

WYVERN ACADEMY
(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

**WYVERN ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

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**WYVERN ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2018**

Members	B Douglas S Parr (resigned 24 May 2018) J Gardner R Holt G Brayshaw (appointed 27 September 2017)
Trustees	C Cadby, Community Trustee (appointed 16 April 2018) R Holt, Staff Trustee (teachers) ^{2,3,4} S Parr, Parent Trustee (resigned 24 May 2018) ^{2,4} J Gardner, Chair (until 27 September 2017), Joint Chair (from 26 September 2018) and Parent Trustee ¹ B Douglas, Head Teacher ^{1,2,3,4} P Harding, Schools Co-operative Trustee ^{1,3} G Brayshaw, Chair (from 27 September 2017 until 26 September 2018), Joint Chair (from 26 September 2018), Community Trustee (since 27 September 2017) and formerly Parent Trustee (appointed 27 September 2017) ^{2,4} J Girdler (appointed 10 January 2018) S Hawkins (appointed 6 June 2018) S Marshall (resigned 27 September 2017)
	¹ Finance and Resources Committee ² Teaching and Learning Committee ³ Health & Safety Committee ⁴ Diversity & Equality Committee

In addition, D Tomlinson & S Anthony held advisory roles to the Trustees during the year.

Company registered number	08123602
Company name	Wyvern Academy
Principal and registered office	Wyvern School Wey Valley Campus Dorchester Road Weymouth Dorset DT3 5AL
Company secretary	C Bellchambers
Accounting Officer	B Douglas
Senior leadership team	B Douglas, Head Teacher D Tomlinson, Deputy Head Teacher R Holt, Assistant Head Teacher
Independent auditors	Bishop Fleming LLP Chartered Accountants Statutory Auditors 2nd Floor Stratus House Emperor Way Exeter Business Park Exeter EX1 3QS

**WYVERN ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

**REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2018**

Advisers (continued)

Bankers

Lloyds
92 St Mary Street
Weymouth
Dorset
DT4 8PA

Solicitors

Stone King LLP
13 Queen Square
Bath
BA1 2HJ

**WYVERN ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2018**

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2018. The annual report serves the purpose of both a Trustees' report, and a Directors' report under company law.

The Trust operates a Special Academy in Weymouth for pupils aged 2 to 19 with complex needs, including Autistic Spectrum Disorder (ASD). It has a pupil capacity of 85 and had a roll of 82 in the school census on 17 May 2018.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Academy.

The Trustees of Wyvern Academy are also the directors of the charitable company for the purposes of company law. The charitable company is known as Wyvern Academy.

Details of the Trustees who served throughout the year and up to the date the financial statements are approved, except as noted, are included in the Reference and Administrative Details on pages 1 to 2.

Members' liability

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

**Trade union facility time
Relevant union officials**

Number of employees who were relevant union officials during the year -
Full-time equivalent employee number -

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	-
1%-50%	-
51%-99%	-
100%	-

Percentage of pay bill spent on facility time	£
Total cost of facility time	-
Total pay bill	2,717,536
Percentage of total pay bill spent on facility time	- %

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours - %

Trustees' Indemnities

In accordance with normal commercial practice, the Academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. This insurance is purchased through the Risk Protection Arrangement (RPA) and provides £10,000,000 indemnity

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

protection.

TRUSTEES

Method of Recruitment and Appointment or Election of Trustees

On 1 September 2012, the Trustees appointed all those Governors that served the predecessor school to be Trustees of the newly formed Academy.

The Academy Trustee Board consists of:

- 1 Head Teacher
- 2 Staff Trustees
- 2 Parent Trustees (one vacancy)
- 6 Community Trustees (three vacancies)
- 1 School's Co-operative Trustee
- 1 Forum Trustee (currently a vacancy)

Trustees are appointed for a four year term of office, except that this time limit does not apply to the Head Teacher. Subject to remaining eligible to be a particular type of trustee, any trustee can be reappointed or re-elected provided that no trustee may serve more than three terms of office (i.e. 12 years).

Staff trustees are elected following a Notice of Election distributed to all members of staff employed at the school for more than 500 hours a year. If the number of nominations received by the prearranged date exceeds the number of vacancies, a ballot will be held with votes made by staff, having had the opportunity to read or hear information on each candidate on a set date.

If the number of staff standing for election is less than the number of vacancies, the Members of the Staff Constituency shall elect from amongst their number.

Parent/Carer trustees are elected following a Notice of Election. If the number of nominations received by the prearranged date exceeds the number of vacancies, a ballot will be held with votes made by parents having had the opportunity to read or hear information on each candidate on a set date. If the number of parent/carers standing for election is less than the number of vacancies, the Members of the Parent Constituency shall elect from amongst their number.

All other trustees shall be appointed or elected in accordance with an agreed process designed to ensure that prospective trustees have the skills and experience required to be effective in the role. Any gaps in the skills and experience across the trustee board are identified using an annual skills audit undertaken by the existing trustees so, when appointing new trustees, the board will give consideration to the areas not covered in order to ensure that the board has the necessary skills to contribute fully to the academy's strategic development.

Policies and Procedures Adopted for the Induction and Training of Trustees

The Academy issues a New Trustee Welcome pack, which includes the latest Governance Handbook, the latest Academies Financial Handbook, the Code of Conduct and a list of frequently used abbreviations.

The Academy buys into the Dorset County Council Governor Services, which delivers an extensive programme of training courses for all Trustees and Clerks. The Clerk ensures that all course details are made available to the Trustees.

The Academy also has membership to the National Governors Association (NGA), which gives trustees access to a full and comprehensive range of resource material and guidance, including the aforementioned Skills Audit. Trustees also receive a weekly newsletter from the NGA to keep them abreast of new developments.

Wyvern holds an annual Trustee Review Day at the end of each academic year to give Trustees the opportunity to evaluate outcome measures for the year and work with the Head Teacher to formulate strategic priorities for the coming year.

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

Organisational Structure

Aside from the Full Board of Trustees, which meets three times at the end of each academic term and again for the Annual General Meeting at the beginning of the year in September, there are seven further Committees comprising:

- Teaching & Learning:- this committee meets once every term to monitor, evaluate and review Academy policy, practice and performance in relation to curriculum planning, communications, target setting and assessment, examinations and all pastoral issues.
- Finance & Resources:- this meets at least five times a year and is responsible for monitoring, evaluating and reviewing policy and performance in relation to financial management, compliance with reporting and regulatory requirements and reporting, receiving reports from the Responsible Officer/internal audit and approving the draft annual budget. It also incorporates the majority of the roles within an audit committee.
- Health & Safety: -this committee meets once a term to ensure that mechanisms and procedures are in place for health, safety and wellbeing. To monitor the implementation of policies and to feedback to the full board.
- Diversity and Equality – this committee meets three times a year in order to discharge mandatory duties arising from the Equality Act (2010).
- Standing: - this committee meets with the School Improvement Partner to discuss and agree the Head Teacher's performance targets and to make recommendations to the F&R Committee in respect of any pay award for the successful meeting of targets set. It is also responsible for overseeing and agreeing to any decision to dismiss a member of staff.
- Staff Disciplinary: - this is an ad hoc committee that meets as and when required to make decisions under the Trustee Body's Personnel procedures relating to disciplinary, grievance or capability issues.
- Appeals: - this is an ad hoc committee that meets as and when required to consider any appeal against decisions made in relation to staff dismissal; grievance issues and pupil exclusions.

It is not deemed necessary to have a separate Audit Committee as the Academy does not have an annual income in excess of £50 million, (as specified in the Academies Financial Handbook 2017). Therefore, all the responsibilities of an Audit Committee are covered elsewhere by the other committees. However, the Trustees will re-consider this decision when the Academies Financial Handbook is published for 2018.

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

The following decisions are reserved to the Board of Trustees: to consider any proposals for changes to the status or Constitution of the Academy and its committee structure, to appoint or remove the Chair and/or Vice Chair, School Development Plan and annual budget.

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

The Board of Trustees have delegated responsibility for day to day operational management of the Academy to the Head Teacher and the Senior Leadership Team (SLT). The SLT comprises the Head Teacher, Deputy Head Teacher and the Assistant Head Teacher. The SLT is responsible for delivering the approved strategic actions of the School Development Plan as well as setting up and managing annual priorities agreed at Trust Board meetings.

A second tier of management responsibility includes the Senior Management Team (SMT). The SMT comprises the Finance & Business Manager and Personnel Manager together with the Middle Leadership structure of Primary, Secondary and Sixth Form department leaders and the SENCo (Special Educational Needs Co-ordinator). The aim of the leadership structure is to devolve responsibility at the operational level in which the decision making is pertinent.

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

The SLT controls the Academy at an executive level, implementing the policies laid down by the Trustees and reporting back to them. The Head Teacher and the Finance and Business Manager are responsible for the authorisation of spending within agreed budgets; a summary of this is in the Scheme of Financial Delegation. Some spending control is devolved to Budget Holders which must be authorised in line with the Financial Scheme of Delegation.

The Head Teacher is responsible for the appointment of staff, though appointment panels for teaching, SLT and SMT posts always include a Trustee.

Budget holders are made aware of their financial responsibilities in an annual letter.

The Finance & Business Manager is the Chief Financial Officer.

The Head Teacher is the Accounting Officer.

Arrangements for Setting Pay and Remuneration of Key Management Personnel

Pay for the Senior Leadership Team is set using the School Teacher's Pay and Conditions document and guidance. Wyvern Academy is a Group 5 school.

Pay for the Senior Management Team has been set using the School Teacher's Pay and Conditions document for teaching staff and the Dorset County Council Job Portfolio for the Finance & Business Manager and Personnel Manager.

All Trustees give their time freely and no Trustee received remuneration in the year in respect of their services as a Trustee. Details of Trustees' expenses and related party transactions are disclosed in the notes to the financial statements.

Related Parties and other Connected Charities and Organisations

Wyvern is a Co operative Academy within an Educational Trust (ASPECT) along with our campus mainstream secondary Academy, Wey Valley School, as our main partner. Our other partners within this trust include our primary mainstream campus school (St Nicholas and St Laurence), Weymouth College, the Co operative College and Dorset Local Authority. ASPECT has charitable status and receives income from the campus nursery (Scallywags) and the site manager's campus house.

The school is a partner in the Teaching Alliance of Dorset Special Schools (TADSS). This alliance includes all five Dorset Special Schools who have a commitment to improving outcomes for all children with SEN in Dorset.

The Academy has a separate partnership agreement with 'Dorset NHS Trust' to provide paediatric nursing support for pupils attending the Academy. The nurse is linked to the community paediatric nursing team to provide a holistic approach to the medical needs of individual pupils and support for their families.

The Academy has a 'Friends of Wyvern Association'. This is a charitable organisation that raises funds for specific projects. It has a management structure, which is separate from the Academy.

The Academy has entered into a contract with a pool management company to extend and develop the community use of its hydrotherapy pool. This has dramatically opened up the facility to wider range of users and it is our intention to make this a sustained addition to our offer.

OBJECTIVES AND ACTIVITIES

Objects and Aims

The principal object of Wyvern Academy, in serving children and young people with learning difficulties and disabilities, is to prepare them for the life they are going to live as adults.

In doing this, the Academy supports families and works to make society a better place for all people with Special Educational Needs and Disabilities (SEND).

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

The principal object and activity of the Charitable Company is the operation of Wyvern Academy to provide free education and care for pupils with SEND. The Academy's specialism is severe learning difficulties including autism and complex healthcare needs.

At Wyvern Academy we aim to empower every pupil with optimal achievement in order to prepare them for the life they are going to live. In doing so we aim to provide optimal care, reduce barriers to learning and well-being and maximise voice, choice, independence, ability and purpose as personalised outcomes. As a special Academy we see supporting parents and carers and promoting the inclusion of people with SEND in society as integral to our work.

Objectives, Strategies and Activities

The overall aims of the school are to 1. Prepare our young people for the lives they are going to live; 2. Support pupils' families; 3. Make the world a better place for people with SEND.

The School Development Plan for 2017-18 has the following strategic objectives:

- Ensure quality of teaching is predominantly good or outstanding.
- Develop assessment practice to better support teaching and learning.
- Establish extended middle leadership responsibilities.
- Enhance speech and language therapy provision and develop pupil voice.
- Improve behaviour intervention practice.
- Develop parent support and information.
- Improve internal communications.

Public Benefit

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

In setting out objectives and planning our activities, the Trustees have given careful consideration to the Charity Commission's guidance on Public Benefit.

The key public benefit delivered by the Academy is the provision of high quality education and care to its pupils on roll and children with SEN in our wider community.

Wyvern Academy educates up to 85 children and young people all of whom have severe or profound learning difficulties, including autism. We specialise in teaching children with communication difficulties, through total communication. We are experienced in signing, the Picture Exchange Communication System (PECS) as well as developing communication through new technologies such as iPads and the Eye Gaze communication systems. All teachers are trained in language development and are committed to including communication in all aspects of school life.

Our staff are trained and highly proficient in the teaching of children with autism and severe learning difficulties including challenging behaviour, where we employ the TEACCH approach (Treatment and Education of Autistic and Related Communication Handicapped Children) as our overall philosophy through structured teaching. Within this structure we include other approaches such as sensory integration.

We also cater extensively for children with profound learning difficulties including additional mobility and medical requirements, where the curriculum is tailored to meet individual needs and the use of physical and sensory programmes allow these pupils to make the best progress possible.

At Wyvern Academy we aim for every child and young person to achieve the best educational outcomes possible, whatever their individual needs and abilities. By being part of an educational campus, we can tailor a child's education to their exact requirements. This, combined with high expectations and high quality teaching, ensures success at every level.

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

The Wyvern Academy Sixth Form offers a three year course which is personalised to the students' needs and centres around five work and independent living strands of study. As such, it is a platform for our young people to prepare for adulthood and the next stage of their lives. There are strong elements of community inclusion, enterprise, work experience and FE college integration and all students pursue accredited qualifications.

We take a truly holistic approach to the education of children at Wyvern and in recognition of this we offer additional services including the MOVE programme; drama therapy, music therapy; Hydrotherapy; Rebound therapy and also provide weekend and holiday respite day sessions for specific pupils and their families.

We also work very much as part of a team with therapists to provide high quality speech and language, occupational therapy and physiotherapy support for those pupils who require these services. Most recently we have developed specialist services for those pupils with complex medical conditions by employing a paediatric nurse who supports those children and their families.

Through the MOVE programme we also offer very high quality provision for children who need to develop and maintain their mobility.

STRATEGIC REPORT

Achievements and Performance

Central to the essential character of Wyvern Academy is the need to adopt a particularly flexible approach to meeting students' needs due to the severity and diversity of their conditions. Alongside many unique and innovative approaches is the assessment policy the school has developed over the past 3 years which emerged as a necessity to provide reliable progress information and react to changes in national requirements. Across the full age range (2-19yrs) four separate assessment methods are used to provide teachers and parents with an objective picture of their children's learning. Each method is capable of returning a judgement of whether a pupil has made expected progress or if it is above or below expectation in a subject area. The benchmark for these judgements is rooted in the previously used National Progression Guidance approach and is defined in a control document annexed to the assessment policy.

Key Performance Indicators

Early Years Foundation Stage progress 2017-18

Outcomes: All pupils are working well below the Age Related Expectations (ARE) of the Early Years Foundation Stage Profile (Development Matters) overall but some meet expectations in a small number of areas such as aspects of technology or physical development.

Target-setting is now in line with the rest of the school. Targets are drawn from other curricula such as the MSI curriculum when necessary. A standard for expected progress has been established, against which tracking and summative assessment is gauged.

IMPACT: Accountability for progress is secure. Greater individualisation has been facilitated.

The EYFS was moderated by the local authority in May 2018. The teacher's judgements were all evaluated as accurate and in line with national exemplification. Learning Journals were audited. Evidence showed a good range of approaches and staff knew the children very well and ensure an excellent quality of provision.

Key stages 1- 4

KS 1 - 15 children have completed key stage 1 over this time period. A consistently high proportion of pupils achieve above expected rates of progress and 80% of pupils achieve expected progress or above in English and Maths.

KS 2 - 9 children have completed key stage 2 over this time period. 100% of the pupils made at least expected progress over the key stage in both English and Maths 33% made above expected progress in Maths.

KS 3 - 22 pupils have completed key stage 3 over this time period. 73% have made expected or above progress

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

over the key stage in English and Maths.

KS 4 - 22 pupils have completed key stage 4 over this time period. 73% made expected progress or above in English and 82% of pupils made expected or above in Maths. 27% and 18% made above expected progress in English and Maths respectively.

Whole school progress marginally exceeds NPG expectations with slightly more pupils making above expected progress and slightly fewer making below expected progress over time.

All key stages are at least broadly in line with NPG expectations and key stages 1 and 2 clearly exceed NPG expectations. We believe this represents good progress across the school.

Key stage 4

During Key Stage 4 all students follow Entry Level qualifications in ASDAN Personal Progress. In addition, some students also follow Entry Level qualifications in English, Maths and ICT where this is deemed appropriate.

In 2017-18 all 8 Year 11 students entered for Personal Progress achieved a qualification. Of these, four students gained an Award-sized qualification and four gained a Certificate-sized qualification, all of which represents good progress for each individual.

Sixth Form

In the sixth form all our students take qualifications in OCR Life and Living Skills.

In addition our broad curriculum offers opportunities for certification through our link courses with local FE providers including Kingston Maurward and Weymouth College.

There is a strong work experience programme in place for students, accessing placements with both local and national employers wherever possible. All students also participate in a variety of work-based and non-qualification activities and enterprises such as coffee mornings, a café based in the local community and various sales such as potted plants, hanging baskets and jams and chutneys.

In 2017-2018 there were ten leavers transitioning from Wyvern Academy.

Out of those ten students, three of them will be continuing in Further Education. Two will be going to Weymouth College, and one was successful in applying to Employ My Ability and made an early transition (Year 13).

In the sixth form overall for the 2017-18 academic year 41% of students made expected progress; 41% made above expected progress and 18% made below expected progress.

In the academic year 17/18:

A total of 42 Literacy, Numeracy and ICT units were completed.

- 95% of students completed one or more Literacy, Numeracy or ICT unit
- 45% of students completed two units
- 23% of students completed three or more units.

Of those students who have been entered for OCR qualifications this academic year, 100% of them have completed one or more Literacy, Numeracy or ICT unit.

- 73% of students completed a Literacy unit
- 55% of students completed a Numeracy unit
- 23% of students completed an ICT unit

The majority of pupils educated at Wyvern have substantial global developmental delay, emergent communication skills and are highly dependent. Some may have additional disabilities such as cerebral palsy, sensory impairment, autism and/or complex needs including challenging behaviour.

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

Small class sizes and appropriate levels of support staffing are required to support individual pupil needs, which is why staff costs are higher than average to ensure the highest levels of education and safety compliance.

Direct Staffing Costs as a % of Public/GAG Income

Staff type	2017/2018	2016/2017	2015/2016
Teaching	39%	34%	33%
Educational Support	53%	44%	43%
Administration	8% (includes IT Technician for 6/12)	6%	6%
Premises	2%	2%	2%
Total	102%	86%	84%

Local Authority 'top up' funding is judged against a matrix of need for specialist provision. This matrix gives an overall 'locator' of 2 to 7++ for each child and a correlated funding level over and above the £10k per placement funding. Year on year mapping reviews against these locators show a consistent rise in complexity across the school's population, which puts an ever increasing strain on our ability to meet individual needs. The Academy works with the local authority to ensure that adequate funding is given to those children who have the most complex learning needs.

Locators based on June 2018:

Locator	Number of Pupils 2018		Number of Pupils 2017		Number of Pupils 2016	
	Percentage	Percentage	Percentage	Percentage	Percentage	Percentage
2	1	1.20%	0		0	
3	5	6.10%	3	4%	3	4%
4	5	6.10%	6	7%	9	11%
5	14	17.10%	14	17%	13	16%
6	20	24.40%	22	27%	21	26%
7/7+/7++	37	45.10%	37	45%	35	43%
Total	82	100%	82	100%	81	100%

Included in the highest category above are 22 pupils who have been attributed a locator value of either 7+ or 7++. This represents 27% of our total number.

In addition to the recommendations from the academy's 2015 inspection report, the school continues to work within the definitions for good and outstanding performance under the sections in the latest OFSTED Inspection Handbook.

Teacher performance is judged against the DfE Teacher Standards (2012). Head Teacher performance is judged against DfE 2015 National Standards of Excellence for Head Teachers.

Pupil progress is criterion-referenced against the requirements of P-Level assessment and norm-referenced against expectations laid down in the National Progression Guidance document (2010). Through this there is expectation that 25% of pupils will achieve upper quartile progress, 25% will achieve lower quartile progress with those between in the middle 50% achieving median quartile progress. Comparison with NPG is made each year and ambitious targets set for each pupil accordingly.

Recently the school has adopted an additional progress measure known as MAPP (Mapping and Assessing Personal Progress) in order to augment the range of tools and introduce an ipsative assessment where appropriate.

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

Going Concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Academy has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the going concern policy forming part of the statement of accounting policies in the notes to the financial statements.

FINANCIAL REVIEW

Financial Review

The financial statements reflect the year of operational activity for the Academy. During the year, our expenditure was funded mainly from income received from the Education & Skills Funding Authority (ESFA, formerly EFA), and the Local Authority (LA). Other income was generated primarily from the hire of our premises, (mainly through the new contract for the management of our hydrotherapy pool), and the provision of extended school services.

The vast majority of our income is restricted to curricular activities.

Following the local authority's review of special school funding in Dorset in February 2016, (the result of which was a significant reduction to Wyvern Academy's funding in 2015-16), a second financial review was conducted across all five Dorset special schools (again by the Local Authority) with a view to achieving budget savings in their High Needs Block. This was carried out by using a moderation process and again resulted in each of the Locator values being reduced, which subsequently resulted in a second adjustment to Wyvern Academy's funding in 2016-17 backdated to April 2017.

During the 17/18 academic year we received approximately £90k less than budgeted from DCC and the Local Authority's move to termly payments has made it increasingly difficult to match predicted income with actual income due to the lag in processing any changes – either due to new starters/leavers or changes in a pupil's locator during the year.

Alongside the gradual removal of ESG from the ESFA's GAG funding the school continues to be constantly financially challenged. We are continually striving to finely balance an ever reducing budget with the need for the correct and safe level of staffing required to ensure welfare of both pupils and staff.

Reserves Policy

Reserves are important for contingency planning and fulfilment of various contracts and, in the wake of the Local Authority Funding review, the Academy aims to carry forward a prudent level of resources from the General Annual Grant and the High Needs funding to protect the Academy against the confirmed substantial drop in Top Up funding over the next four years.

Our Reserves Policy, which is reviewed annually, demonstrates financial transparency and accountability, good financial management and justification for the amount of reserves to support the Academy's overall finances.

The results of the operational activity show an overall carry forward to 2018-19 of £77,474 of which £60,180 is represented by unrestricted funds and £17,294 is represented by restricted local authority grants.

This policy confirms that reserves are maintained at a level which ensures that Wyvern Academy's core activity could continue during a period of unforeseen difficulty and requires the Academy to maintain a proportion of reserves in a readily accessible form (i.e. bank current account). The calculation of the required level of reserves is an integral part of the Academy's planning, budget and forecast cycle. It takes into account risks associated with each stream of income and expenditure being different from that budgeted; planned activity level; the Academy's commitments. We believe that a minimum level of reserves should ideally be £250,000 representing approximately one months recurring expenditure.

The defined benefit pension scheme reserve has a negative balance of £3,157,000. The effect of the deficit position of the pension scheme is that the Academy is paying higher employers' pension contributions over a period of years. The higher employers' pension contributions will be met from the Academy's budgeted annual income. Whilst the deficit will not be immediately eliminated, there should be no actual cash flow deficit on the

fund, nor any direct impact on the free reserves of the Academy Trust.

Investment Policy

The Academy aims to manage its cash balances to provide for the day-to-day working capital requirements of its operations, whilst protecting the real long-term value of any surplus cash balances against inflation.

In addition, the Academy would aim to invest surplus cash funds to optimise returns whilst ensuring that the investment instruments present no risk to the loss of the capital value of these cash funds and seek to protect the capital value of any invested funds against inflation.

Principal Risks and Uncertainties

The Board of Trustees has reviewed the major risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks.

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

Financial – Throughout the 2017/18 academic year the academy both anticipated, and ultimately received, notice that top-up values would be significantly reduced as part of local authority recouPMENT measures due to overspending in the High Needs Block of funding received from central government. This supersedes the previously agreed budget reduction plan from the previous academic year and will also impact budgeted income for the following year. This presents a prolonged picture of financial uncertainty for the Academy which prevents accurate long-term financial planning. The gradual removal of ESG, and ESG Protection, also continues to erode GAG income still further.

Failures in governance and/or management - the risk in this area arises from potential failure to effectively manage the Academy's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks.

Board of Trustees – despite appointing two new Community Trustees during the year, we still require a further parent Trustee and three additional Community Trustees. The Academy recognises the implications and risk of this situation and is actively seeking to recruit new trustees to strengthen the board, preferably from the areas identified from the skills audit carried out at the end of the year.

Reputational - the continuing success of the Academy is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest standards. To mitigate this risk pupil progress and achievement are closely monitored and reviewed by Trustees. We are expecting 85+ pupils on roll for the 2018/19 academic year and are continually being asked to take more, therefore our growing reputation is at risk if we do not receive sufficient income to fully staff the additions.

Safeguarding and child protection - the Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline.

Staffing - the success of the Academy is reliant upon the quality of its staff and the complexity of our pupils requires a commensurate level of investment to ensure continued development and training of staff as well as ensuring there is clear succession planning so, the Trustees monitor and review policies and procedures. The Academy continues to face the ongoing challenge of managing the increasing need for sufficient staff with on-going budget reductions.

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

Risk Management - The Academy continues to strengthen its attitude to risk management by improving the process and ensuring staff awareness. A risk register is being reviewed and updated on an ongoing basis. The register and plan are reviewed in light of any new information and a formal review is planned for 2018/19. The Academy also buys into the Risk Protection Arrangement offered by the ESFA.

**WYVERN ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018**

The Trustees examine the financial health of the academy formally every term. They review performance against budgets and overall expenditure by means of regular update reports at all Board and Finance & Resources Committee meetings. The Trustees also regularly review cash flow forecasts and ensure sufficient funds are held to cover all known and anticipated commitments.

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

The Board of Trustees recognises that the defined benefit pension scheme deficit (Local Government Pension Scheme), which is set out in Note 21 to the financial statements, represents a significant potential liability. However, as the Trustees consider that the Academy is able to meet its known annual contribution commitments for the foreseeable future, this risk from this liability is minimised.

PLANS FOR FUTURE PERIODS

The Academy will continue to strive to provide outstanding education and improve the levels of performance of its pupils at all levels. The Academy will continue to aim to attract high quality teachers and support staff in order to deliver its objectives.

Full details of our plans for the future are given in our Academy Development Plan, which is available on our website or from the Clerk to the Trustees.

In order to safeguard the future of the school have been proactive in engaging with the ESFA and Dorset County Council regarding the sufficiency of funding. The ESFA have also made a Schools Resource Management Advisor available to us to assist with reviewing budgets in future years. We are also procuring a single Financial Management System that will enable us to budget, monitor, report and forecast more accurately and efficiently.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

During the period 1st September 2017 to 31st August 2018, Wyvern Academy did not hold any funds as a custodian Trustee on behalf of any other charitable organisation.

AUDITORS

In so far as the Trustees are aware:

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

Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as company directors, on 5 December 2018 and signed on the board's behalf by:

**G Brayshaw
Chair of Trustees**

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As Trustees, we acknowledge we have overall responsibility for ensuring that Wyvern Academy 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 Head Teacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Wyvern Academy and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 5 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
C Cadby, Community Trustee	2	2
R Holt, Staff Trustee (teachers)	3	4
S Parr, Parent Trustee	1	2
J Gardner, Chair (until 27 September 2017), Joint Chair (from 26 September 2018) and Parent Trustee	3	4
B Douglas, Head Teacher	4	4
P Harding, Schools Co-operative Trustee	2	4
G Brayshaw, Chair (from 27 September 2017 until 26 September 2018), Joint Chair (from 26 September 2018), Community Trustee (since 27 September 2017) and formerly Parent Trustee	4	4
J Girdler	2	3
S Hawkins	1	2
S Marshall	0	0

The following held advisory roles to the Trustees during the year. They have no voting rights but are invited to attend because of their individual specialist knowledge.

The Finance & Resources committee is a sub-committee of the main Board of Trustees. Its main purposes include, but are not restricted to:

- considering the Academy's indicative funding and to assess the implications for the Academy
- consider and recommending acceptance/non acceptance of the Academy's budget for the start of the financial year
- contributing to the formulation of the Academy's School Development Plan (SDP)
- regularly monitoring and reviewing income and expenditure to ensure adherence with the budget
- ensuring that all requirements normally assigned to an Audit sub committee are actioned
- receiving auditors reports and recommending to the Full Trustee Board action as appropriate in the response to audit findings

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
J Gardner	3	5
B Douglas	5	5
P Harding	3	5

GOVERNANCE STATEMENT (continued)

REVIEW OF VALUE FOR MONEY

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

The Accounting Officer considers how the Academy'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 appropriate. The Accounting Officer for the Academy has delivered improved value for money during the year by:

- Robust financial governance and budget management.
- Value for money purchasing, making use of Government listed frameworks such as Crescent Purchasing Consortium (CPC) and Crown Commercial Services for cost comparisons.
- Using Dorset County Council purchasing frameworks, when appropriate, in order to benefit from favourable pricing structures
- Obtaining three quotes for the purchase of any goods/services above the value of £5k. This is also used below £5k where there are a number of alternative suppliers.
- Purchasing Service Level Agreements for the following provisions:
 - o IT staff and services
 - o Site staff and services
 - o Paediatric nursing
 - o Speech & Language Therapist (SaLT)
- No new leasing agreements were set up during the year.
- Reviewing financial controls and risks.
Employing and deploying a high calibre of staff to ensure a high standard of delivery of service to our pupils.
- Regularly reviewing the quality and effectiveness of our curriculum provision and teaching.
- Regularly reviewing the quality and effectiveness of every pupil's individual learning programme and progress.

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Wyvern Academy for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The Board of Trustees has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks, that has been in place for the year 1 September 2017 to 31 August 2018 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 Finance & Resources Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;

GOVERNANCE STATEMENT (continued)

- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed R Cole, the Financial & Business Manager of Wey Valley School to perform peer review.

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

- Payroll
- Bank and petty cash
- Purchase ledger
- Sales ledger
- Financial management
- Governance and ESFA checklist

On a semi-annual basis, the reviewer reports to the Board of Trustees through the Finance and Resources on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

The reviewer has delivered the programme of works as planned. Where matters are identified remedial action is either taken immediately or a plan put in place to address the issue.

REVIEW OF EFFECTIVENESS

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

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

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

Approved by order of the members of the Board of Trustees on 5 December 2018 and signed on their behalf, by:

**G Brayshaw
Chair of Trustees**

**B Douglas
Accounting Officer**

**WYVERN ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Wyvern Academy I have considered my responsibility to notify the academy trust Board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

I confirm that I and the academy trust Board of Trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2017.

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

**B Douglas
Accounting Officer**

Date: 5 December 2018

**STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2018**

The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Strategic report, the Trustees' report and the financial statements in accordance with the Academies Accounts Direction published by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Trustees to prepare 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 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board of Trustees and signed on its behalf by:

**G Brayshaw
Chair of Trustees**

Date: 5 December 2018

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF WYVERN ACADEMY

OPINION

We have audited the financial statements of Wyvern Academy (the 'Academy') for the year ended 31 August 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2018 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 2017 to 2018 issued by the Education and Skills Funding Agency.

BASIS FOR OPINION

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

MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to note 1.2 in the financial statements, which indicates that there are concerns over the Academy's ability to continue as a going concern. As stated in note 1.2, these events or conditions, along with the other matters as set forth in the note 1.2 indicate that a material uncertainty exists that may cast significant doubt on the Academy's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF WYVERN ACADEMY

OTHER INFORMATION

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report and financial statements, other than the financial statements and our Auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- the information given in the Trustees' Report (incorporating the Strategic Report and the Directors' Report) for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report has been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of our knowledge and understanding of the Academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.

RESPONSIBILITIES OF TRUSTEES

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, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Academy's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the Academy or to cease operations, or have no realistic alternative but to do so.

**WYVERN ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF WYVERN ACADEMY

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

USE OF OUR REPORT

This report is made solely to the Academy's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Academy's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Tim Borton FCA DChA (Senior Statutory Auditor)

for and on behalf of

Bishop Fleming LLP

Chartered Accountants

Statutory Auditors

2nd Floor Stratus House

Emperor Way

Exeter Business Park

Exeter

EX1 3QS

20 December 2018

**WYVERN ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO WYVERN
ACADEMY AND THE EDUCATION & SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 12 April 2016 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Wyvern Academy during the year 1 September 2017 to 31 August 2018 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 Wyvern Academy and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Wyvern Academy and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Wyvern Academy and the ESFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF WYVERN ACADEMY'S ACCOUNTING OFFICER AND THE
REPORTING ACCOUNTANT**

The Accounting Officer is responsible, under the requirements of Wyvern Academy's funding agreement with the Secretary of State for Education dated 12 May 2012, and the Academies Financial Handbook extant from 1 September 2017, 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 2017 to 2018. 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 2017 to 31 August 2018 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 2017 to 2018 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

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

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

**WYVERN ACADEMY
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO WYVERN
ACADEMY AND THE EDUCATION & SKILLS FUNDING AGENCY (continued)**

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Tim Borton FCA DChA (Reporting Accountant)

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

20 December 2018

WYVERN ACADEMY
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2018

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
INCOME FROM:						
Donations and capital grants	2	73	5,252	6,646	11,971	10,997
Charitable activities	3	9,095	2,269,039	-	2,278,134	2,518,422
Other trading activities	4	32,095	-	-	32,095	26,886
Investments	5	261	-	-	261	396
TOTAL INCOME		41,524	2,274,291	6,646	2,322,461	2,556,701
EXPENDITURE ON:						
Charitable activities		201,266	2,867,666	134,143	3,203,075	2,918,255
TOTAL EXPENDITURE	6	201,266	2,867,666	134,143	3,203,075	2,918,255
NET INCOME AND EXPENDITURE BEFORE TRANSFERS						
Transfers between Funds	17	(159,742)	(593,375)	(127,497)	(880,614)	(361,554)
		-	(22,193)	22,193	-	-
NET EXPENDITURE BEFORE OTHER RECOGNISED GAINS AND LOSSES						
		(159,742)	(615,568)	(105,304)	(880,614)	(361,554)
Actuarial gains on defined benefit pension schemes	21	-	740,000	-	740,000	49,000
NET MOVEMENT IN FUNDS		(159,742)	124,432	(105,304)	(140,614)	(312,554)
RECONCILIATION OF FUNDS:						
Total funds brought forward		220,412	(3,264,138)	5,782,947	2,739,221	3,051,775
TOTAL FUNDS CARRIED FORWARD		60,670	(3,139,706)	5,677,643	2,598,607	2,739,221

The notes on pages 27 to 48 form part of these financial statements.

WYVERN ACADEMY
(A COMPANY LIMITED BY GUARANTEE)
REGISTERED NUMBER: 08123602

BALANCE SHEET
AS AT 31 AUGUST 2018

	Note	£	2018 £	£	2017 £
FIXED ASSETS					
Tangible assets	13		5,678,133		5,786,837
CURRENT ASSETS					
Stocks		-		900	
Debtors	14	72,842		96,311	
Cash at bank and in hand		132,253		492,111	
			205,095	589,322	
CREDITORS: amounts falling due within one year	15	(127,621)		(122,938)	
NET CURRENT ASSETS			77,474		466,384
TOTAL ASSETS LESS CURRENT LIABILITIES			5,755,607		6,253,221
Defined benefit pension scheme liability	21		(3,157,000)		(3,514,000)
NET ASSETS			2,598,607		2,739,221
FUNDS OF THE ACADEMY TRUST					
Restricted funds:					
General funds	17	17,294		249,862	
Fixed asset funds	17	5,677,643		5,782,947	
Restricted funds excluding pension liability		5,694,937		6,032,809	
Pension reserve	17	(3,157,000)		(3,514,000)	
Total restricted funds			2,537,937		2,518,809
Unrestricted funds	17		60,670		220,412
TOTAL FUNDS			2,598,607		2,739,221

The financial statements on pages 24 to 48 were approved by the Trustees, and authorised for issue, on 5 December 2018 and are signed on their behalf, by:

G Brayshaw
Chair of Trustees

The notes on pages 27 to 48 form part of these financial statements.

WYVERN ACADEMY
(A COMPANY LIMITED BY GUARANTEE)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2018

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	19	<u>(331,280)</u>	<u>34,603</u>
Cash flows from investing activities:			
Interest received		261	396
Proceeds from the sale of tangible fixed assets		-	7,350
Purchase of tangible fixed assets		<u>(28,839)</u>	<u>(7,043)</u>
Net cash (used in)/provided by investing activities		<u>(28,578)</u>	<u>703</u>
Change in cash and cash equivalents in the year	1	(359,858)	35,306
Cash and cash equivalents brought forward		<u>492,111</u>	<u>456,805</u>
Cash and cash equivalents carried forward	20	<u><u>132,253</u></u>	<u><u>492,111</u></u>

The notes on pages 27 to 48 form part of these financial statements.

1. ACCOUNTING POLICIES

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

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the Academy, 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 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

1.2 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.

As has been described in the Financial Review in the Trustees' Report, the local authority's recent succession of reductions in the value of top-up pupil funding, coinciding with national increases in staffing costs, has meant that the Academy's most recent budgets show that the Academy's deficit for 2018/19 will exceed its reserves brought forward. The budgets also show that the Academy may not have sufficient cash to pay its liabilities as they fall due by the end of 2018/19.

A joint meeting between the Academy, the ESFA and Dorset County Council ("DCC") has been held to try to resolve the issues and detailed discussions are continuing between the parties.

The ESFA has assigned a Schools Resource Management Advisor, with SEND experience, to support the Academy and the Regional Schools Commissioner is also becoming involved in the discussions.

The ESFA and DCC have both given assurances to the Academy that it will be provided with sufficient resource to ensure that it can meet its liabilities as they fall due.

As a result, the Trustees have concluded that the Academy expects to have adequate resources to continue in operational existence for the foreseeable future. Consequently, they continue to adopt the going concern basis of accounting in preparing the financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

1. ACCOUNTING POLICIES (continued)

1.3 INCOME

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

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

General Annual Grant is recognised in full in the Statement of Financial Activities in the 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 in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

Sponsorship income provided to the Academy which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

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

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

1.4 EXPENDITURE

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

Expenditure on charitable activities are costs incurred on the Academy's educational operations, including support costs and those costs relating to the governance of the Academy apportioned to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

1. ACCOUNTING POLICIES (continued)

1.5 TANGIBLE FIXED ASSETS AND DEPRECIATION

All assets costing more than £1,000 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

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

On conversion the Academy was granted a 125 year lease from the Aspect Trust for the land and buildings previously occupied by the local authority school. On conversion the long term leasehold property was recognised as a donation from the Aspect Trust and was valued using the depreciated replacement cost method.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold property	-	Land over 125 years, building over 50 years
Furniture and fixtures	-	5 years straight line basis
Computer equipment	-	3 years straight line basis

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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

1.6 DEBTORS

Trade and other debtors with no stated interest rate and due within one year are recorded at the amount of the cash or other consideration expected to be received. Prepayments are valued at the amount paid.

1.7 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 and cash on deposit that has a notice period of less than 30 days.

1.8 LIABILITIES AND PROVISIONS

Liabilities and provisions 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

1. ACCOUNTING POLICIES (continued)

1.9 FINANCIAL INSTRUMENTS

The Academy only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Academy and their measurement basis are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 14. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in note 15. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments.

1.10 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 Part 11 Chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.11 PENSIONS

Retirement benefits to employees of the Academy are provided by the Teachers' Pension Scheme ("TPS") and the Local Governments Pension Scheme ("LGPS"). These are defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the 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 21, 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 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 net income/expenditure are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

1. ACCOUNTING POLICIES (continued)

1.12 FUND ACCOUNTING

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

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

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

Transfers are made between restricted funds and restricted fixed asset funds where restricted funds are used to purchase fixed assets

1.13 CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGMENT

Estimates and judgments 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 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 21, 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 2018. 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 judgment:

The Academy obtains use of fixed assets as a lessee. The classification of such leases as operating or finance lease requires the Academy to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the Balance Sheet.

1.14 OPERATING LEASES

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.15 AGENCY ARRANGEMENTS

The Academy acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the Statement of Financial Activities as the Academy does not have control over the charitable application of the funds. The Academy can use up to 5% of the allocation towards its own administration costs but chooses not to do so. The funds received, paid and any balances held at period end are disclosed in Note 17.

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
Donations	73	5,252	-	5,325	4,350
Capital Grants	-	-	6,646	6,646	6,647
	<u>73</u>	<u>5,252</u>	<u>6,646</u>	<u>11,971</u>	<u>10,997</u>
Total 2017	<u>2,009</u>	<u>8,988</u>	<u>-</u>	<u>10,997</u>	

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FOR THE YEAR ENDED 31 AUGUST 2018

3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
DfE/ESFA grants				
General Annual Grant	-	879,449	879,449	893,479
Other DfE Group grants	-	37,761	37,761	34,701
	<u>-</u>	<u>917,210</u>	<u>917,210</u>	<u>928,180</u>
Other Government grants				
Other government grants non capital	-	1,351,829	1,351,829	1,574,212
	<u>-</u>	<u>1,351,829</u>	<u>1,351,829</u>	<u>1,574,212</u>
Other income from the Academy Trust's educational operations				
Internal catering income	5,429	-	5,429	7,038
Other	3,666	-	3,666	8,992
	<u>9,095</u>	<u>-</u>	<u>9,095</u>	<u>16,030</u>
	<u>9,095</u>	<u>2,269,039</u>	<u>2,278,134</u>	<u>2,518,422</u>
Total 2017	<u>16,030</u>	<u>2,502,392</u>	<u>2,518,422</u>	

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Lettings	25,674	-	25,674	20,011
External Catering	1,784	-	1,784	3,013
Other	4,637	-	4,637	3,862
	<u>32,095</u>	<u>-</u>	<u>32,095</u>	<u>26,886</u>
Total 2017	<u>26,886</u>	<u>-</u>	<u>26,886</u>	

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

5. INVESTMENT INCOME

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Bank interest	261	-	261	396
	<u>261</u>	<u>-</u>	<u>261</u>	<u>396</u>
Total 2017	396	-	396	
	<u>396</u>	<u>-</u>	<u>396</u>	

6. EXPENDITURE

	Staff costs 2018 £	Premises 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Educational operations:					
Direct costs	2,354,547	118,691	153,046	2,626,284	2,351,112
Support costs	362,989	99,440	114,362	576,791	567,143
	<u>2,717,536</u>	<u>218,131</u>	<u>267,408</u>	<u>3,203,075</u>	<u>2,918,255</u>
Total 2017	2,467,671	202,400	248,184	2,918,255	
	<u>2,467,671</u>	<u>202,400</u>	<u>248,184</u>	<u>2,918,255</u>	

7. DIRECT COSTS

	Total 2018 £	Total 2017 £
Pension finance costs	91,000	71,000
Educational supplies	46,766	34,076
Staff development	8,943	5,375
Other costs	6,337	5,171
Wages and salaries	1,642,753	1,539,385
National insurance	127,130	124,614
Pension cost	584,664	465,255
Depreciation	118,691	106,236
	<u>2,626,284</u>	<u>2,351,112</u>
Total 2017	2,351,112	
	<u>2,351,112</u>	

WYVERN ACADEMY
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

8. SUPPORT COSTS

	Total 2018 £	Total 2017 £
Other costs	251	579
Recruitment and support	3,586	2,690
Maintenance of premises and equipment	38,585	43,983
Cleaning	9,136	8,511
Energy costs	43,036	43,890
Insurance	3,252	3,148
Security and transport	23,233	19,788
Catering	15,252	15,577
Technology costs	12,828	17,409
Office overheads	15,334	12,491
Legal and professional	22,202	22,925
Bank interest and charges	58	56
Governance	8,197	8,035
Wages and salaries	303,659	289,777
National insurance	14,016	12,268
Pension cost	45,314	36,372
Depreciation	18,852	29,644
	<u>576,791</u>	<u>567,143</u>
	<u>576,791</u>	<u>567,143</u>
Total 2017	<u>567,143</u>	

9. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets: - owned by the Academy	137,543	135,880
Auditors' remuneration - audit	6,600	6,400
Auditors' remuneration - other services	2,970	3,340
Operating lease rentals	13,948	5,614
	<u>137,543</u>	<u>135,880</u>

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NOTES TO THE FINANCIAL STATEMENTS
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10. STAFF COSTS

a. Staff costs

Staff costs were as follows:

	2018	2017
	£	£
Wages and salaries	1,946,412	1,829,162
Social security costs	141,146	136,882
Pension costs	629,978	501,627
	<u>2,717,536</u>	<u>2,467,671</u>

b. Staff numbers

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

	2018	2017
	No.	No.
Teachers	12	14
Administration and support	96	91
Management	3	3
	<u>111</u>	<u>108</u>

Average headcount expressed as a full time equivalent:

	2018	2017
	No.	No.
Teachers	12	12
Administration and support	61	56
Management	3	3
	<u>76</u>	<u>71</u>

c. Higher paid staff

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

	2018	2017
	No.	No.
In the band £60,001 - £70,000	1	1
In the band £70,001 - £80,000	1	1

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

10. STAFF COSTS (continued)

d. Key management personnel

The key management personnel of the Academy comprise the Trustees (who do not receive remuneration for their role as Trustees) and the Senior Leadership Team as listed on page 1. The total amount of employee benefits (including employer national insurance and pension contributions) received by key management personnel for their services to the Academy was £258,274 (2017: £253,358).

As Staff Trustees are not remunerated in respect of their role as Trustee, where Staff Trustees do not form part of the key management personnel other than in their role as Trustee, their remuneration as set out in note 11 has not been included in the total benefits received by key management personnel above.

11. TRUSTEES' REMUNERATION AND EXPENSES

The Head Teacher and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Head Teacher and staff under their contracts of employment, and not in respect of their services as Trustees. Other Trustees did not receive any payments, other than expenses, from the Academy in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows: B Douglas (Head Teacher): Remuneration £75,000 - £80,000 (2017: £70,000 - £75,000) , Employer's pension contributions £10,000 - £15,000 (2017: £10,000 - £15,000), R Holt: Remuneration £55,000 - £60,000 (2017: £55,000 - £60,000), Employer's pension contributions £5,000 - £10,000 (2017: £5,000 - £10,000), S Marshall: Remuneration £25,000 - £30,000 (2017: £25,000 - £30,000), Employer's pension contributions £5,000 - £10,000 (2017: £5,000 - £10,000).

Other related party transactions involving the Trustees are set out in note 24.

During the year, no Trustees received any benefits in kind (2017: £NIL).

During the year ended 31 August 2018, expenses totalling £162 (2017: £440) were reimbursed to 2 Trustees (2017: 2).

12. TRUSTEES' AND OFFICERS' INSURANCE

The academy trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. It is not possible to quantify the Trustees and officers indemnity element from the overall cost of the RPA scheme.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

13. TANGIBLE FIXED ASSETS

	Leasehold property	Furniture and fixtures	Computer equipment	Total
COST				
At 1 September 2017	6,322,000	104,464	59,559	6,486,023
Additions	10,178	11,173	7,488	28,839
At 31 August 2018	<u>6,332,178</u>	<u>115,637</u>	<u>67,047</u>	<u>6,514,862</u>
DEPRECIATION				
At 1 September 2017	583,654	65,649	49,883	699,186
Charge for the year	116,731	14,437	6,375	137,543
At 31 August 2018	<u>700,385</u>	<u>80,086</u>	<u>56,258</u>	<u>836,729</u>
NET BOOK VALUE				
At 31 August 2018	<u>5,631,793</u>	<u>35,551</u>	<u>10,789</u>	<u>5,678,133</u>
At 31 August 2017	<u>5,738,346</u>	<u>38,815</u>	<u>9,676</u>	<u>5,786,837</u>

14. DEBTORS

	2018 £	2017 £
DUE AFTER MORE THAN ONE YEAR		
Other debtors	36,000	48,000
DUE WITHIN ONE YEAR		
Trade debtors	1,781	16,179
VAT recoverable	3,766	5,213
Other debtors	16,000	12,030
Prepayments and accrued income	15,295	14,889
	<u>72,842</u>	<u>96,311</u>

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £	2017 £
Trade creditors	27,140	32,056
Other taxation and social security	30,656	33,953
Other creditors	46,876	44,619
Accruals and deferred income	22,949	12,310
	<u>127,621</u>	<u>122,938</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR (continued)

	2018	2017
	£	£
DEFERRED INCOME		
Deferred income at 1 September 2017	1,217	2,911
Resources deferred during the year	3,264	1,217
Amounts released from previous years	(1,217)	(2,911)
	<u>3,264</u>	<u>1,217</u>
Deferred income at 31 August 2018	<u>3,264</u>	<u>1,217</u>

At the balance sheet date the Academy was holding funds received in advance primarily for school meals for the autumn term 2018.

16. FINANCIAL INSTRUMENTS

	2018	2017
	£	£
Financial assets measured at amortised cost	188,970	576,746
	<u>188,970</u>	<u>576,746</u>
Financial liabilities measured at amortised cost	93,701	87,768
	<u>93,701</u>	<u>87,768</u>

Financial assets measured at amortised cost comprise cash and cash equivalents, trade debtors, accrued income and other debtors.

Financial liabilities measured at amortised cost comprise trade creditors, accruals and other creditors.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

17. STATEMENT OF FUNDS

	Brought forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried forward £
UNRESTRICTED FUNDS						
General funds	216,522	41,524	(197,866)	-	-	60,180
Unrestricted fixed assets	3,890	-	(3,400)	-	-	490
	<u>220,412</u>	<u>41,524</u>	<u>(201,266)</u>	<u>-</u>	<u>-</u>	<u>60,670</u>
RESTRICTED FUNDS						
General Annual Grant (GAG)	199,602	879,449	(1,079,051)	-	-	-
Local Authority grants	14,787	1,351,829	(1,349,322)	-	-	17,294
Donations	-	5,252	(5,252)	-	-	-
Pupil premium	-	17,985	(17,985)	-	-	-
Devolved formula capital	14,424	-	(1,224)	(13,200)	-	-
Free School Meals	-	3,496	(3,496)	-	-	-
PE grant	15,288	16,280	(22,575)	(8,993)	-	-
Year 7 catch up	5,761	-	(5,761)	-	-	-
Pension reserve	(3,514,000)	-	(383,000)	-	740,000	(3,157,000)
	<u>(3,264,138)</u>	<u>2,274,291</u>	<u>(2,867,666)</u>	<u>(22,193)</u>	<u>740,000</u>	<u>(3,139,706)</u>
RESTRICTED FIXED ASSETS FUNDS						
Fixed assets purchased from GAG and other restricted funds	16,703	-	(8,565)	8,993	-	17,131
DfE/ESFA Capital grants	2,583	6,646	(2,909)	13,200	-	19,520
Donations	25,315	-	(5,938)	-	-	19,377
Fixed assets transferred on conversion	5,738,346	-	(116,731)	-	-	5,621,615
	<u>5,782,947</u>	<u>6,646</u>	<u>(134,143)</u>	<u>22,193</u>	<u>-</u>	<u>5,677,643</u>
Total restricted funds	<u>2,518,809</u>	<u>2,280,937</u>	<u>(3,001,809)</u>	<u>-</u>	<u>740,000</u>	<u>2,537,937</u>
Total of funds	<u><u>2,739,221</u></u>	<u><u>2,322,461</u></u>	<u><u>(3,203,075)</u></u>	<u><u>-</u></u>	<u><u>740,000</u></u>	<u><u>2,598,607</u></u>

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

Unrestricted Fund

Unrestricted fixed asset funds relate to the net book value of fixed assets purchased using unrestricted funds.

Restricted Funds

General Annual Grant - Income from the ESFA which is to be used for the normal running costs of the Academy, including education and support costs. During the year £5,247 (2016: £13,537) was transferred

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NOTES TO THE FINANCIAL STATEMENTS
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17. STATEMENT OF FUNDS (continued)

to the restricted fixed asset fund to represent fixed assets purchased from GAG.

Local Authority Grants - Funding received by the Local Authority to fund further support for student with additional needs.

Donations - Miscellaneous donations given for a specific purpose.

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

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

Free School Meals - Funding to provide free school meals to eligible students.

PE Grant - This represents funding received from the ESFA and must be used to fund improvements to the provision of PE and sport, for the benefit of primary-aged pupils, so that they develop healthy lifestyles.

Pension reserve - This represents the Academy's share of the assets and liabilities in the Local Government Pension Scheme. As with most pension schemes this is currently in deficit due to an excess of scheme liabilities over scheme assets which was inherited on conversion to an Academy.

Restricted Fixed Asset Funds

Fixed assets purchased from GAG and other restricted funds - This represents the net book value of fixed assets purchased using GAG and other restricted funds.

DfE/ESFA Capital grants - These funds were received for expenditure on fixed asset projects. The fixed asset fund balance at the year end represents the NBV of assets purchased using these funds.

Donations - These funds were received for expenditure on fixed asset projects. The fixed asset fund balance at the year end represents the NBV of assets purchased using these funds.

Fixed assets transferred on conversion - This represents the land & buildings donated to the School on a long term lease on conversion to an Academy.

Other Information

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2018.

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
GENERAL FUNDS						
General funds	181,252	45,321	(10,051)	-	-	216,522
Unrestricted fixed assets	11,029	-	(7,139)	-	-	3,890
	<u>192,281</u>	<u>45,321</u>	<u>(17,190)</u>	<u>-</u>	<u>-</u>	<u>220,412</u>

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NOTES TO THE FINANCIAL STATEMENTS
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17. STATEMENT OF FUNDS (continued)

RESTRICTED FUNDS

General Annual Grant (GAG)	211,602	893,479	(900,232)	(5,247)	-	199,602
Local Authority grants	8,000	1,574,212	(1,567,425)	-	-	14,787
Donations	-	2,341	(2,341)	-	-	-
Pupil premium	-	18,535	(18,535)	-	-	-
Devolved formula capital	9,572	6,647	-	(1,795)	-	14,424
Free School Meals	-	5,536	(5,536)	-	-	-
PE grant	11,413	8,130	(4,255)	-	-	15,288
Year 7 catch up	3,261	2,500	-	-	-	5,761
Pension reserve	(3,289,000)	-	(274,000)	-	49,000	(3,514,000)
	<u>(3,045,152)</u>	<u>2,511,380</u>	<u>(2,772,324)</u>	<u>(7,042)</u>	<u>49,000</u>	<u>(3,264,138)</u>

RESTRICTED FIXED ASSETS FUNDS

Fixed assets purchased from GAG and other restricted funds	17,824	-	(6,368)	5,247	-	16,703
DfE/ESFA Capital grants	2,054	-	(1,266)	1,795	-	2,583
Donations	29,691	-	(4,376)	-	-	25,315
Fixed assets transferred on conversion	5,855,077	-	(116,731)	-	-	5,738,346
	<u>5,904,646</u>	<u>-</u>	<u>(128,741)</u>	<u>7,042</u>	<u>-</u>	<u>5,782,947</u>
Total restricted funds	<u>2,859,494</u>	<u>2,511,380</u>	<u>(2,901,065)</u>	<u>-</u>	<u>49,000</u>	<u>2,518,809</u>
Total of funds	<u><u>3,051,775</u></u>	<u><u>2,556,701</u></u>	<u><u>(2,918,255)</u></u>	<u><u>-</u></u>	<u><u>49,000</u></u>	<u><u>2,739,221</u></u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	490	-	5,677,643	5,678,133
Debtors due after more than 1 year	36,000	-	-	36,000
Current assets	151,801	17,294	-	169,095
Creditors due within one year	(127,621)	-	-	(127,621)
Pension scheme liability	-	(3,157,000)	-	(3,157,000)
	<u>60,670</u>	<u>(3,139,706)</u>	<u>5,677,643</u>	<u>2,598,607</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	3,890	-	5,782,947	5,786,837
Debtors due after more than 1 year	48,000	-	-	48,000
Current assets	169,739	371,583	-	541,322
Creditors due within one year	(1,217)	(121,721)	-	(122,938)
Pension scheme liability	-	(3,514,000)	-	(3,514,000)
	<u>220,412</u>	<u>(3,264,138)</u>	<u>5,782,947</u>	<u>2,739,221</u>

19. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2018 £	2017 £
Net expenditure for the year (as per Statement of Financial Activities)	(880,614)	(361,554)
Adjustment for:		
Depreciation charges	137,543	135,880
Interest received	(261)	(396)
Profit on the sale of fixed assets	-	(7,350)
Decrease in stocks	900	-
Decrease in debtors	23,469	16,866
Increase/(decrease) in creditors	4,683	(22,843)
Defined benefit pension scheme cost less contributions payable	292,000	203,000
Defined benefit pension scheme finance cost	91,000	71,000
Net cash (used in)/provided by operating activities	<u>(331,280)</u>	<u>34,603</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

20. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2018	2017
	£	£
Cash at bank and in hand	132,253	492,111
	<u>132,253</u>	<u>492,111</u>

21. 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 Dorset County Council. 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

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay, including a 0.08% employer administration charge.
- 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%.

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

21. PENSION COMMITMENTS (continued)

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 £114,513 (2017: £109,623).

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 2018 was £290,000 (2017: £249,000), of which employer's contributions totalled £223,000 (2017: £189,000) and employees' contributions totalled £67,000 (2017: £60,000). The agreed contribution rates for future years are 18.8% for employers and 5.5 - 12.5% for employees.

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

Principal actuarial assumptions:

	2018	2017
Discount rate for scheme liabilities	2.65 %	2.60 %
Rate of increase in salaries	3.80 %	4.20 %
Rate of increase for pensions in payment / inflation	2.30 %	2.70 %
Inflation assumption (CPI)	2.30 %	2.70 %

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

	2018	2017
Retiring today		
Males	24.0	23.9
Females	26.1	26.0
Retiring in 20 years		
Males	26.3	26.2
Females	28.5	28.3

Sensitivity analysis	At 31 August 2018 £	At 31 August 2017 £
Discount rate +0.1%	152,000	155,000
Discount rate -0.1%	(157,000)	(159,000)
Mortality assumption - 1 year increase	(186,000)	(187,000)
Mortality assumption - 1 year decrease	180,000	181,000
CPI rate +0.1%	(135,000)	(127,000)
CPI rate -0.1%	131,000	124,000

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

21. PENSION COMMITMENTS (continued)

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

	Fair value at 31 August 2018 £	Fair value at 31 August 2017 £
Equities	1,357,000	1,214,000
Liability driven investments	311,000	293,000
Property	252,000	194,000
Cash	23,000	59,000
Other	370,000	193,000
Other bonds	172,000	250,000
	<u>2,485,000</u>	<u>2,203,000</u>

The actual return on scheme assets was £53,000 (2017: £277,000).

The amounts recognised in the Statement of Financial Activities are as follows:

	2018 £	2017 £
Current service cost	(515,000)	(392,000)
Interest income	58,000	42,000
Interest cost	(149,000)	(113,000)
	<u>(606,000)</u>	<u>(463,000)</u>

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

	2018 £	2017 £
Opening defined benefit obligation	5,717,000	5,135,000
Current service cost	515,000	392,000
Interest cost	149,000	113,000
Employee contributions	67,000	60,000
Actuarial (gains)/losses	(747,000)	33,000
Benefits paid	(59,000)	(16,000)
	<u>5,642,000</u>	<u>5,717,000</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

21. PENSION COMMITMENTS (continued)

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

	2018	2017
	£	£
Opening fair value of scheme assets	2,203,000	1,846,000
Interest income	60,000	43,000
Actuarial gains/(losses)	(7,000)	82,000
Employer contributions	223,000	189,000
Employee contributions	67,000	60,000
Benefits paid	(59,000)	(16,000)
Administration expenses	(2,000)	(1,000)
	<hr/>	<hr/>
Closing fair value of scheme assets	2,485,000	2,203,000
	<hr/> <hr/>	<hr/> <hr/>

22. OPERATING LEASE COMMITMENTS

At 31 August 2018 the total of the Academy's future minimum lease payments under non-cancellable non land and buildings operating leases was:

	2018	2017
	£	£
AMOUNTS PAYABLE:		
Within 1 year	13,948	12,863
Between 1 and 5 years	36,910	48,964
	<hr/>	<hr/>
Total	50,858	61,827
	<hr/> <hr/>	<hr/> <hr/>

23. MEMBERS' LIABILITY

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

24. RELATED PARTY TRANSACTIONS

Owing to the nature of the Academy and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which Trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and with the trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

Other than as detailed below no related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 11.

The following related party transactions took place in the year:

The Trustees have used the services of R Cole, The Business & Finance Manager of The Wey Valley School and Sports College to perform the role of Responsible Officer.

In addition, remuneration paid to staff Trustees is set out in note 11 to the financial statements.

25. AGENCY ARRANGEMENTS

Due to the complex nature of the students, the Academy manages the 16-19 bursary funds for students as an agent for the ESFA. This is done by completing a teaching and learning plan based on each students' individual needs and complexities. In the accounting period ending 31 August 2018 the trust received £3,238 and disbursed £2,972 from the fund. An amount of £5,942 (2017 - £5,681) is included in other creditors relating to unspent funds that will be carried forward to the following financial year and re-distributed to the next cohort of 16-19 year olds.

26. GENERAL INFORMATION

Wyvern Academy is a company limited by guarantee, incorporated in England and Wales. The registered office is Dorchester Road, Weymouth, Dorset, DT3 5AL.