

COMPANY REGISTRATION NUMBER 07627302

**WALLINGTON COUNTY GRAMMAR SCHOOL
COMPANY LIMITED BY GUARANTEE
FINANCIAL STATEMENTS
31 AUGUST 2012**



MHA MACINTYRE HUDSON
Chartered Accountants & Statutory Auditor
New Bridge Street House
30-34 New Bridge Street
London
EC4V 6BJ

WALLINGTON COUNTY GRAMMAR SCHOOL COMPANY LIMITED BY GUARANTEE

FINANCIAL STATEMENTS

Period from 1 June 2011 to 31 August 2012

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WALLINGTON COUNTY GRAMMAR SCHOOL COMPANY LIMITED BY GUARANTEE

REFERENCE AND ADMINISTRATIVE DETAILS

Company Name	Wallington County Grammar School
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Company Registration Number	07627302
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Principal Office	Croydon Road Wallington Surrey SM6 7PH
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Governors

Mr G Cooper *
Mr P Huitson, B A (Chairman) *
Mrs B Morley, M B E *
Mrs A Rodrigues, BSC,MBCS CITP
Mr K Plummer, J P ,M I E H ,M I O S H ,(Vice-Chairman)
Mr P Clifton
Mr R Dean
Mr J Diamond BSc ,A C A *
Mr N Jaffer, B Sc ,A C A ,A T I I (Responsible Officer)
Mr T Pollard*
Mr P Smart B Sc (Principal and Accounting Officer)*
Mr L Howells, B Sc
Dr K Meek, MA,PhD (Resigned 15 August 2012)
Mr M Curran, BTech (Resigned 10 July 2012)

All of the Governors were appointed on 1 June 2011

* Members of the Finance Committee

Secretary	Mr R Baker, F C A
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Senior Management Team	Head Teacher Mr P Smart Deputy Head Teacher Mr J Wilden Assistant Head Teacher Miss D Quinn Assistant Head Teacher Mr J Bean Assistant Head Teacher Mr R Teague School Business Manager Mr R Baker Advanced Skills Teacher Mr D Jones Director of eLearning Mr J Eynon
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WALLINGTON COUNTY GRAMMAR SCHOOL COMPANY LIMITED BY GUARANTEE

REFERENCE AND ADMINISTRATIVE DETAILS

Auditor	MHA MacIntyre Hudson Chartered Accountants & Statutory Auditor New Bridge Street House 30-34 New Bridge Street London EC4V 6BJ
Bankers	Lloyds TSB 40 Woodcote Rd Wallington Surrey SM5 0NN
Solicitors	Baker Small Exchange House 494 Midsommer Boulevard Milton Keynes MK9 2EA

WALLINGTON COUNTY GRAMMAR SCHOOL COMPANY LIMITED BY GUARANTEE

GOVERNORS' ANNUAL REPORT

Period from 1 June 2011 to 31 August 2012

The Governors, who are also directors for the purposes of company law, have pleasure in presenting their report and the financial statements of the charitable company for the period from 1 June 2011 to 31 August 2012

Reference and administrative details

Reference and administrative details are shown in the schedule of reference and administrative details on pages 3 to 4 of the financial statements

The Governors

The Governors who served the academy during the period were as follows

Mr G Cooper *
Mr P Huitson, B A (Chairman) *
Mrs B Morley, M B E *
Mrs A Rodrigues, BSC, MBCS CIP
Mr K Plummer, J P, M I E H, M I O S H, (Vice-Chairman)
Mr P Clifton
Mr R Dean
Mr J Diamond BSc, A C A *
Mr N Jaffer, B Sc, A C A, A T I I (Responsible Officer)
Mr T Pollard*
Mr P Smart B Sc (Principal and Accounting Officer)*
Mr L Howells, B Sc,
Dr K Meek, MA, PhD (Resigned 15 August 2012)
Mr M Curran, BTech (Resigned 10 July 2012)

All of the Governors were appointed on 1 June 2011

* Members of the Finance Committee

Structure, governance and management

Constitution

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

The Governors act as the trustees for the charitable activities of Wallington County Grammar School and are also the directors of the charitable company for the purposes of company law. The charitable company is known as Wallington County Grammar School.

Details of the Governors who served throughout the year except as noted are included in the Reference and Administrative Details on page 3

WALLINGTON COUNTY GRAMMAR SCHOOL COMPANY LIMITED BY GUARANTEE

GOVERNORS' ANNUAL REPORT

Period from 1 June 2011 to 31 August 2012

Members' Liability

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

Governors' Indemnities

In accordance with normal commercial practice the Academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £10,000,000 on any one claim.

Principal Activities

The Academy Trust's object is specifically restricted to the following

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

Method of Recruitment and Appointment or Election of Governors

The Governing Body may appoint up to 7 Community Governors. The Governing Body may appoint Staff Governors through such process as they may determine, provided that the total number of Governors (including the Principal) who are employees of the Academy Trust does not exceed one third of the total number of Governors. The Principal shall be treated for all purposes as being an ex officio Governor.

The Parent Governors shall be elected by parents of registered pupils at the Academy. A Parent Governor must be a parent of a pupil at the Academy. The Governing Body shall make all necessary arrangements for, and determine all other matters relating to, an election of Parent Governors, including any question of whether a person is a parent of a registered pupil at the Academy. Any election of Parent Governors which is contested shall be held by secret ballot. The arrangements made for the election of a Parent Governor shall provide for every person who is entitled to vote in the election to have an opportunity to do so by post or, if he prefers, by having his ballot paper returned to the Academy Trust by a registered pupil at the Academy.

Where a vacancy for a Parent Governor is required to be filled by election, the Governing Body shall take such steps as are reasonably practical to secure that every person who is known to them to be a parent of a registered pupil at the Academy is informed of the vacancy and that it is required to be filled by election, informed that he is entitled to stand as a candidate, and vote at the election, and given an opportunity to do so. The number of Parent Governors required shall be made up by Parent Governors appointed by the Governing Body if the number of parents standing for election is less than the number of vacancies. In appointing a Parent Governor the Governing Body shall appoint a person who is the parent of a registered pupil at the Academy, or where it is not reasonably practical to do so, a person who is the parent of a child of compulsory school age.

WALLINGTON COUNTY GRAMMAR SCHOOL COMPANY LIMITED BY GUARANTEE

GOVERNORS' ANNUAL REPORT

Period from 1 June 2011 to 31 August 2012

The Community Governors may be appointed by the Governing Body provided that the person who is appointed as a Community Governor is

(a) a person who lives or works in the community served by the Academy,

and/or

(b) a person who, in the opinion of the Governing Body, is committed to the governance and success of the Academy

The Governors may not appoint an employee of the Academy Trust a Community Governor if the number of Governors who are employed by the Academy Trust (including the Principal) would thereby exceed one third of the total number of Governors

The Governing Body may appoint up to 3 Co-opted Governors. A 'Co-opted Governor' means a person who is appointed to be a Governor by being Co-opted by Governors who have not themselves been so appointed. The Governors may not co-opt an employee of the Academy Trust as a Co-opted Governor if thereby the number of Governors who are employees of the Academy Trust would exceed one third of the total number of Governors (including the Principal)

Policies and Procedures Adopted for the Induction and Training of Governors

During the period some courses carried out in the Academy were attended by some Governors as well as seminars on offer through local government and external providers. In particular, training was offered on the impact of becoming an Academy.

Organisational Structure

The management structure in place for the period consisted of a Head Teacher, one Deputy Head Teacher, three Assistant Head Teachers, a School Business Manager, an Advanced Skills Teacher and a Director of eLearning. These posts constituted the Academy's Senior Management Team. The aim of the management structure was to evolve responsibility, increase accountability and encourage involvement in decision making at all levels. The Principal of the Academy is the Chief Accounting Officer. The Management Team of the Academy is responsible for delivering the approved strategic actions set by the Governors while setting up and managing the annual development priorities.

Risk Management

The Trustees confirm that the major risks to which the Trust is exposed have been reviewed.

WALLINGTON COUNTY GRAMMAR SCHOOL COMPANY LIMITED BY GUARANTEE

GOVERNORS' ANNUAL REPORT

Period from 1 June 2011 to 31 August 2012

Objectives and activities

Objects

The Academy Trust's object is specifically restricted to the following

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

Aims & Values:

To give all pupils an excellent academic education enabling them, with confidence in their own abilities, to enter higher education or to follow a satisfying career

To develop the potential of all pupils and encourage in them a sense of their own worth through high quality teaching and informed, sympathetic pastoral care

To further cultural and aesthetic understanding and appreciation through the visual arts, music, drama and language

To develop a sense of community fostering the personal qualities of honesty, tolerance and respect for others and their property

To develop in pupils a sense of spiritual and moral awareness, and an appreciation of the virtues of loyalty, duty and social responsibility

To encourage the development of healthy, well-adjusted pupils who are able to live full and rewarding lives

To provide a wide range of sporting and other extra-curricular opportunities and to encourage pupils to take part in such activities and, in particular, to represent the School

To encourage pupils to take pride in themselves, in their families and in their School

To foster and develop a healthy and safe working environment for all staff and pupils

Objectives, Strategies and Activities

The main objectives of the Academy during the period ended 31 August 2012 are summarised below

WALLINGTON COUNTY GRAMMAR SCHOOL COMPANY LIMITED BY GUARANTEE

GOVERNORS' ANNUAL REPORT *(continued)*

Period from 1 June 2011 to 31 August 2012

Objectives, Strategies and Activities

Deep Learning

Aims For all our learners to be engaged by rich learning experiences that motivate and excite them

For all our teachers to have a deep understanding of how to engage learners and to be reflective in how to develop their practice

Deep Experience

Aims To enhance progress and raise achievement at all levels

To embed an annual cycle of setting and reviewing aspirational targets for students

To provide opportunities to increase motivation and develop ability

To use data more effectively to identify areas for development and provide support to enhance progress

Deep Support

Aims To develop a stronger sense of community amongst all stakeholders

Parent communication To develop more regular and effective dialogue with parents/carers about all aspects of school life

Student safety Ensure that students are aware of where they can access support on a range of issues

Pastoral care Ensure all staff have clear guidance on how to approach a range of issues to improve in-house consistency relating to student behaviour and safety

Punctuality Maximise the length of student learning experiences

SEN Monitor and enhance the learning experience of specific groups of learners

Enhance dialogue between students and staff to 'co-construct' all aspects of school

Sixth Form

Aim To develop the effectiveness and the efficiency of the Sixth Form

WALLINGTON COUNTY GRAMMAR SCHOOL COMPANY LIMITED BY GUARANTEE

GOVERNORS' ANNUAL REPORT *(continued)*

Period from 1 June 2011 to 31 August 2012

Encouraging academic progress in the classroom

- i Developing and improving Learning and Teaching within a specific Sixth Form context
- ii Developing strategies for more accurate tracking of academic attainment
- iii Improving punctuality and attendance

Encouraging academic progress beyond the classroom

- i Creating opportunities for extended academic work outside the classroom
- ii Extending opportunities for academic mentoring and tutoring others in the Sixth Form and the wider school

Developing ethos and values within the School and wider community

- i Developing opportunities for student leadership
- ii Developing and improving Sixth Form enrichment
- iii Developing and extending Sixth Form participation in wider school events
- iv Developing and improving community ties

Business Management

Aim To develop the management of school finances and the improvement of school facilities

Finances Completing the transition to adopting Academy Status
 Developing a 3 year budget

Facilities Developing Sixth Form facilities
 Developing the Dining Hall
 Developing Food Technology
 Developing the Learning Resource Centre
 Developing personalised work spaces for staff
 Developing Conference Room facilities

Health & Safety

Develop current standards of Health & Safety

Deep Leadership

Aim To develop the quality of leadership within the School

Developing Leaders

Develop an accredited CPD programme for all staff

Ensure appraisal of all staff with added responsibility and those on the Upper Pay Scale

Develop a comprehensive Performance Management Booklet which encourages self-reflection, identifies personal objectives and recognises levels of student achievement, pastoral involvement and contributions to the wider life of the school

WALLINGTON COUNTY GRAMMAR SCHOOL COMPANY LIMITED BY GUARANTEE

GOVERNORS' ANNUAL REPORT *(continued)*

Period from 1 June 2011 to 31 August 2012

Public Benefit

The Governors confirm that the academy trust governors have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission exercising their powers or duties

Achievements and performance

Progress against the School Development Plan has been interrogated by the Trust and areas requiring development have been explained and addressed

The 'value added' figure the school achieves from key stage 2 to 4 places it amongst the top five percent of all schools, with English and Science being in the top one percent, Mathematics in the top five percent and Humanities in the top six percent. The rate of progress in the Sixth Form, although still positive, is not sustained at the same exceptional rate. There are no significant differences between the different groups of students.

In Ofsted terms, the school is outstanding in three of the four areas contained in the judgements, that is Achievement, Behaviour and Safety and Leadership and Management. Teaching is considered to be at the top end of good.

The Academy is very popular, taking pupils from across south west London, with about eighty feeder schools. The Academy tests fifteen hundred students for the one hundred and twenty places in Year 7. The Academy expands by a further fifteen places in Year 9, when the three year GCSE courses start. The Sixth Form has increased from two hundred and seventy five to over three hundred and could easily rise to four hundred if space permitted.

The Academy population is culturally diverse with Ethnic Minority numbers being in excess of White British. The deprivation indicator places the Academy in the national average bracket, which is high for the local area. Students whose first language is not English is in excess of thirty two percent.

A record number of students (fifteen) went on to study at Oxford or Cambridge Universities in October 2011. Numbers fluctuate depending on the cohort and in 2012 five took up places at these universities. One hundred percent achieved A* to E grades at Advanced Level GCE with over seventy one percent achieving A* to B grades and fifty four percent achieving A*/A grades. At GCSE, 34.5% of entries were graded A* and seventy one percent A*/A grade. All but one of the pupils achieved 5+ A* to C grades including English and Mathematics.

Going Concern

After making appropriate enquiries, the Governing Body 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.

WALLINGTON COUNTY GRAMMAR SCHOOL COMPANY LIMITED BY GUARANTEE

GOVERNORS' ANNUAL REPORT *(continued)*

Period from 1 June 2011 to 31 August 2012

Financial Review

Most of the Academy's income is obtained from the DfE in the form of recurrent and capital grants, the use of which is restricted to particular purposes. The grants received during the period and the associated expenditure are shown as restricted funds in the Statement of Financial Activities (SOFA). Grants received for capital purposes are shown on the SOFA as restricted fixed asset funds. The balance sheet fixed asset fund is reduced by depreciation charges over the expected useful life of the asset.

Grants and donations have also been given to the academy, mainly from parents who donate on a regular basis, to supplement grant income. This income is usually used to cover running costs and is shown as unrestricted income in the SOFA. In accordance with the Charities SORP 2005, grants and donations received for specific purposes are shown in the SOFA as restricted funds.

The value of net assets transferred from the Local Authority at the date of conversion have been shown as income on the SOFA. The value of the pension liability transferred has been shown as expenditure on the SOFA.

Expenditure for the year was largely covered by grants from the DfE and other income, such as voluntary income, activities for generating funds and investment income, and the surplus of income over expenditure for the year was £14.2m. This includes exceptional items of £14.1m which relates to the value of assets and liabilities transferred on conversion. Excluding this figure, the actual surplus for the period would be £62,000.

At 31 August 2012 the net book value of fixed assets was £14.7m and movements in tangible fixed assets are shown in Note 13 to the financial statements. The assets are used primarily for providing the Academy's educational operations and associated support services to the pupils of the Academy. The Education Funding Agency commissioned a Land & Property valuation of 1,665 academies as at 31st August 2012. The prime purpose of the valuations was to fulfil a departmental commitment to HM Treasury to provide a balance sheet value for inclusion in the Whole of Government Accounts for 2011/2012. The valuations were undertaken based on a desktop review of information publicly available. The Academy has applied this valuation to Land and Buildings as shown in the balance sheet.

The Academy held fund balances at 31 August 2012 of £14.1m which consisted of £14.7m being the value of Fixed Assets, £18,000 of general restricted funds, £63,000 of unrestricted funds and the deficit on the defined benefit pension scheme of £761,000. The purposes of the restricted funds are set out in Note 17.

Principal Risks and Uncertainties

The Academy has inherited a significant deficit from the Local Government Pension Scheme. The value of the liabilities and the deficit are highly influenced by the actuarial assumptions, and current asset values are depressed due to current economic conditions. The Academy is seeking comfort from the Government that the deficit will be ultimately covered by contributions.

Reserves Policy

The Academy, after careful analysis of its cash flow, has concluded that the adequate range of reserves should be between £50,000 and £100,000 of combined Restricted General Funds and Unrestricted Funds. The Academy's main purpose is to provide a successful secondary education. This level of reserves has been judged to be appropriate to ensure that key equipment and facilities are maintained to the highest level of access and use in order to achieve these goals. The Academy is also aspiring to be able to provide its students and staff with the latest educational tools.

WALLINGTON COUNTY GRAMMAR SCHOOL COMPANY LIMITED BY GUARANTEE

GOVERNORS' ANNUAL REPORT *(continued)*

Period from 1 June 2011 to 31 August 2012

The Academy's pension reserve is reporting a deficit at 31 August 2012 of £761,000 compared to a deficit at 1st June 2011 of £618,000

Tangible fixed assets are all held for use by the academy hence are not included in the reserves policy. The Academy's cash reserves at 31 August 2012 are £498,000 which is above the expected threshold. This is due to the receipt of capital grants in the year which will be used to cover major building improvement works.

The value of free reserves (Unrestricted funds less those funds held as tangible fixed assets) is nil.

Plans for future periods

Considerable attention was given in 2010/11 to setting a clear strategic direction for all aspects of the work of the Academy in the form of a Strategic School Development Plan and in the establishment and monitoring of annual plans to deliver the strategy. Further significant improvements were made to the Academy's strategic planning in 2011/12, in particular the introduction of Key Performance Indicators used to monitor the progress towards both the strategy and the impact of the annual plan. The Academy is now looking at the impact of the International financial and economic crisis to anticipate some of the impact on its incoming resources and hence the required actions to match the expenditure.

The Academy's core purpose is to deliver its strategic vision of providing exceptional opportunities for personal and academic success for its students. It will continue its very successful efforts to ensure its students obtain high quality offers for places in the higher education sector.

The Academy has ambitious and clear plans to continue its improvement. The school's leadership have been interrogating the new Ofsted Framework (from January 2012) both to ensure compliance and understand the accountability framework. A key focus on developing the quality of teaching in the Academy will ensure that its quality of provision of education and results both continue to excel in the next few years. The Trust is confident that the improvement in results and progress can be maintained.

Responsibilities of the Governors

The Governors (who act as trustees for the charitable activities of Wallington County Grammar School and are also the directors of Wallington County Grammar School for the purposes of company law) are responsible for preparing the Governors' Annual Report and the financial statements in accordance with 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 in the Charities SORP,

make judgements 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,

WALLINGTON COUNTY GRAMMAR SCHOOL COMPANY LIMITED BY GUARANTEE

GOVERNORS' ANNUAL REPORT *(continued)*

Period from 1 June 2011 to 31 August 2012

prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation

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.

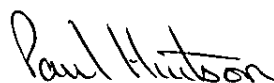
In so far as the Governors are aware

there is no relevant audit information of which the charitable company's auditor is unaware, and

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

Registered office
Croydon Rd
Wallington
Surrey
SM6 7PH

Signed on behalf of the Governors



Mr P Hutton, B A
Chairman



WALLINGTON COUNTY GRAMMAR SCHOOL COMPANY LIMITED BY GUARANTEE

GOVERNANCE STATEMENT

Period from 1 June 2011 to 31 August 2012

Scope of Responsibility

As Governors, we acknowledge we have overall responsibility for ensuring that Wallington County Grammar School 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 Governing Body has delegated the day to day responsibility to the Principal, 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 Wallington County Grammar School and the Secretary of State for Education. They are also responsible for reporting to the Governing Body 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 Statement of Governors' Responsibilities. The Governing Body has formally met 4 times during the year. Attendance during the year at meetings of the Governing Body was as follows:

Governor	Meetings attended	Out of a possible
Mr G Cooper	4	4
Mr P Huitson, B A (Chairman)	4	4
Mrs B Morley, M B E	3	4
Mrs A Rodrigues, BSC, MBCS CITP	3	4
Mr K Plummer, J P , M I E H , M I O S H , (Vice-Chairman)	4	4
Mr P Clifton	4	4
Mr R Dean	3	4
Mr J Diamond BSc , A C A	4	4
Mr N Jaffer, B Sc , A C A , A T I I	3	4
Mr T Pollard	4	4
Mr P Smart BSc	4	4
Mr L Howells, BSc	4	4
Dr K Meek, MA, PhD	2	4
Mr M Curran, BTech	4	4

WALLINGTON COUNTY GRAMMAR SCHOOL COMPANY LIMITED BY GUARANTEE

GOVERNANCE STATEMENT *(continued)*

Period from 1 June 2011 to 31 August 2012

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 trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Wallington County Grammar School for the period ended 31 August 2012 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Governing Body has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governing Body is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the year ending 31 August 2012 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

The Risk and Control Framework

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

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

The Governing Body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the governors have appointed Mr N Jaffer, B Sc, A C A, A T I I, a Governor, as Responsible Officer ('RO'). The RO's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. On a termly basis, the RO reports to the Governing Body on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities.

Review of Effectiveness

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

WALLINGTON COUNTY GRAMMAR SCHOOL COMPANY LIMITED BY GUARANTEE

GOVERNANCE STATEMENT *(continued)*

Period from 1 June 2011 to 31 August 2012

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

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Finance and General Purposes 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 Governing Body on 5th December 2012 and signed on its behalf by

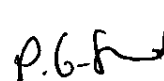
Signed



Mr P Hutton B A

Chair

Signed



Mr P Smart B Sc

Accounting officer

WALLINGTON COUNTY GRAMMAR SCHOOL COMPANY LIMITED BY GUARANTEE

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

Period from 1 June 2011 to 31 August 2012

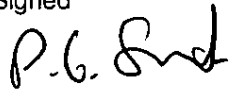
Statement on Regularity, Propriety and Compliance

As accounting officer of Wallington County Grammar School I have considered my responsibility to notify the academy trust's Governing Body and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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

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

Signed



Mr P Smart B Sc
Accounting officer



WALLINGTON COUNTY GRAMMAR SCHOOL COMPANY LIMITED BY GUARANTEE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WALLINGTON COUNTY GRAMMAR SCHOOL

Period from 1 June 2011 to 31 August 2012

We have audited the financial statements of Wallington County Grammar School for the period from 1 June 2011 to 31 August 2012 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement, Accounting Policies 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 2011/12 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 auditor's 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 the academy's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of governors and auditors

As explained more fully in the Responsibilities of the Governors (set out on pages 13 to 14), the Governors (who are also the directors of the charitable company 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 reports and financial statements 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 period from 1 June 2011 to 31 August 2012 and of its incoming resources and application of resources 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 Annual Accounts Direction 2011/12 issued by the Education Funding Agency.
-

WALLINGTON COUNTY GRAMMAR SCHOOL COMPANY LIMITED BY GUARANTEE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WALLINGTON COUNTY GRAMMAR SCHOOL *(continued)*

Period from 1 June 2011 to 31 August 2012

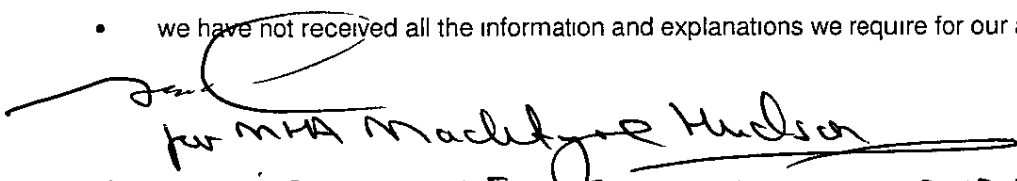
Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

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


for MHA MacIntyre Hudson
ANDREW BURNHAM FCA SENIOR STATUTORY AUDITOR
For and on behalf of
MHA MACINTYRE HUDSON
Chartered Accountants & Statutory Auditor
New Bridge Street
30-34 New Bridge Street
London
EC4V 6BJ

18 December 2012

WALLINGTON COUNTY GRAMMAR SCHOOL COMPANY LIMITED BY GUARANTEE

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO
WALLINGTON COUNTY GRAMMAR SCHOOL AND THE EDUCATION FUNDING AGENCY
Period from 1 June 2011 to 31 August 2012**

In accordance with the terms of our engagement letter and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2011/12, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Wallington County Grammar School during the period 1 June 2011 to 31 August 2012 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 Wallington County Grammar School and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Wallington County Grammar School 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 Wallington County Grammar School and the EFA, for our work, for this report, or for the opinion we have formed

Respective responsibilities of Wallington County Grammar School's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Wallington County Grammar School's funding agreement with the Secretary of State for Education dated May 2011 and the Academies Financial Handbook as published by the DfE in 2006, 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 2011/12. 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 June 2011 to 31 August 2012 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 2011/12 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 trust's income and expenditure

**WALLINGTON COUNTY GRAMMAR SCHOOL
COMPANY LIMITED BY GUARANTEE**

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO
WALLINGTON COUNTY GRAMMAR SCHOOL AND THE EDUCATION FUNDING AGENCY
Period from 1 June 2011 to 31 August 2012**

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 1st June 2011 to 31st August 2012 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them

MHA MacIntyre Hudson

MHA MacIntyre Hudson
Chartered Accountants
New Bridge Street House
30-34 New Bridge Street
London
EC4V 6BJ

18 December 2011

WALLINGTON COUNTY GRAMMAR SCHOOL COMPANY LIMITED BY GUARANTEE

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT)

Period from 1 June 2011 to 31 August 2012

		Unrestricted Funds	Restricted General Funds	Fixed Asset Funds	Total Funds
		£000	£000	£000	£000
Incoming resources					
Incoming resources from generating funds					
Voluntary income	2	258	16	-	274
Exceptional Items – Assets transferred from Local Authority	19	81		14,644	14,725
Activities for generating funds	3	307	243	-	550
Investment income	4	7	-	-	7
Funding for academy's educational operations	5		5,598	269	5,867
Total incoming resources		<u>653</u>	<u>5,857</u>	<u>14,913</u>	<u>21,423</u>
Resources expended					
Cost of Generating Funds	6	(250)	(252)	(11)	(513)
Charitable Activities					
Academy's Educational Operations	7	-	(5,606)	(261)	(5,867)
Governance Costs	8	-	(221)	-	(221)
Pension Scheme Costs	16		(35)	-	(35)
Exceptional Items – Liabilities transferred from Local Authority	19		(618)	-	(618)
Total resources expended		<u>(250)</u>	<u>(6,732)</u>	<u>(272)</u>	<u>(7,254)</u>
Net incoming resources for the period/net income for the period before transfers	9	403	(875)	14,641	14,169
Gross transfers between funds		(340)	241	99	-
Net income /expenditure) for the period		63	(634)	14,740	14,169
Other Recognised Gains & Losses					
Actuarial (losses)/gains on defined benefit pension scheme	16	-	(109)	-	(109)
Net movement in funds		63	(743)	14,740	14,060
Reconciliation of funds					
Total funds brought forward		-	-	-	-
Total funds carried forward		<u>63</u>	<u>(743)</u>	<u>14,740</u>	<u>14,060</u>

The Statement of Financial Activities includes all gains and losses in the year and therefore a statement of total recognised gains and losses has not been prepared. All of the academy trust's activities derive from acquisitions in the current financial period.

The accounting policies and notes on pages 26 to 43 form part of these financial statements.

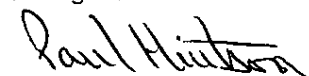
WALLINGTON COUNTY GRAMMAR SCHOOL COMPANY LIMITED BY GUARANTEE

BALANCE SHEET

31 August 2012

	Note	£000	£000
Fixed Assets			
Tangible assets	13		14,740
Current assets			
Stock		6	
Debtors	14	251	
Cash at bank and in hand		498	
		<u>755</u>	
Creditors: amounts falling due within one year	15	<u>(674)</u>	
Net current assets			81
Total assets less current liabilities			<u>14,821</u>
Net assets excluding pension liability			<u>14,821</u>
Defined benefit pension scheme liability	16		(761)
Net assets including pension liability	18		<u>14,060</u>
Funds	17		
Restricted income funds			
Fixed asset funds		14,740	
General restricted funds		18	
Pension reserve		(761)	
		<u></u>	
Total restricted income funds			13,997
Unrestricted funds			63
Total funds			<u>14,060</u>

These financial statements were approved by the Governors, and authorised for issue on 5th December 2012 and are signed on their behalf by



Mr P Huitson
Chair



Mr P Smart
Principal and Accounting Officer

Company Registration Number 07627110

The accounting policies and notes on pages 26 to 43 form part of these financial statements

WALLINGTON COUNTY GRAMMAR SCHOOL COMPANY LIMITED BY GUARANTEE

CASH FLOW STATEMENT

Period from 1 June 2011 to 31 August 2012

	Note	£000	£000
Net cash inflow from operating activities	22	606	
Returns on investments and servicing of finance Interest received	23	6	
Net cash inflow from returns on investments and servicing of finance			612
Capital expenditure	24		(114)
Increase in cash			498

Analysis of changes in net funds

	1 June 11	Cash flows	31 Aug 12
	£	£	£
Cash in hand and at bank	-	498	498

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

The accounting policies and notes on pages 26 to 43 form part of these financial statements.

WALLINGTON COUNTY GRAMMAR SCHOOL COMPANY LIMITED BY GUARANTEE

ACCOUNTING POLICIES *(continued)*

Period from 1 June 2011 to 31 August 2012

1. Accounting Policies

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards, the Charity Commission Statement of Recommended Practice "Accounting and Reporting by Charities" issued in March 2005 (SORP 2005), the Academies Accounts Direction issued by the Education Funding Agency and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

Incoming resources

All incoming resources are recognised when the academy trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

Grants receivable

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.

Donations

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

Other income

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

Donated Services and Gifts in Kind

The value of donated services and gifts in kind provided to the academy trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the academy trust 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 academy trust's policies.

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.

All resources expended are inclusive of irrecoverable VAT.

Costs of generating funds

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

WALLINGTON COUNTY GRAMMAR SCHOOL COMPANY LIMITED BY GUARANTEE

ACCOUNTING POLICIES *(continued)*

Period from 1 June 2011 to 31 August 2012

Charitable activities

These are costs incurred on the Academy Trust's educational operations

Governance costs

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

Fund accounting

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

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

Restricted general funds comprise all other restricted funds received and include grants from the Education Funding Agency

Fixed assets

Assets costing £1,000 or more are capitalised as tangible fixed assets 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. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet.

Assets transferred at inception have been included at the estimated depreciated replacement cost valuation.

Depreciation on fixed assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy Trust's depreciation policy.

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.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Operating lease agreements

Rentals under operating leases are charged on a straight line basis over the lease term.

WALLINGTON COUNTY GRAMMAR SCHOOL COMPANY LIMITED BY GUARANTEE

ACCOUNTING POLICIES *(continued)*

Period from 1 June 2011 to 31 August 2012

Pension costs

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes, are contracted out of the State Earnings-Related Pension Scheme ('SERPS'), and the assets are held separately from those of the Academy Trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 16, the TPS is a multi employer scheme and the Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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

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.

Taxation

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

WALLINGTON COUNTY GRAMMAR SCHOOL COMPANY LIMITED BY GUARANTEE

ACCOUNTING POLICIES *(continued)*

Period from 1 June 2011 to 31 August 2012

Conversion to academy trust

The conversion from a state maintained school to an Academy Trust involved the transfer of identifiable assets and liabilities and the operation of the school for £nil consideration and has been accounted for under the acquisition accounting method. The assets and liabilities transferred on conversion from Wallington County Grammar School to the Academy Trust have been valued at their fair value, except for land and buildings which are valued at their estimated depreciated replacement cost, being a reasonable estimate of the current market value that the Governors would expect to pay in an open market for an equivalent item. These are in accordance with the accounting policies set out for the Academy. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in as net income in the Statement of Financial Activities as appropriate and analysed under restricted general funds and restricted fixed asset funds.

WALLINGTON COUNTY GRAMMAR SCHOOL COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

Period from 1 June 2011 to 31 August 2012

2. Voluntary income

	Unrestricted Funds	Restricted Funds	Restricted Fixed Asset Funds	Total Funds
	£000	£000	£000	£000
Donations				
Donations	258	16	-	274
	<u>258</u>	<u>16</u>	<u>-</u>	<u>274</u>

3. Incoming resources from activities for generating funds

	Unrestricted Funds	Restricted Funds	Total Funds
	£000	£000	£000
Catering income	210	-	210
School trips	-	243	243
Other income	97	-	97
	<u>307</u>	<u>243</u>	<u>550</u>

4. Investment income

	Unrestricted Funds	Total Funds
	£000	£000
Bank interest receivable	<u>7</u>	<u>7</u>

WALLINGTON COUNTY GRAMMAR SCHOOL COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

Period from 1 June 2011 to 31 August 2012

5. Funding for academy's educational operations

	Restricted Funds £000	Total Funds £000
EFA revenue grants		
General Annual Grant (GAG)	5,508	5,508
Other government grants	78	78
Pupil Premium	12	12
	<u>5,598</u>	<u>5,598</u>
 Other Government grants		
Capital grants	269	269
	<u>269</u>	<u>269</u>
	 <u>5,867</u>	 <u>5,867</u>

6. Cost of Generating Funds

	Staff costs £000	Premises £000	Other costs £000	Total £000
Direct costs	114	-	348	462
Support costs	16	30	5	51
	<u>130</u>	<u>30</u>	<u>353</u>	<u>513</u>

WALLINGTON COUNTY GRAMMAR SCHOOL COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

Period from 1 June 2011 to 31 August 2012

7. Charitable Activities

	Staff costs £000	Premises £000	Other costs £000	Total £000
Academies Educational Operations:				
Direct costs	4,107	-	479	4,586
Support Costs	431	732	118	1,281
	<u>4,538</u>	<u>732</u>	<u>597</u>	<u>5,867</u>

	Restricted Funds £000	Restricted Fixed Asset Funds £000	Total Funds £000
<i>Direct costs</i>			
Teaching & educational support staff	4,107	-	4,107
Educational supplies	201	-	201
Examination fees	176	-	176
Staff development	49	-	49
Other direct costs	53	-	53
	<u>4,586</u>	<u>-</u>	<u>4,586</u>
<i>Allocated support costs</i>			
Support staff costs	431	-	431
Recruitment and support	-	-	-
Maintenance of premises & equipment	260	-	260
Rent & Rates	26	-	26
Cleaning	123	-	123
Insurance	62	-	62
Depreciation	-	261	261
Other support costs	118	-	118
	<u>1,020</u>	<u>261</u>	<u>1,281</u>
	<u>5,606</u>	<u>261</u>	<u>5,867</u>

WALLINGTON COUNTY GRAMMAR SCHOOL COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

Period from 1 June 2011 to 31 August 2012

8. Governance Costs

	£000
Legal & Professional Fees	134
Support Staff Costs	87
	<hr/>
	221
	<hr/>

9. Net incoming resources for the year

This is stated after charging

	£000
Operating leases	9
Fees payable to auditor	9
Depreciation	272

WALLINGTON COUNTY GRAMMAR SCHOOL COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

Period from 1 June 2011 to 31 August 2012

10. Staff costs and emoluments

	£000
Wages and salaries	4,667
Supply teacher costs	87
	<u>4,754</u>

Particulars of employees:

The average number of employees during the period was

Teaching	59.6
Non-teaching	35.7

11. Governors' remuneration and expenses

Principal and staff governors only receive remuneration in respect of services they provide undertaking the roles of Principal and staff and not in their services as governors. Other governors did not receive any payments from the academy in respect of their role as governors. The value of the governor's remuneration in the period to 31 August 2012 was as follows

Salary Bracket £000's	No. of Staff Governors
£20-£30	1
£40-£50	1
£50-£60	1
£100-£120	1

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 £10,000,000 on any one claim.

WALLINGTON COUNTY GRAMMAR SCHOOL COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

Period from 1 June 2011 to 31 August 2012

13. Tangible fixed assets

	Freehold property £000	Furniture & equipment £000	Total £000
Cost			
Additions	324	44	368
Transfers	14,630	14	14,644
At 31 August 2012	14,954	58	15,012
Depreciation			
At 31 August 2012	264	8	272
Net book value			
At 31 August 2012	14,690	50	14,740

14. Debtors

	£000
Trade debtors	4
Other debtors	247
	251

15 Creditors: Amounts falling due within one year

	£000
Other taxes and social security	129
Accruals	526
Other Creditors	19
	674

Deferred income

	£000
Resources deferred in the year	344
Deferred income at 31 August 2012	344

Deferred Income relates to capital grants received in the year relating to projects that will take place in the following year as well as rental income received in advance

WALLINGTON COUNTY GRAMMAR SCHOOL COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

Period from 1 June 2011 to 31 August 2012

16. Pensions and similar obligations

The Academy's employees belong to two principal pension schemes the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff, and the Local Government Pension Scheme (LGPS) for non-teaching staff Both are defined-benefit schemes

The LGPS obligation relates to the employees of the academy trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the period The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy trust at the balance sheet date

The pension costs are assessed in accordance with the advice of independent qualified actuaries The latest actuarial valuation of the TPS was 31 March 2004 and of the LGPS was at 31 August 2012

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 The regulations under which the TPS operates are the Teachers' Pensions Regulations 2010 These regulations apply to teachers in schools and other educational establishments in England and Wales maintained by local authorities, to teachers in many independent and voluntary-aided schools, and to teachers and lecturers in establishments of further and higher education 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

The Teachers' Pension Budgeting and Valuation Account

Although teachers and lecturers are employed by various bodies, their retirement and other pension benefits, including annual increases payable under the Pensions (Increase) Acts are, as provided for in the Superannuation Act 1972, paid out of monies provided by Parliament Under the unfunded TPS, teachers' contributions on a 'pay-as-you-go' basis, and employers' contributions, 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 (in excess of price increases and currently set at 3.5%), which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return

WALLINGTON COUNTY GRAMMAR SCHOOL COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

Period from 1 June 2011 to 31 August 2012

16. Pensions and similar obligations *(continued)*

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary ("GA"), using normal actuarial principles, conducts a formal actuarial review of the TPS. The aim of the review is to specify the level of future contributions. The contribution rate paid into the TPS is assessed in two parts. First, a standard contribution rate ("SCR") is 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 investigation, 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 - 31 March 2004. The GA's report of October 2006 revealed that the total liabilities of the Scheme (pensions currently in payment and the estimated cost of future benefits) amounted to £166,500 millions. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) was £163,240 millions. The assumed real rate of return is 3.5% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 1.5%. The assumed gross rate of return is 6.5%.

As from 1 January 2007, and as part of the cost-sharing agreement between employers' and teachers' representatives, 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. The cost-sharing agreement also introduced -- effective for the first time for the 2008 valuation -- a 14% cap on employer contributions payable.

Scheme Changes

From 1 April 2012 to 31 March 2013, the employee contribution rate will range between 6.4% and 8.8%, depending on a member's Full Time Equivalent salary. Further changes to the employee contribution rate will be applied in 2013-14 and 2014-15.

Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. Many of these are being discussed in the context of the design for a reformed TPS, as set out in the Proposed Final Agreement, and scheme valuations are, therefore, currently suspended. The Government, however, has set out a future process for determining the employer contribution rate under the new scheme, and this process will involve a full actuarial valuation.

Under the definitions set out in the Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multiemployer 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 and the implications for the Academy in terms of the anticipated contribution rates.

WALLINGTON COUNTY GRAMMAR SCHOOL COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

Period from 1 June 2011 to 31 August 2012

16 Pensions and similar obligations *(continued)*

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2012 was £179,000, of which employer's contributions totalled £138,000 and employees' contributions totalled £41,000.

The LGPS obligation relates to the employees of the academy trust, who were the past and present employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the year/period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy trust at the balance sheet date.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the LGPS was at 31 August 2012.

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

Principal actuarial assumptions

	At 31 Aug 2012
	%
Discount rate	4.1
Expected return on scheme assets	4.7
Rate of increase in salaries	5.0
Rate of increase in pensions payment	2.2

WALLINGTON COUNTY GRAMMAR SCHOOL COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

Period from 1 June 2011 to 31 August 2012

16. Pensions and similar obligations (continued)

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

	At 31 August 2012
Retiring today	
Males	21.0
Females	23.8
Retiring in 20 years	
Males	22.9
Females	25.7

The Academy's share of the assets and liabilities in the scheme and the expected rate of return were

	Expected return at 31 Aug 2012	Fair value at 31 Aug 2012
	%	£000
Equities	5.5	318
Bonds	3.3	119
Property	3.7	35
Cash	2.8	25
Total market value of assets		497
Present value of scheme liabilities - funded		(1,258)
Surplus/(deficit) in the scheme		(761)

The expected rate of return is based on the long-term future expected investment return for each asset class at the beginning of the period

WALLINGTON COUNTY GRAMMAR SCHOOL COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

Period from 1 June 2011 to 31 August 2012

16. Pensions and similar obligations *(continued)*

Amounts recognised in the Statement of Financial Activities

	£000
Current service cost (net of employee contributions)	(137)
Total operating charge	(137)

Analysis of pension finance income/(costs)

	2012
	£000
Interest on pension liabilities	(67)
Expected return on pension scheme assets	32
Pension finance income/(costs)	(35)

The actuarial gains and losses for the current year/period are recognised in the Statement of Financial Activities

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

	£000
As at 1 June 2011	(922)
Current service cost	(137)
Interest on pension liabilities	(67)
Employee contributions	(41)
Actuarial loss	(91)
At 31 August 2012	(1,258)

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

	£000
As at 1 June 2011	304
Expected return on assets	32
Employee contributions	41
Employer contributions	138
Actuarial losses	(18)
At 31 August 2012	497

WALLINGTON COUNTY GRAMMAR SCHOOL COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

Period from 1 June 2011 to 31 August 2012

17. Funds

	Incoming resources £000	Resources expended £000	Gains and losses £000	Transfer £000	Balance at 31 Aug 2012 £000
Restricted general funds					
General annual grant (GAG)	5,508	(5,751)	-	243	-
Other Restricted funds	349	(329)	-	(2)	18
Pension reserve		(652)	(109)	-	(761)
Total restricted general funds	5,857	(6,732)	(109)	241	(743)
Restricted Fixed asset funds	14,913	(272)	-	99	14,740
Total Restricted funds	20,770	(7004)	(109)	340	13,997
Unrestricted funds					
General unrestricted funds	653	(250)	-	(340)	63
Total unrestricted funds	653	(250)	-	(340)	63
Total funds	21,423	(7,254)	(109)	-	14,060

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

	£000
Awards received from to be used for purchasing educational equipment	2
Amounts collected for Charity which were paid over in September 2012	5
Donation received for repairs & maintenance	2
16-19 Bursary Fund to be distributed to eligible students	7
Other sundry donations	2
Total	18

WALLINGTON COUNTY GRAMMAR SCHOOL COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

Period from 1 June 2011 to 31 August 2012

18 Analysis of net assets between funds

Fund balances at 31 August 2012 are represented by

	Unrestricted funds	Restricted general funds	Restricted fixed asset fund	Total
	£000	£000	£000	£000
Fixed Assets	-	-	14,740	14,740
Net Current Assets	63	18	-	81
Pension Liability	-	(761)	-	(761)
Net Assets	63	(743)	14,740	14,060

19. Conversion to an Academy Trust

On 1 June 2011 the Wallington County Grammar School converted to Academy Trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred from the London Borough of Sutton for £nil consideration

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as net income/resources expended in the Statement of Financial Activities as voluntary income/other resources expended.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the SOFA

	Unrestricted funds	Restricted general funds	Fixed Asset funds	Total
	£000	£000	£000	£000
Freehold land & buildings	-	-	14,630	14,630
Other tangible fixed assets	-	-	14	14
LGPS pension surplus/(deficit)	-	(618)	-	(618)
Other identified net assets	82	-	-	82
Net assets	82	(618)	14,644	14,108

The above net assets include £113,000 that were transferred as cash

20. Ultimate controlling party

There is no ultimate controlling party

21 Company limited by guarantee

The Academy Trust is a company limited by guarantee and does not have share capital

WALLINGTON COUNTY GRAMMAR SCHOOL COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

Period from 1 June 2011 to 31 August 2012

22. Reconciliation of net incoming resources to net cash inflow from operating activities

	£000
Net incoming resources before transfers	14,169
Depreciation	271
Capital Grants & Other Sponsorship	(272)
Interest Receivable	(5)
FRS 17 pension finance income	34
Pension Liability Transferred on conversion	618
Assets transferred on conversion	(14,626)
Decrease/(increase) in stocks	(6)
Decrease/(increase) in debtors	(251)
(Decrease)/increase in creditors	674
Net cash inflow from operating activities	606

23. Returns on investments and servicing of finance

	£000
Interest received	6

24. Capital Expenditure

	£000
Purchase of tangible fixed assets	(386)
Capital grants	272
Net cash outflow from capital expenditure	(114)

25. Members' liability

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