

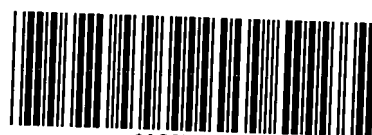
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THE WAPPING AND SHADWELL SECONDARY EDUCATION TRUST

GOVERNORS REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 AUGUST 2013

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THE WAPPING AND SHADWELL SECONDARY EDUCATION TRUST
(A Company Limited by Guarantee)

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THE WAPPING AND SHADWELL SECONDARY EDUCATION TRUST
(A Company Limited by Guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS GOVERNORS AND ADVISERS
FOR THE PERIOD ENDED 31 AUGUST 2013**

Governors Mr P Guenault, Headteacher (appointed 1 September 2012, resigned 31 August 2013)
 Ms K Rowsell, Headteacher (appointed 17 September 2013)
 Mrs M Bakht (appointed 9 November 2011)¹
 Ms S A Black (appointed 28 June 2011, resigned 30 September 2012)¹
 Mr J B Cheyne (appointed 19 October 2010)¹
 Dr K S Comley (appointed 19 October 2010)¹
 Mrs V C I Hinojosa (appointed 9 November 2011)¹
 Mr J L Kemp (appointed 19 October 2010)¹
 Mr K Sharp (appointed 28 June 2011, resigned 31 August 2013)¹
 Mr M Willingale (appointed 9 November 2011)¹
 Mr J Mutton (appointed 1 September 2013)
 Mr D Pilkington (appointed 5 March 2012)

¹ Director of Academy

**Company registered
number**

07412515

**Principal and registered
office**

153 Commercial Road
London
E1 2DA

Chief executive officer

Ms K Rowsell

Independent auditors

Price Bailey LLP
Chartered Accountants
Dashwood House
69 Old Broad Street
London
EC2M 1QS

THE WAPPING AND SHADWELL SECONDARY EDUCATION TRUST
(A Company Limited by Guarantee)

GOVERNORS' REPORT
FOR THE PERIOD ENDED 31 AUGUST 2013

The Directors present their annual report together with the financial statements and auditors' report of The Wapping and Shadwell Secondary Education Trust (the Charitable Company) for the year ended 31 August 2013.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Wapping and Shadwell Secondary Education Trust (WSSET) is a company limited by guarantee and an exempt charity. The Charitable Company's memorandum and articles of association are the primary governing documents of the Academy Trust. The Trustees of the Charitable Company are also the Directors for the purposes of company law. The terms Trustee, Director and Governor are interchangeable.

Governance

Details of the Trustees who served throughout the year are included in the Reference and Administrative Details section on page 1.

Member's liability

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

Trustee Indemnities

In accordance with normal commercial practice the academy has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 on any one claim.

Principal Activity

The principal activity of the Charitable Company is to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum. This activity is achieved by the running of Wapping High School. The school is an 11-16 secondary school with a priority admissions area of Wapping and Shadwell, Tower Hamlets. In the academic year 2012/2013 there were 36 children on roll in Year 7, this will increase to 420 children across 5 years by 2016.

During the period June 2012 to August 2013 three distinct areas of work were undertaken by WSSET: Preparing the school for opening (up to Sept '12), running the school (Sept '12 onwards), managing the re-design and refurbishment of the permanent premises (up to Sept '13).

Method of recruitment and appointment or election of Trustees

The Members of the Trust are responsible for the appointment of Governors except three co-opted Governors, two parent Governors and two staff Governors who will be appointed through an election process directed by the governing body. In the event that these positions are not filled, the members of the Trust are able to appoint to these positions. Except for the Principal Sponsors and the Headteacher, Governors are subject to retirement after 4 years of service but are eligible for re-appointment or re-election at the meeting at which they retire.

Induction and training of Governors

All Governors are given the opportunity to attend training sessions. Each year all members of the Governing body are offered updates on relevant issues and changes in legislation etc. The topics covered are regularly reviewed to ensure that Governors are kept up to date as far as possible. All Governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Governors. On appointment, governors receive information relating to the Trust and the responsibilities of Governors. A more formal approach to training and induction will be put in place in the future and this will include a skills audit to ensure that Governors' experience and expertise is taken into account and used to best effect. This will include the opportunity to meet staff and pupils and visits to the School to improve their understanding and to offer guidance and support.

THE WAPPING AND SHADWELL SECONDARY EDUCATION TRUST
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GOVERNORS' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2013

Organisational Structure

The governance of Wapping High School is defined in the Memorandum and Articles of Association together with the funding agreement with the Department of Education.

The Governing Body, which meets on at least 6 occasions per year, is responsible for the strategic direction of the academy. The Governing Body reviews progress towards educational objectives and results. They also approve major expenditure requests, set the budget for the following year, and set the organisational staffing structure, agrees the performance objectives of the Headteacher with the School Improvement Partner, and reviews them.

All Governors are members of the Full Governing Body. In addition Governors are members of one of two sub-committees, the terms of reference for which are reviewed annually, who report to the Full Governing Body.

- Finance and Resources Committee – this meets at least six 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 and drafting the annual budget including setting staffing levels. The committee also considers matters relating to health and safety, premises, and related issues.
- Learning Committee – this meets twice a 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.

The Headteacher is the designated Accounting Officer of the academy and has overall responsibility for the day to day financial management of the Charitable Company. The Headteacher has delegated responsibility for low values of expenditure to specific budget holders who are each responsible for managing their own departments within the constraints of their allocated budgets. A system of financial controls is in place to manage this process.

The Headteacher manages the academy on a daily basis supported by a Senior Leadership Team. The Senior Leadership Team meets frequently to discuss emerging matters and to help to develop strategies for future development to be put to the Headteacher and the Governing Body as required for approval. Each member of the Senior Leadership Team has specific responsibilities to assist the Headteacher to manage certain aspects of the academy.

Risk Management

The school moved into new premises at the beginning of September 2013 and is currently in the process of assessing the current risks with a view to completing a risk register in the new year.

Connected Organisations and Related Parties

Owing to the nature of the academy's operations, its current stage of development and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with individual governors or organisations in which a governor has an interest. All transactions involving individual governors or such organisations are conducted at arm's length and in accordance with the academy's financial regulations and normal procurement procedures. Where Governors provide consultancy services careful scrutiny has been made by the governing body to ensure that these services offer value for money and expertise which would not readily be found elsewhere.

Wapping High School is developing strong links with local Primary Schools, which will lead to smooth transition from Primary to Secondary education for the majority of students and in turn this will contribute to the community ethos upheld by the school and underpinned by its Admissions Policy.

OBJECTIVES AND ACTIVITIES

Objects and Aims

Our aims and objectives are:

1. The number of students achieving a grade A* – C in English and Maths exceed 75%.
2. The number of students achieving a grade A* – C in the English Baccalaureate exceed the national average.
3. On leaving the school all students continue their education and no students become classified as "Not in education, employment or training".
4. The demographic of students at the school reflect the demographics of Wapping and Shadwell.
5. Students' enjoyment of school is reflected by higher than average levels of attendance.
6. The school is oversubscribed.
7. No student is excluded.
8. The school consistently attracts and retains high-quality teachers.

THE WAPPING AND SHADWELL SECONDARY EDUCATION TRUST
(A Company Limited by Guarantee)

GOVERNORS' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2013

9. Every lesson is judged to be good or better.
10. The school is judged to be outstanding by Ofsted.
11. Feedback in annual questionnaires from students, parents and other stakeholders is positive.
12. Bullying, racism or other forms of harassment, intimidation or violence will never be tolerated and will always be dealt with immediately.
13. The school is invited, and partakes, in events in the local and wider community.
14. The school delivers its aims and objectives sustainably and within budget.
15. All school employees receive performance management and access professional development and training.

During the year the school has worked towards achieving these aims by:

- ensuring that every child enjoys the same high quality education in terms of resourcing, tuition and care;
- recruiting highly competent teachers ranging from NQTs to specialist subject leaders
- improving the effectiveness of the academy by keeping the curriculum and organisational structure under continual review;
- providing value for money for the funds expended;
- complying with all appropriate statutory and curriculum requirements;
- conducting the academy's business in accordance with the highest standards of integrity

Wapping and Shadwell are home to eight well-supported primary schools, attended by around 2,000 pupils drawn from a genuinely mixed community. Historically on reaching the age of 11, many of these children had no obvious secondary school to go to. Each year a significant number of families moved out of the area as a result of this lack of provision. The creation of Wapping High School in 2012 met the needs of the local community.

Wapping High School is an ambitious community-driven school that brings an inspiring and engaging education to students in East London. Located in an area of significant diversity and challenge, the school aims to deliver better outcomes and broader horizons to young people. The school focuses on personalised learning, tailored to the abilities of every student. The core curriculum sits alongside a diverse enrichment programme, which motivates students and draws out hidden talents.

Equal opportunities policy

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

Public Benefit

The Trustees believe that by working towards the objects and aims of the school as detailed above, they have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission.

ACHIEVEMENTS AND PERFORMANCE

Achievements and performance

36 Year 7 students were on roll during 2012/2013. The reduced intake had been agreed with the DfE prior to opening as a consequence of the use of temporary accommodation and the late signing of the funding agreement. Active promotion of the school during the year resulted in the school being oversubscribed for Year 7 at the start of 2013/2014 and an increase in the number on roll in Year 8.

Throughout the year the school successfully delivered an enrichment programme alongside the main curriculum. Through the enrichment programme children were able to participate in a wide range of activities including circus skills, Japanese, canoeing and rock climbing. These sessions were delivered by staff, tutors and coaches many offering their services on a voluntary basis.

Going concern

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

THE WAPPING AND SHADWELL SECONDARY EDUCATION TRUST
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GOVERNORS' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2013

FINANCIAL REVIEW

Financial Review

Pre-opening phase (until September '12)

During this period the principal source of funding for the Trust was via a project management and education services grant and a lead-in grant provided by the EFA. The total sum received for this period was £187k. The budget was restricted and grant money was claimed by providing relevant invoices. A small surplus of approximately £1000 was left unclaimed at the end of the period.

Re-design and refurbishment of premises

The costs to cover the re-design and refurbishment of both the temporary and permanent premises were provided by the a number of restricted grants provided by the EFA. The overall value of these grants was £5.7m. The budget was restricted and grant money was claimed by providing relevant invoices. A redesign of the 6th floor mezzanine and additional requirements for FF&E and ICT resulted in a overspend of approximately £50k. The shortfall was made up from school revenue funding.

Running the school

The principal source of funding for the operation of the school is the General Annual Grant (GAG) and other grants that it receives from the EFA. For the period ended 31 August 2013 the Trust received £1.52m of GAG and other funding. A high percentage of this income is spent on wages and salaries and support costs to deliver the Academy's primary objective of the provision of education.

Principal risks and uncertainties

The Directors assess the principal risks and uncertainties facing the Trust as follows:

- Financial - the academy has considerable reliance on continued Government funding through the EFA. In the last year 99.2% of the academy's incoming resources were ultimately Government funded and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.
- 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 Governors continue to review and ensure that appropriate measures are in place to mitigate these risks.
- Reputational - the continuing success of the academy is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Governors ensure that student success and achievement are closely monitored and reviewed.
- Safeguarding and child protection - the Governors 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 on the quality of its staff and so the Governors monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.
- Fraud and mismanagement of funds - The governors of the academy carried out a significant review of financial procedures that were in place during the accounting year and have appointed an internal auditor to carry out checks on financial systems and records as required by the Academy Financial Handbook for future years.

Reserves policy

The Governors are aware of the requirement to balance current and future needs and always aim to set a balanced budget with annual income balancing annual expenditure. Where possible a small surplus is aimed for for future funding requirements.

The cash balance of the Academy has been very healthy all year, ending the year at £704,510. As at 31 August 2013 the Academy held unrestricted reserves of £28,185.

THE WAPPING AND SHADWELL SECONDARY EDUCATION TRUST
(A Company Limited by Guarantee)

GOVERNORS' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2013

Investment policy

The Governors kept a mixture of cash on current and deposit accounts to ensure the School's cash flow was able to cope with the regular and varied demands of the ongoing refurbishment. The Academy has a policy of investing its cash balances with a view to maximising returns, but where greater weight is assigned to the safety of the investment.

PLANS FOR FUTURE PERIODS

Wapping High School strives to continually improve levels of attainment for all students, equipping them with the qualifications, skills and character to follow their chosen pathway, whether into further and higher education or employment. The curriculum, the quality of teaching and learning and informed interventions are kept under review to help every child achieve their full potential.

The academy believes that developing the whole child is critical to improving levels of attainment and in developing broader skills and character that will develop students' commitment to lifelong learning and enrich their quality of life. To this extent, the academy strives to provide exceptional behaviour and attendance management support to its students and to offer a broad range of enrichment activities which form part of the core curriculum. The School will continue to raise standards for all students and the school improvement strategies are focused on ensuring that all students are supported to make progress towards their aspirational targets.

As the school fills towards full capacity the recruitment of staff and management posts will be in line with strategic staffing and management structures.

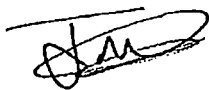
PROVISION OF INFORMATION TO AUDITORS

Insofar 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 the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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

Approved by order of the Board of Trustees on 23 December 2013 and signed on its behalf by:



Mr J B Cheyne
Chair of Governors

THE WAPPING AND SHADWELL SECONDARY EDUCATION TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

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

GOVERNANCE

The information on governance included here supplements that described in the Governors' Report and in the Governors' Responsibilities Statement. The board of trustees has formally met 6 times during the period. Attendance during the period at meetings of the board of trustees was as follows:

Governor	Meetings attended	Out of a possible
Mr P Guenault, Headteacher	4	5
Ms K Rowsell, Headteacher	0	0
Mrs M Bakht	2	5
Ms S A Black	1	3
Mr J B Cheyne	5	5
Dr K S Comley	5	5
Mrs V C I Hinojosa	5	5
Mr J L Kemp	5	5
Mr K Sharp	4	5
Mr M Willingale	5	5
Mr J Mutton	3	3
Mr D Pilkington	3	3

The Finance and General Purposes Committee is a sub-committee of the main board of trustees. Its purpose is to address financial matters.

Attendance at meetings in the period was as follows:

Governor	Meetings attended	Out of a possible
Mr P Guenault, Headteacher	4	5
Mr J L Kemp	5	5
Mrs M Bakht	2	5
Mr K Sharp	4	5

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 The Wapping and Shadwell Secondary Education Trust for the period 1 September 2012 to 31 August 2013 and up to the date of approval of the annual report and financial statements.

THE WAPPING AND SHADWELL SECONDARY EDUCATION TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (continued)

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 period 1 September 2012 to 31 August 2013 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:

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

The governors appointed Mr K Sharp (a governor) as responsible officer but he resigned before completing a report. Due to the significant work undertaken by the governors in reviewing the financial and other procedures in place during the year the governors decided not to appoint another responsible officer or an internal auditor during the period. The board of trustees has again considered the need for a specific internal audit function in future and has now decided to appoint Price Bailey LLP as internal auditor.

The internal auditor's role will include giving advice on financial matters and performing a range of checks on the academy's financial systems. On a termly basis, the internal auditor will report to the board of trustees on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

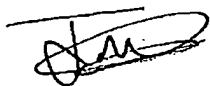
REVIEW OF EFFECTIVENESS

As Accounting Officer, the Headteacher has responsibility for reviewing the effectiveness of the system of internal control.

The current Accounting Officer took over the post on 17 September 2013 and thus was not incumbent during the period in question. As such their ability to review the effectiveness of internal controls operating during the period has been limited, and reliance has been taken from the Governors' review of the Academy's finances as noted above as well as the work of the external auditors.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control 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 23 December 2013 and signed on their behalf, by:



Mr J B Cheyne
Chair of Governors



Ms K Rowsell
Accounting Officer

THE WAPPING AND SHADWELL SECONDARY EDUCATION TRUST
(A Company Limited by Guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of The Wapping and Shadwell Secondary Education Trust I have considered my responsibility to notify the academy board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook (2012).

I confirm that I and the academy board of trustees are able to identify any material, irregular or improper use of funds by the academy, or material non-compliance with the terms and conditions of funding under the academy's funding agreement and the Academies Financial Handbook (2012).

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date

Karin Rowsell

Ms K Rowsell
Accounting Officer
Appointed: 17 September 2013

Date: 23 December 2013

THE WAPPING AND SHADWELL SECONDARY EDUCATION TRUST
(A Company Limited by Guarantee)

GOVERNORS' RESPONSIBILITIES STATEMENT
FOR THE PERIOD ENDED 31 AUGUST 2013

The Governors (who act as governors of The Wapping and Shadwell Secondary Education Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Governors' Report and the financial statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Governors to prepare financial statements for each financial year. Under company law the Governors 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 Governors are required to:

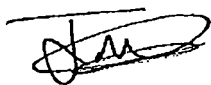
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

Approved by order of the members of the board of trustees on 23 December 2013 and signed on its behalf by:



Mr J B Cheyne
Chair of Governors

THE WAPPING AND SHADWELL SECONDARY EDUCATION TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE WAPPING AND SHADWELL
SECONDARY EDUCATION TRUST**

We have audited the financial statements of The Wapping and Shadwell Secondary Education Trust for the period ended 31 August 2013 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2013 issued by the Education Funding Agency.

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

RESPECTIVE RESPONSIBILITIES OF GOVERNORS AND AUDITORS

As explained more fully in the Governors' Responsibilities Statement, the Governors (who are also the directors of the academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the academy's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Governors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Governors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2013 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2013 issued by the Education Funding Agency.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Governors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

THE WAPPING AND SHADWELL SECONDARY EDUCATION TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE WAPPING AND SHADWELL
SECONDARY EDUCATION TRUST**

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

Gary Miller (Senior Statutory Auditor)

for and on behalf of

Price Bailey LLP

Chartered Accountants
Statutory Auditors

Dashwood House
69 Old Broad Street
London
EC2M 1QS
24 December 2013

THE WAPPING AND SHADWELL SECONDARY EDUCATION TRUST
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO THE
WAPPING AND SHADWELL SECONDARY EDUCATION TRUST AND THE EDUCATION FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 24 April 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Wapping and Shadwell Secondary Education Trust during the period 1 September 2012 to 31 August 2013 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

**RESPECTIVE RESPONSIBILITIES OF THE WAPPING AND SHADWELL SECONDARY EDUCATION TRUST'S
ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT**

The accounting officer is responsible, under the requirements of The Wapping and Shadwell Secondary Education Trust's funding agreement with the Secretary of State for Education dated 6 July 2012, and the Academies Financial Handbook extant from 1 September 2012, 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 2013. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2012 to 31 August 2013 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 2013 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- Consideration and corroboration of the evidence supporting the accounting officers' statement on regularity, propriety and compliance.
- Evaluation of the general control environment of the academy trust, extending the procedures required for financial statements to include regularity.
- Discussions with and representations from the Accounting Officer and other Key management personnel.
- An extension of substantive testing from our audit of the financial statements to cover matters pertaining to regularity, propriety and compliance in particular checking that selected items were appropriately authorised, and appropriate.

THE WAPPING AND SHADWELL SECONDARY EDUCATION TRUST
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO THE
WAPPING AND SHADWELL SECONDARY EDUCATION TRUST AND THE EDUCATION FUNDING AGENCY**
(continued)

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2012 to 31 August 2013 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Price Bailey LLP

Chartered Accountants

Dashwood House
69 Old Broad Street
London
EC2M 1QS

24 December 2013

THE WAPPING AND SHADWELL SECONDARY EDUCATION TRUST
(A Company Limited by Guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating Income and Expenditure Account and Statement of Recognised Gains and Losses)
FOR THE PERIOD ENDED 31 AUGUST 2013

	Note	Unrestricted funds 2013 £	Restricted funds 2013 £	Restricted fixed asset funds 2013 £	Total funds 2013 £
INCOMING RESOURCES					
Incoming resources from generated funds:					
Voluntary income	2	4,056	3,178	-	7,234
Activities for generating funds	3	23,386	-	-	23,386
Investment income	4	743	-	-	743
Incoming resources from charitable activities	5	-	1,540,060	5,899,664	7,439,724
TOTAL INCOMING RESOURCES		28,185	1,543,238	5,899,664	7,471,087
RESOURCES EXPENDED					
Charitable activities	7	-	1,343,214	219,258	1,562,472
Governance costs	6	-	27,969	-	27,969
TOTAL RESOURCES EXPENDED	8	-	1,371,183	219,258	1,590,441
MOVEMENT IN TOTAL FUNDS FOR THE YEAR - NET INCOME FOR THE YEAR		28,185	172,055	5,680,406	5,880,646
Total funds at 1 June 2012		-	-	-	-
TOTAL FUNDS AT 31 AUGUST 2013		28,185	172,055	5,680,406	5,880,646

All of the academy's activities derive from continuing operations in the current financial period.

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

The notes on pages 18 to 28 form part of these financial statements.

THE WAPPING AND SHADWELL SECONDARY EDUCATION TRUST

**(A Company Limited by Guarantee)
REGISTERED NUMBER: 07412515**

**BALANCE SHEET
AS AT 31 AUGUST 2013**

	Note	£	2013 £
FIXED ASSETS			
Tangible assets	13		5,680,406
CURRENT ASSETS			
Debtors	14	834,830	
Cash at bank and in hand		704,510	
		<u>1,539,340</u>	
CREDITORS: amounts falling due within one year	15	<u>(1,339,100)</u>	
NET CURRENT ASSETS			200,240
NET ASSETS			<u>5,880,646</u>
FUNDS OF THE ACADEMY			
Restricted funds :			
Restricted funds	16	172,055	
Restricted fixed asset funds	16	<u>5,680,406</u>	
Total restricted funds			5,852,461
Unrestricted funds	16		<u>28,185</u>
TOTAL FUNDS			<u>5,880,646</u>

The financial statements were approved by the Governors, and authorised for issue, on 23 December 2013 and are signed on their behalf, by:



**Mr J B Cheyne
Chair of Governors**

The notes on pages 18 to 28 form part of these financial statements.

THE WAPPING AND SHADWELL SECONDARY EDUCATION TRUST
(A Company Limited by Guarantee)

CASH FLOW STATEMENT
FOR THE PERIOD ENDED 31 AUGUST 2013

	Note	2013 £
Net cash flow from operating activities	18	6,229,166
Returns on investments and servicing of finance - Interest received		743
Capital expenditure - purchase of tangible fixed assets		(5,525,399)
INCREASE IN CASH IN THE YEAR		<u><u>704,510</u></u>

All of the cash flows are derived from acquisitions in the current financial year.

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
FOR THE PERIOD ENDED 31 AUGUST 2013

	2013 £
Increase in cash in the year	<u>704,510</u>
MOVEMENT IN NET FUNDS IN THE YEAR	<u>704,510</u>
NET FUNDS AT 31 AUGUST 2013	<u><u>704,510</u></u>

The notes on pages 18 to 28 form part of these financial statements.

THE WAPPING AND SHADWELL SECONDARY EDUCATION TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2013

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, the Academies Accounts Direction 2013 issued by the EFA, applicable accounting standards and the Companies Act 2006.

1.2 Fund accounting

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

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

Restricted general funds comprise all other restricted funds received and include grants from the Department for Education.

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

1.3 Incoming resources

All incoming resources are included in the Statement of Financial Activities when the academy has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

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

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund. Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

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

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

1.4 Resources expended

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

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

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

Where an expense is deemed to be for business purposes i.e. not in relation to the Academy's charitable purpose, the expenditure this relates to will include irrecoverable VAT.

THE WAPPING AND SHADWELL SECONDARY EDUCATION TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2013

1. ACCOUNTING POLICIES (continued)

1.5 Going concern

The Governors 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 Governors make this assessment in respect of a period of one year from the date of approval of the financial statements.

1.6 Tangible fixed assets and depreciation

All assets costing more than £500 are capitalised.

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

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives. In the current period no depreciation has been charged, as the Academy's acquired assets only came into use at the end of the period.

1.7 Operating leases

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

1.8 Taxation

The Academy is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Academy is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.9 Pensions

Retirement benefits to employees of the Academy are provided by the Teachers' Pension Scheme ("TPS"). This is a defined benefit schemes and the assets are held separately from those of the Academy.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 20, the TPS is a multi-employer scheme and the Academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

THE WAPPING AND SHADWELL SECONDARY EDUCATION TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2013**

2. VOLUNTARY INCOME

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £
Donations	4,056	3,178	7,234

3. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £
Catering	1,773	-	1,773
Other activities	21,613	-	21,613
	23,386	-	23,386

4. INVESTMENT INCOME

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £
Bank interest	743	-	743

5. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £
DfE/EFA grants			
General Annual Grant (GAG)	-	479,276	479,276
Other DfE / EFA grants	-	6,534,266	6,534,266
Startup grants	-	412,983	412,983
	-	7,426,525	7,426,525
Other government grants			
Local authority grants	-	13,199	13,199
	-	13,199	13,199
	-	7,439,724	7,439,724

THE WAPPING AND SHADWELL SECONDARY EDUCATION TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2013**

6. GOVERNANCE COSTS

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £
Auditors' remuneration	-	7,500	7,500
Auditors' non audit costs	-	4,450	4,450
Governors' training	-	273	273
Legal and professional	-	15,746	15,746
	<u>-</u>	<u>27,969</u>	<u>27,969</u>

7. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2013 £	Restricted funds 2013 £	Total funds 2013 £
DIRECT COSTS			
Wages and salaries	-	367,280	367,280
National insurance	-	30,593	30,593
Pension cost	-	45,150	45,150
Educational supplies	-	60,323	60,323
Staff development	-	4,646	4,646
Educational consultancy	-	89,017	89,017
Travel and subsistence	-	13,475	13,475
Supply teaching	-	6,556	6,556
	<u>-</u>	<u>617,040</u>	<u>617,040</u>
SUPPORT COSTS			
Wages and salaries	-	68,228	68,228
National insurance	-	5,610	5,610
Pension cost	-	66	66
Depreciation	-	277	277
Technology costs	-	75,569	75,569
Travel and subsistence	-	121	121
Other costs	-	5,364	5,364
Recruitment and support	-	74,277	74,277
Maintenance of premises and equipment	-	209,764	209,764
Cleaning	-	18,567	18,567
Rent	-	410,752	410,752
Energy	-	21,756	21,756
Insurance	-	27,777	27,777
Security	-	230	230
Catering	-	12,538	12,538
Occupancy costs	-	5,415	5,415
Telephone	-	3,638	3,638
Printing, postage and stationery	-	5,483	5,483
	<u>-</u>	<u>945,432</u>	<u>945,432</u>
	<u>-</u>	<u>1,562,472</u>	<u>1,562,472</u>

THE WAPPING AND SHADWELL SECONDARY EDUCATION TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2013

8. ANALYSIS OF RESOURCES EXPENDED BY EXPENDITURE TYPE

	Staff costs 2013 £	Premises 2013 £	Other costs 2013 £	Total 2013 £
Direct costs	443,023	875	173,142	617,040
Support costs	73,904	277,251	594,277	945,432
Charitable activities	516,927	278,126	767,419	1,562,472
Governance	-	-	27,969	27,969
	516,927	278,126	795,388	1,590,441

9. NET INCOMING RESOURCES

This is stated after charging:

	2013 £
Depreciation of tangible fixed assets: - owned by the charity	277
Auditors' remuneration	7,500
Auditors' remuneration - non-audit	4,450

THE WAPPING AND SHADWELL SECONDARY EDUCATION TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2013

10. STAFF COSTS

Staff costs were as follows:

	2013 £
Wages and salaries	404,075
Social security costs	36,203
Other pension costs	45,216
	<hr/>
	485,494
Supply teacher costs	6,556
Compensation payments	31,433
	<hr/>
	523,483
	<hr/>

The average number of persons (including the senior management team) employed by the academy during the period expressed as full time equivalents was as follows:

	2013 No.
Teachers	4
Administration and support	3
Management	1
	<hr/>
	8
	<hr/>

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

	2013 No.
In the band £ 70,001 - £ 80,000	1
	<hr/>

The above employee participated in the Teachers' Pension Scheme. During the year ended 31 August 2013 pension contributions for this member of staff amounted to £15,436.

11. GOVERNORS' REMUNERATION AND EXPENSES

The Principal and other staff Governors only receive remuneration in respect of services they provide undertaking the roles of Principal and staff, and not in respect of their services as Governors. Other Governors did not receive any payments, other than expenses, from the academy in respect of their role as Governors. The value of Governors' remuneration fell within the following bands:

	2013 £'000
Mr P Guenault	115-120
Mr J Mutton	30-35

During the period, no Governors received any reimbursement of expenses in their role as either Governor or staff member.

THE WAPPING AND SHADWELL SECONDARY EDUCATION TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2013**

12. GOVERNORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 on any one claim.

The cost of this insurance is included in the total insurance cost.

13. TANGIBLE FIXED ASSETS

	Leasehold improvements £	Fixtures and fittings £	Computer equipment £	Other fixed assets £	Total £
Cost					
Additions	5,417,664	105,123	143,359	14,537	5,680,683
At 31 August 2013	5,417,664	105,123	143,359	14,537	5,680,683
Depreciation					
Charge for the period	-	277	-	-	277
At 31 August 2013	-	277	-	-	277
Net book value					
At 31 August 2013	5,417,664	104,846	143,359	14,537	5,680,406

14. DEBTORS

	2013 £
Other debtors	731,401
Prepayments and accrued income	103,429
	<u>834,830</u>

**15. CREDITORS:
Amounts falling due within one year**

	2013 £
Trade creditors	165,584
Other taxation and social security	12,242
Other creditors	1,142,573
Accruals and deferred income	18,701
	<u>1,339,100</u>

THE WAPPING AND SHADWELL SECONDARY EDUCATION TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2013**

16. STATEMENT OF FUNDS

	Brought forward £	Incoming resources £	Resources expended £	Carried forward £
Unrestricted funds				
Unrestricted funds	-	28,185	-	28,185
Restricted funds				
General Annual Grant (GAG)	-	479,276	(307,221)	172,055
Pupil Premium	-	17,917	(17,917)	-
SEN	-	13,199	(13,199)	-
Educational trips	-	3,178	(3,178)	-
Start Up Grants	-	412,983	(412,983)	-
EAG (Free school rent)	-	385,285	(385,285)	-
PE teacher funding	-	7,600	(7,600)	-
Other DfE funding	-	223,800	(223,800)	-
	-	1,543,238	(1,371,183)	172,055
Restricted fixed asset funds				
Restricted fixed assets	-	5,899,664	(219,258)	5,680,406
Total restricted funds	-	7,442,902	(1,590,441)	5,852,461
Total of funds	-	7,471,087	(1,590,441)	5,880,646

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

General Annual Grant (GAG)

This represents funding from the EFA to cover the costs of recurrent expenditure.

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 2013.

Pupil Premium

This funding is to be used to raise achievement and improve outcomes for pupils from low income families who are eligible for free school meals.

Special Educational Needs (SEN)

This represents allocated funding for special educational needs pupils.

Educational Trips

This represents contributions made by parents to the running of educational visits for the pupils of the Academy and the associated costs of running the trips.

Start Up Grants

This is funding received from the EFA to fund the Academy in establishing itself as an operational institution.

EAG (Free School Rent)

This is an ear marked grant from the EFA to cover the costs of renting the premises used by the Academy.

THE WAPPING AND SHADWELL SECONDARY EDUCATION TRUST
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2013

16. STATEMENT OF FUNDS (continued)

PE Teacher Funding

These funds are received from the EFA to contribute towards the costs of employing a P.E. teacher at the Academy.

Other DfE Funding

These funds represent amounts received from the DfE to cover initial start up costs of the Academy.

Restricted Fixed Assets

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

SUMMARY OF FUNDS

	Brought forward £	Incoming resources £	Resources expended £	Carried forward £
General funds	-	28,185	-	28,185
Restricted funds	-	1,543,238	(1,371,183)	172,055
Restricted fixed asset funds	-	5,899,664	(219,258)	5,680,406
	<u>-</u>	<u>7,471,087</u>	<u>(1,590,441)</u>	<u>5,880,646</u>

17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2013 £	Restricted funds 2013 £	Restricted fixed asset funds 2013 £	Total funds 2013 £
Tangible fixed assets	-	-	5,680,406	5,680,406
Current assets	28,185	1,511,155	-	1,539,340
Creditors due within one year	-	(1,339,100)	-	(1,339,100)
	<u>28,185</u>	<u>172,055</u>	<u>5,680,406</u>	<u>5,880,646</u>

18. NET CASH FLOW FROM OPERATING ACTIVITIES

	2013 £
Net incoming resources before revaluations	5,880,646
Returns on investments and servicing of finance	(743)
Depreciation of tangible fixed assets	277
Increase in debtors	(834,830)
Increase in creditors	1,183,816
Net cash Inflow from operations	<u><u>6,229,166</u></u>

THE WAPPING AND SHADWELL SECONDARY EDUCATION TRUST
(A Company Limited by Guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2013**

19. ANALYSIS OF CHANGES IN NET FUNDS

	1 September 2012	Cash flow	Other non-cash changes	31 August 2013
	£	£	£	£
Cash at bank and in hand:	-	704,510	-	704,510
Net funds	-	704,510	-	704,510

20. PENSION COMMITMENTS

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010). These regulations apply to teachers in schools that are maintained by local authorities and other educational establishments, including academies, in England and Wales. In addition teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and from 1 January 2007 automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

Contributions amounting to £5,891 were payable to the scheme at 31 August 2013 and are included within creditors.

The Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and are paid by public funds provided by Parliament. 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 under arrangements governed by the above Act.

The Teachers' Pensions Regulations require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pension Scheme

At the last valuation, the contribution rate to be paid into the TPS was assessed in two parts. First, a standard contribution rate (SCR) was determined. This is the contribution, expressed as a percentage of the salaries of teachers and lecturers in service or entering service during the period over which the contribution rate applies, which if it were paid over the entire active service of these teachers and lecturers would broadly defray the cost of benefits payable in respect of that service. Secondly, a supplementary contribution is payable if, as a result of the actuarial review, it is found that accumulated liabilities of the Account for benefits to past and present teachers, are not fully covered by standard contributions to be paid in future and by the notional fund built up from past contributions. The total contribution rate payable is the sum of the SCR and the supplementary contribution rate.

The last valuation of the TPS related to the period 1 April 2001 to 31 March 2004. The Government Actuary's report of October 2006 revealed that the total liabilities of the Scheme (pensions in payment and the estimated cost of future benefits) amounted to £166,500 million. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at that valuation date) was £163,240 million. The assumed real rate of return was 3.5% in excess of prices and 2% in excess of earnings. The rate of real earnings growth was assumed to be 1.5%. The assumed gross rate of return was 6.5%. From 1 January 2007, the SCR was assessed at 19.75%, and the supplementary contribution rate was assessed to be 0.75% (to balance assets and liabilities as required by the regulations within 15 years). This resulted in a total contribution rate of 20.5%, which translated into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable.

Actuarial scheme valuations are dependent on assumptions about the value of future costs, the design of benefits and many other factors. Many of these assumptions are being considered as part of the work on the reformed TPS,

THE WAPPING AND SHADWELL SECONDARY EDUCATION TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2013

20. PENSION COMMITMENTS (continued)

as set out below. Scheme valuations therefore remain suspended. The Public Service Pensions Bill, which is being debated in the House of Commons, provides for future scheme valuations to be conducted in accordance with Treasury directions. The timing for the next valuation has still to be determined, but it is likely to be before the reformed schemes are introduced in 2015.

Teachers' Pension Scheme Changes

Lord Hutton published his final report in March 2011 and made recommendations about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation and Ministers engaged in extensive discussions with trade unions and other representative bodies on reform of the TPS. Those discussions concluded on 9 March 2012 and the Department published a Proposed Final Agreement, setting out the design for a reformed TPS to be implemented from 1 April 2015.

The key provisions of the reformed scheme include: a pension based on career average earnings; an accrual rate of 1/57th; and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Importantly, pension benefits built up before 1 April 2015 will be fully protected.

In addition, the Proposed Final Agreement includes a Government commitment that those within 10 years of Normal Pension Age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall just outside of the 10 year protection.

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases were to be phased in from April 2012 on a 40:80:100% basis.

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The Academy is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the Academy has taken advantage of the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Academy has set out above the information available on the scheme.

21. RELATED PARTY TRANSACTIONS

Owing to the nature of the academy's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which a governor has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy's financial regulations and normal procurement procedures.

Prior to the Academy opening a number of governors were employed in their professional capacity to assist in establishing the Academy. All payments at this stage were agreed in advance with the EFA.

During the period the Academy paid consultancy fees of £17,404 to Mr J L Kemp, a governor, for project management and educational support services. As at 31 August 2013 no amounts remained outstanding.

During the period the Academy paid consultancy fees of £8,044 to Mr K Sharp a governor, for project management and educational support services. As at 31 August 2013 no amounts remained outstanding.

During the period the Academy paid consultancy fees of £32,583 to Dr K S Comley, a governor, for project management and educational support services. As at 31 August 2013 £7,000 remained outstanding and is included in creditors.