructure was carried out within Workington Academy to enable the school to control the anticipated deficit in 2016/2017. Support for this restructure was provided by the Trust team.
- Contracts and services are regularly appraised and renegotiated in a timely manner to ensure value for money. During 2015/2016 a significant amount of work was carried out in assessing and entering into contracts for outsourcing catering and cleaning contracts. Having a single contract across the multi academy trust will bring financial savings within each school due to economies of scale, and streamline the administration costs of providing the services. The cleaning contract alone is anticipated to save £30k at Workington Academy and £10k at Yewdale Primary School.
- Utilities contracts are constantly monitored and reviewed and re-negotiated where cost savings have been identified.
- 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. Equally, lettings of facilities are carried out within all the constituent schools and each strives to consider any other income that can be generated.

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 Trust 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 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Board of Trustees has reviewed the key risks to which the 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 Trust's significant risks, that has been in place for the year 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The Risk and Control Framework

The academy'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 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 to appoint Dodd & Co Chartered Accountants as internal auditor.

Following the appointment of Dodd & Co as internal auditor, the Finance Director post became vacant. Recruitment for the post continues. In the interim, to ensure that the Trust maintains a high level of internal financial control, an employee of Dodd & Co was seconded prior to the year-end in order to review systems and processes in place. The work carried out via the secondment placement of Dodd & Co has so far included:

- Review of debtors and creditors processes and balances
- Review of cash receipts policies and processes
- Review of payroll processes and reconciliation of payroll items
- Review and improvements to bank reconciliation processes across the Trust
- Review and improvements to credit card reconciliations in place
- Review and improvements to petty cash postings and
- Review of credit card reconciliations.
- Review of banking authorisations and mandates

Work is ongoing and continual to ensure that the financial controls and continuously reviewed and improved as the Trust grows.

Once a new Finance Director is in post, a traditional internal audit regime will be programmed to review processes and controls..

Review of Effectiveness

As Chief Accounting Officer, the Executive Headteacher 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 selfassessment process;
- the work of the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework.

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

Governance Statement (continued)

Approved by order of the members of the board of trustees on 12 December 2016 and signed on their behalf, by:

M Simpson
Chair of Trustees

L Hughes
Accounting Officer

William Howard Trust

(A company limited by guarantee)

Statement on Regularity, Propriety and Compliance

As accounting officer of William Howard Trust I have considered my responsibility to notify the 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 Trust 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 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 Trust's funding agreement and the Academies Financial Handbook (2014).

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

L Hughes

L Hughes
Accounting Officer

Date: 12 December 2016

Statement of trustees' responsibilities
Year ended 31 August 2016

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 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 2015 and the Academies' Accounts Direction 2015 to 2016;
- 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 the EFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the board of trustees on 12 December 2016 and signed on its behalf by:

M Simpson
Chair of Trustees

Independent auditors' report on the financial statements to the members of William Howard Trust

We have audited the financial statements of William Howard Trust for the year ended 31 August 2016 which comprise the statement of financial activities incorporating income and expenditure account, the summary income and expenditure account, the balance sheet, the statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and 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 statement of trustees' responsibilities, 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 charitable company's affairs as at 31 August 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

Independent auditors' report on the financial statements 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 ACCA FCA (Senior Statutory Auditor)
for and on behalf of UNW LLP, Statutory Auditors
Chartered Accountants
Newcastle upon Tyne
12 December 2016

Independent reporting auditors' 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 2015 to 2016, 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 2015 to 31 August 2016 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to William Howard Trust and the 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 the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than William Howard Trust and the 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 auditors

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 2015, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the 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 that they are correctly authorised in accordance with the trust 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;

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

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

UNW LLP

UNW LLP
Chartered Accountants
Newcastle upon Tyne

12 December 2016

William Howard Trust

(A company limited by guarantee)

Statement of financial activities incorporating income and expenditure account
Year ended 31 August 2016

	Note	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Income from:						
Donations & capital grants:						
Assets donated on conversion	2	112,936	(1,473,000)	8,277,000	6,916,936	-
Other donations and capital grants	2	291,019	-	-	291,019	321,357
Charitable activities	3	-	14,380,150	123,916	14,504,066	7,610,818
Other trading activities	4	307,023	25,639	-	332,662	68,947
Investments	5	414	-	-	414	213
Other income	6	-	1,494,636	-	1,494,636	1,161,582
Total income		711,392	14,427,425	8,400,916	23,539,733	9,162,917
Expenditure on:						
Raising funds	7	381,159	-	-	381,159	311,665
Charitable activities		33,257	16,365,568	547,057	16,945,882	9,080,273
Total expenditure	8	414,416	16,365,568	547,057	17,327,041	9,391,938
Net income / (expenditure) before transfers		296,976	(1,938,143)	7,853,859	6,212,692	(229,021)
Transfers between Funds	19	-	(19,730)	19,730	-	-
Net income / (expenditure) before other recognised gains and losses		296,976	(1,957,873)	7,873,589	6,212,692	(229,021)
Gains on revaluations of fixed assets	15	-	-	9,530,730	9,530,730	-
Actuarial losses on defined benefit pension schemes	24	-	(3,696,000)	-	(3,696,000)	(20,000)
Net movement in funds		296,976	(5,653,873)	17,404,319	12,047,422	(249,021)
Reconciliation of funds:						
Total funds brought forward		212,852	(2,728,057)	6,114,002	3,598,797	3,847,818
Total funds carried forward		509,828	(8,381,930)	23,518,321	15,646,219	3,598,797

The notes on pages 34 to 55 form part of these financial statements.

Summary income and expenditure account
Year ended 31 August 2016

	Note	Total funds 2016 £	Total funds 2015 £
Gross income in the reporting period		**15,138,817**	(8,464,957)
Less: Total expenditure		**16,779,984**	976,056
Net income for the financial year	19	**(1,641,167)**	(9,441,013)

The notes on pages 34 to 55 form part of these financial statements.

William Howard Trust

(A company limited by guarantee)

Balance sheet
As at 31 August 2016

	Note	2016 £	2016 £	2015 £	2015 £
Fixed assets					
Tangible assets	15		**23,518,321**		6,114,002
Current assets					
Stocks	16	**50,145**		63,062	
Debtors	17	**586,242**		448,630	
Cash at bank and in hand		**589,503**		168,699	
		1,225,890		680,391	
Creditors: amounts falling due within one year	18	**(968,992)**		(424,596)	
Net current assets			**256,898**		255,795
Total assets less current liabilities			**23,775,219**		6,369,797
Defined benefit pension scheme liability	24		**(8,129,000)**		(2,771,000)
Net assets including pension scheme liabilities			**15,646,219**		3,598,797
Funds of the academy					
Restricted income funds:					
Restricted income funds	19	**(252,930)**		42,943	
Restricted fixed asset funds	19	**23,518,321**		6,114,002	
Restricted income funds excluding pension liability		**23,265,391**		6,156,945	
Pension reserve		**(8,129,000)**		(2,771,000)	
Total restricted income funds			**15,136,391**		3,385,945
Unrestricted income funds	19		**509,828**		212,852
Total funds			**15,646,219**		3,598,797

The financial statements were approved by the trustees, and authorised for issue, on 12 December 2016 and are signed on their behalf, by:

M Simpson
Chair of Trustees

The notes on pages 34 to 55 form part of these financial statements.
Registered company number 07698631

Statement of cash flows
Year ended 31 August 2016

	Note	2016 £	2015 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	21	**440,120**	(173,836)
Cash flows from investing activities:			
Purchase of tangible fixed assets		**(143,646)**	(111,544)
Capital grants from DfE/EFA		**123,916**	107,444
Net cash used in investing activities		**(19,730)**	(4,100)
Cash flows from financing activities:			
Cash inflows from new borrowing		**414**	213
Net cash provided by financing activities		**414**	213
Change in cash and cash equivalents in the year		**420,804**	(177,723)
Cash and cash equivalents brought forward		**168,699**	346,422
Cash and cash equivalents carried forward		**589,503**	168,699

1. Accounting policies

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

1.1 Basis of preparation of financial statements

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

William Howard Trust constitutes a public benefit entity as defined by FRS 102.

First time adoption of FRS 102

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

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the trustees have amended certain accounting policies to comply with FRS 102 and SORP 2015.

Reconciliations to previous UK GAAP for the comparative figures are included in note 28.

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 the Department for Education where the asset acquired or created is held for a specific purpose.

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

1. Accounting policies (continued)

1.3 Incoming resources

All income is recognised once the academy has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the statement of financial activities incorporating income and expenditure account 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 statement of financial activities incorporating income and expenditure account in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

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

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

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

1.4 Resources expended

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

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

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

1. Accounting policies (continued)

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

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. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the statement of financial activities incorporating income and expenditure account and carried forward in the balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the statement of financial activities incorporating income and expenditure account. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

Tangible fixed assets are carried at cost or valuation , net of depreciation and any provision for impairment. Depreciation is not charged on freehold land. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	2% (50 years)
L/Term Leasehold 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 incorporating income and expenditure account on a straight line basis over the lease term.

1. Accounting policies (continued)

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 Debtors

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

1.10 Cash at Bank and in hand

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

1.11 Liabilities and provisions

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.12 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.

1. Accounting policies (continued)

1.13 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 quadrennial valuations using a prospective unit credit method. As stated in note 24, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

1. Accounting policies (continued)

1.14 Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement:

The only significant estimate applied in the preparation of these financial statements is the useful economic lives of tangible fixed assets, detail of which are given above

2. Income from donations and capital grants

	Unrestricted funds 2016 £	**Restricted funds 2016 £**	**Restricted fixed asset funds 2016 £**	**Total funds 2016 £**	Total funds 2015 £
Assets donated on conversion	**112,936**	**(1,473,000)**	**8,277,000**	**6,916,936**	-
School fund	**291,019**	**-**	**-**	**291,019**	321,357
Total donations and capital grants	**403,955**	**(1,473,000)**	**8,277,000**	**7,207,955**	321,357

3. Funding for Academy Trust's educational operations

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
DfE/EFA grants				
General Annual Grant (GAG)	-	12,269,157	12,269,157	6,393,416
Other EFA grants	-	1,604,487	1,604,487	880,441
Social inclusion	-	506,506	506,506	229,517
Capital grants	-	123,916	123,916	107,444
	-	14,504,066	14,504,066	7,610,818

4. Other trading activities

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Hire of facilities and other income	307,023	25,639	332,662	68,947

5. Investment income

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Bank interest	414	-	414	213

6. Other incoming resources

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Miscellaneous income including catering and transport	-	1,494,636	1,494,636	1,161,582

7. Cost of generating voluntary income

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Costs of school trips and other associated activities	**381,159**	-	**381,159**	311,665

8. Expenditure

	Staff costs 2016 £	Premises 2016 £	Other costs 2016 £	Total 2016 £	Total 2015 £
Expenditure on raising voluntary income	-	-	**381,159**	**381,159**	311,665
Academy's educational operations					
Direct costs	**10,993,771**	-	**1,170,652**	**12,164,423**	7,824,629
Support costs	**1,425,549**	**828,207**	**2,527,703**	**4,781,459**	1,255,644
	12,419,320	**828,207**	**4,079,514**	**17,327,041**	9,391,938

9. Support costs

	Academy's educational operations £	Total 2016 £	Total 2015 £
Pension finance costs	**157,000**	**157,000**	83,000
Maintenance of premises and equipment	**137,829**	**137,829**	112,482
Cleaning	**176,141**	**176,141**	11,484
Rent and rates	**66,909**	**66,909**	41,114
Heat and light	**225,403**	**225,403**	99,091
Insurance	**73,877**	**73,877**	47,185
Transport	**256,218**	**256,218**	305,555
Catering	**311,720**	**311,720**	209,117
Technology costs	**154,745**	**154,745**	34,546
Bank interest and charges	**1,741**	**1,741**	2,921
Other support costs	**1,231,771**	**1,231,771**	188,953
Depreciation	**547,057**	**547,057**	252,580
Governance costs	**15,500**	**15,500**	21,009
Wages and salaries	**1,198,454**	**1,198,454**	962,765
National insurance	**60,749**	**60,749**	41,421
Pension cost	**166,345**	**166,345**	199,438
	4,781,459	**4,781,459**	2,612,661

During the year ended 31 August 2016, the academy incurred the following Governance costs:

External audit £10,250

10. Expenditure - Analysis of specific expenses

Included within expenditure are the following transactions:

	Total £	Individual items above £5,000 Amount £	Reason
Unrecoverable debts	**28,102**		
Compensation payments	**50,000**	**18,000**	Redundancy payment
		17,500	Redundancy payment
		14,500	Redundancy payment

11. Staff costs

Staff costs were as follows:

	2016 £	2015 £
Wages and salaries	**9,635,048**	5,533,778
Social security costs	**773,704**	387,287
Operating costs of defined benefit pension schemes	**1,638,571**	847,528
	12,047,323	6,768,593
Supply teacher costs	**321,997**	229,020
Staff restructuring costs	**50,000**	3,000
	12,419,320	7,000,613

Staff restructuring costs comprise:

	2016 £	2015 £
Redundancy payments	**50,000**	-

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

	2016 No.	2015 No.
Teachers	**180**	80
Administration and support	**254**	91
Management	**5**	13
	439	184

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

	2016 No.	2015 No.
In the band £60,001 - £70,000	**2**	2
In the band £70,001 - £80,000	**2**	0
In the band £80,001 - £90,000	**1**	1
In the band £100,001 - £110,000	**1**	0

All the employees above participated in the Teachers' Pension Scheme. During the year ended 31 August 2016, pension contributions for these staff amounted to £34,025 (2015: £32,000).

The aggregate remueration, including all benefits for the Leadership and Management team listed on page 2 was £616,653 (2015: £420,175). The increase is attributed to the increase in the team as additional schools joined the MAT from September 2015

12. Central services

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

- Finance and management accounting
- Insurance
- Governor support

The Trust charges for these services on the following basis:

The trust apportions central costs to difference schools based upon headcount.
The actual amounts charged during the year were as follows:

	2016	2015
	£	£
William Howard School	**283,930**	-
Workington Academy	**258,206**	-
Yewdale Primary School	**47,626**	-
Total	**589,762**	

13. Trustees' remuneration and expenses

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

		2016	2015
		£	£
N Polmear, Support Staff Trustee	Remuneration	**0**	40000-45000
	Pension contributions paid	**0**	5000-10000
L Hughes, Executive Headteacher - William Howard	Remuneration	**105,000-110,000**	
	Pension contributions paid	**10,000-15,000**	-
R Lakin, Headteacher - Yewdale Primary	Remuneration	**55,000-60,000**	
	Pension contributions paid	**5,000-10,000**	
J Logan, Headteacher - Workington Academy	Remuneration	**55,000-60,000**	
	Pension contributions paid	**5,000-10,000**	
S Angland	Remuneration	**0**	45,000-50,000
	Pension contributions paid	**0**	5,000-10,000

During the year, no trustees (2015: 2) received reimbursement of expenses totalling £Nil (2015: £786). The direct cost of the various board of trustee meetings was £Nil (2015: £Nil).

14. Trustees' and Officers' Insurance

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2016 was £1,047 (2015 - £1,047)

15. Tangible fixed assets

	Freehold property £	L/Term Leasehold Property £	Plant and equipment £	Computer equipment £	Total £
Cost or valuation					
At 1 September 2015	**5,958,270**	**-**	**623,193**	**424,117**	**7,005,580**
Additions	**94,514**	**-**	**8,095**	**41,037**	**143,646**
Transferred on conversion	**1,916,000**	**6,361,000**	**-**	**-**	**8,277,000**
Revaluation surplus/(deficit)	**9,530,730**	**-**	**-**	**-**	**9,530,730**
At 31 August 2016	**17,499,514**	**6,361,000**	**631,288**	**465,154**	**24,956,956**
Depreciation					
At 1 September 2015	**429,138**	**-**	**159,222**	**303,218**	**891,578**
Charge for the year	**277,606**	**120,460**	**59,358**	**89,633**	**547,057**
At 31 August 2016	**706,744**	**120,460**	**218,580**	**392,851**	**1,438,635**
Net book value					
At 31 August 2016	**16,792,770**	**6,240,540**	**412,708**	**72,303**	**23,518,321**
At 31 August 2015	5,529,132	-	463,971	120,899	6,114,002

Included in land and buildings is freehold land at valuation £3,881,000 (2015: £494,670) which is not depreciated

16. Stocks

	2016 £	2015 £
Goods for resale	**50,145**	63,062

17. Debtors

	2016	2015
	£	£
Trade debtors	**210,597**	240,985
Other debtors	**167,139**	117,117
Prepayments and accrued income	**208,506**	90,528
	586,242	448,630

18. Creditors: Amounts falling due within one year

	2016	2015
	£	£
Trade creditors	**296,684**	143,121
Other taxation and social security	**409,819**	115,858
Other creditors	**55,436**	99,279
Accruals and deferred income	**207,053**	66,338
	968,992	424,596

	2016	2015
	£	£
Deferred income		
Deferred income at 1 September 2015	**66,338**	61,306
Resources deferred during the year	**22,943**	66,338
Amounts released from previous years	**(66,338)**	(61,306)
Deferred income at 31 August 2016	**22,943**	66,338

19. Statement of funds

	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds						
General Funds	212,852	711,392	(414,416)	-	-	509,828
Restricted funds						
Restricted General Funds	42,943	15,900,425	(16,176,568)	(19,730)	-	(252,930)
Pension reserve	(2,771,000)	(1,473,000)	(189,000)	-	(3,696,000)	(8,129,000)
	(2,728,057)	14,427,425	(16,365,568)	(19,730)	(3,696,000)	(8,381,930)
Restricted fixed asset funds						
Restricted Fixed Asset Funds	6,114,002	8,400,916	(547,057)	19,730	9,530,730	23,518,321
Total restricted funds	3,385,945	22,828,341	(16,912,625)	-	5,834,730	15,136,391
Total of funds	3,598,797	23,539,733	(17,327,041)	-	5,834,730	15,646,219

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 Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2016.

19. Statement of funds (continued)

Analysis of academies by fund balance

Fund balances at 31 August 2016 were allocated as follows:

	Total 2016 £	Total 2015 £
William Howard Trust	**293,531**	153,525
William Howard School	**(30,582)**	102,270
Workington Academy	**8,573**	-
Yewdale Primary School	**(14,624)**	-
Total before fixed asset fund and pension reserve	**256,898**	255,795
Restricted fixed asset fund	**23,518,321**	6,114,002
Pension reserve	**(8,129,000)**	(2,771,000)
Total	**15,646,219**	3,598,797

The following academies are carrying net deficits on their portion of the funds as follows:

Name of academy	Amount of deficit £
William Howard School	**(30,582)**
Yewdale Primary School	**(14,624)**

The losses in individual schools were caused by higher than anticipated staff costs during the year.

The Trust is taking the following action to return the academies to surplus:

Following conversion to multi academy trust a restructure has taken place. A balanced budget is in place for the current year across all schools.

19. Statement of funds (continued)

Analysis of academies by cost

Charitable 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 2016 £	Total 2015 £
William Howard Trust	398,345	-	141,754	180,833	720,932	108,035
William Howard School	5,427,343	947,042	891,343	1,412,561	8,678,289	8,711,858
Workington Academy	4,035,178	391,950	546,223	852,439	5,825,790	-
Yewdale Primary School	747,907	73,552	113,074	206,024	1,140,557	-
	10,608,773	1,412,544	1,692,394	2,651,857	16,365,568	8,819,893

Summary of funds

	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
General funds	212,852	711,392	(414,416)	-	-	509,828
Restricted funds	(2,728,057)	14,427,425	(16,365,568)	(19,730)	(3,696,000)	(8,381,930)
Restricted fixed asset funds	6,114,002	8,400,916	(547,057)	19,730	9,530,730	23,518,321
	3,598,797	23,539,733	(17,327,041)	-	5,834,730	15,646,219

20. Analysis of net assets between funds

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Tangible fixed assets	-	-	23,518,321	23,518,321	6,114,002
Current assets	509,828	716,063	-	1,225,891	680,391
Creditors due within one year	-	(968,993)	-	(968,993)	(424,596)
Provisions for liabilities and charges	-	(8,129,000)	-	(8,129,000)	(2,771,000)
	509,828	(8,381,930)	23,518,321	15,646,219	3,598,797

21. Reconciliation of net movement in funds to net cash flow from operating activities

	2016 £	2015 £
Net income/(expenditure) for the year (as per Statement of financial activities)	**6,212,692**	(229,021)
Adjustment for:		
Depreciation charges	**547,057**	252,580
Dividends, interest and rents from investments	**(414)**	(213)
Decrease in stocks	**12,917**	9,159
Increase in debtors	**(137,612)**	(248,146)
Increase in creditors	**544,396**	41,249
Capital grants from DfE and other capital income	**(123,916)**	(107,444)
Defined benefit pension scheme cost less contributions payable	**189,000**	108,000
Net (loss) on assets and liabilities from local authority on conversion	**(6,804,000)**	-
Net cash provided by/(used in) operating activities	**440,120**	(173,836)

22. Analysis of cash and cash equivalents

	2016 £	2015 £
Cash in hand	**589,503**	168,699
Total	**589,503**	168,699

23. Conversion to an academy trust

On 1 September 2015 Workington Academy and Yewdale Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to William Howard Trust from Cumbria County Council for £NIL consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the statement of financial activities incorporating income and expenditure account as Donations - transfer from local authority on conversion

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the statement of financial activities incorporating income and expenditure account.

23. Conversion to an academy trust (continued)

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Freehold/leasehold land and buildings	-	-	8,277,000	8,277,000
Other assets	71,058	-	-	71,058
Budget surplus/(deficit) on LA funds	41,878	-	-	41,878
LGPS pension surplus/(deficit)	-	1,273,000	-	1,273,000
Net assets/(liabilities)	112,936	1,273,000	8,277,000	9,662,936

The above net assets include £112,936 that were transferred as cash.

24. 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 multi-employer defined benefit pension schemes.

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

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

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

24. Pension commitments (continued)

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

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

The employer's pension costs paid to TPS in the period amounted to £899,000(2015: £115,217).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2016 was £739,000 (2015: £436,000), of which employer's contributions totalled £580,000 (2015: £338,000) and employees' contributions totalled £159,000 (2015: £98,000). The agreed contribution rates for future years are 15.4 - 20.9% for employers and 5.8% 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.
Principal actuarial assumptions:

	2016	2015
Discount rate for scheme liabilities	**2.20 %**	4.00 %
Rate of increase in salaries	**3.40 %**	3.70 %
Rate of increase for pensions in payment / inflation	**2.00 %**	2.20 %
Inflation assumption (CPI)	**1.90 %**	2.20 %
Commutation of pensions to lump sums	**50.00 %**	50.00 %

24. 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:

	2016	2015
Retiring today		
Males	**23.1**	23.0
Females	**25.7**	25.6
Retiring in 20 years		
Males	**25.9**	25.8
Females	**28.9**	28.8

The academy's share of the assets in the scheme was:

	Fair value at 31 August 2016 £000	Fair value at 31 August 2015 £000
Equities	**2,627**	1,367
Government bonds	**1,021**	476
Other bonds	**380**	187
Property	**547**	289
Cash / liquidity	**156**	73
Other	**479**	208
Total market value of assets	**5,210**	2,600

The actual return on scheme assets was £798,000 (2015: £94,000)

The amounts recognised in the statement of financial activities incorporating income and expenditure account are as follows:

	2016 £	2015 £
Current service cost (net of employee contributions)	**(599,000)**	(350,000)
Net interest cost	**(157,000)**	(83,000)
Gains on curtailments and settlements	**(13,000)**	(13,000)
Total	**(769,000)**	(446,000)

24. Pension commitments (continued)

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

	2016 £	2015 £
Opening defined benefit obligation	**5,371,000**	4,837,000
Upon conversion	**2,660,000**	-
Current service cost	**599,000**	350,000
Interest cost	**320,000**	200,000
Contributions by employees	**159,000**	98,000
Actuarial losses	**4,330,000**	-
Past service costs	**-**	13,000
Exchange differences on foreign schemes	**(40,000)**	(127,000)
Closing defined benefit obligation	**13,399,000**	5,371,000

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

	2016 £	2015 £
Opening fair value of scheme assets	**2,600,000**	2,194,000
Upon conversion	**1,127,000**	-
Return on plan assets (excluding net interest on the net defined pension liability)	**163,000**	117,000
Actuarial gains and (losses)	**634,000**	(20,000)
Contributions by employer	**580,000**	338,000
Contributions by employees	**159,000**	98,000
Transfer/ Benefits paid	**(40,000)**	(127,000)
Administration expenses	**(13,000)**	-
Closing fair value of scheme assets	**5,210,000**	2,600,000

25. Operating lease commitments

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

	2016 £	2015 £
Amounts payable:		
Within 1 year	**12,845**	-
Between 1 and 5 years	**28,973**	4,000
Total	**41,818**	4,000

26. Related party transactions

The Trust made sales of £33,257 (2015: £33,257) to Cumbria Alliance of Systems Leaders and had a year end balance due of £16,628 (2015: £16,628). Sales of £Nil (2015: £90) were made to the University of Cumbria, together with purchases of £1,250 (2015: £4,034). There were no year end balances outstanding with this entity.

27. Post balance sheet events

Following conversion to a Multi Academy Trust on 1 September 2015, and the successful integration of both Workington Academy and Yewdale Primary School during the year, on 1 September 2016 Longtown Primary School also joined the Trust. The changes to the governance and leadership arrangements are described in full in the Trustees report.

28. First time adoption of FRS 102

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

The policies applied under the academy's previous accounting framework are not materially different to FRS 102 and have not impacted on funds or net income/expenditure.