

COMPANY REGISTRATION NUMBER 07627302

**WALLINGTON COUNTY GRAMMAR SCHOOL
COMPANY LIMITED BY GUARANTEE
FINANCIAL STATEMENTS
31 AUGUST 2014**

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WALLINGTON COUNTY GRAMMAR SCHOOL COMPANY LIMITED BY GUARANTEE

FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2014

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WALLINGTON COUNTY GRAMMAR SCHOOL COMPANY LIMITED BY GUARANTEE

REFERENCE AND ADMINISTRATIVE DETAILS

Company Name	Wallington County Grammar School
Company Registration Number	07627302
Principal Office	Croydon Road Wallington Surrey SM6 7PH
Trustees and Members	Mr G. Cooper * (Resigned 31/3/14) Mr P. Huitson, BA (Chairman and Member) * Mr K. Plummer, J.P., M.I.E.H., M.I.O.S.H., * (Vice-Chairman Resigned 14/7/14) (Member) Mr. P. Clifton* (Resigned 2/12/13) Mr. R. Dean Mr. J. Diamond BSc.A.C.A * Mr. H. Ruparelia. (Responsible Officer) Mr. L. Howells, BSc. * Mr. A. Andre Mr J Eynon * (Resigned 14/7/14) Dr S Babu (Member) Mrs A.M Ali Mr J Wilden * (Appointed 1/9/13) Mrs F Ambrose* (Appointed 2/4/14) Mr N Mogridge (Appointed 25/10/13) Mr A Ghazanfar (Appointed 2/4/14) Mrs Roderigues (Member)

* Members of the Resources Committee

Secretary	Mr R Baker, F.C.A
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Senior Leadership Team	Head Teacher: Mr J. Wilden Deputy Head Teacher: Mrs D. Owen Deputy Head Teacher: Mr J. Bean School Business Manager: Mr R. Baker Assistant Head Teacher: Miss C. Tovey Assistant Head Teacher: Mr S. Waters Assistant Head Teacher: Mr D. Jones Director of E. Learning: Mr J Eynon
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REFERENCE AND ADMINISTRATIVE DETAILS

Independent Auditor

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

Bankers

Lloyds TSB
49-53 High Street
Sutton
Surrey
SM1 1DT

Solicitors

Baker Small
Exchange House
494 Midsommer Boulevard
Milton Keynes
MK9 2EA

WALLINGTON COUNTY GRAMMAR SCHOOL COMPANY LIMITED BY GUARANTEE

TRUSTEES' REPORT

YEAR ENDED 31 AUGUST 2014

The Trustees, 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 year ended 31 August 2014.

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 are included in the Reference and Administrative Details on page 3.

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.

Trustees' Indemnities

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

Method of Recruitment and Appointment or Election of Trustees

The Governing Body may appoint up to seven 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.

There are a minimum of two Parent Governors. 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.

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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.

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 Trustees

During the period Trustees attended courses carried out in the Academy as well as seminars on offer through local government and external providers. New Trustees are inducted by the Headmaster and other members of the Senior Leadership Team.

Organisational Structure

The management structure in place for the period consisted of a Headmaster, two Deputy Headteachers, three Assistant Headteachers, a School Business Manager a Director of Co-curricular Learning 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 Headmaster 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.

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Connected Organisations, including Related Party Relationships

The Academy is a member of the Partnership of Sutton Secondary Schools (Sutton Alliance), which includes autonomous converter academies and maintained schools within the London Borough of Sutton. The schools in the Partnership work together for the benefit of all their students and the young people of Sutton and surrounding areas to work collectively on matters of shared interest and co-operate with the Local Authority (LA) and local primary schools, secondary schools and special schools. The Academy continues to purchase some services from the LA under normal business arrangements.

Objectives and activities

The Academy Trust's objective 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, carry-on, managing and developing a school offering a broad and balanced curriculum.

School Values:

Self-Discipline: We believe that we all have the right to work and learn in an industrious, orderly and respectful environment. We must self-regulate our own words and actions to ensure our own success and the success of others.

Endeavour: We believe that we will do what it takes to achieve excellence and we will not give up until we are satisfied that we have given our all.

Excellence: We believe that all of us will learn and that everyone can achieve excellence. By demonstrating self-discipline and endeavour we will reach our 'personal best'.

School Motto

"Per Ardua ad Summa"

'Through Difficulties to the Heights'- The Motto of Beddington and Wallington Council granted on 3rd July 1937 adopted by WCGS in September 2012.

School Vision

We believe that every person will reach their personal best and overcome any challenge through a shared culture and ethos of 'self-discipline', 'endeavour' and 'excellence'. We are dedicated to developing into successful individuals, creating a positive environment where all of us will learn. We never fail because we never give up. We believe in ourselves. We believe in each other. We believe in Wallington County Grammar School.

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Aims of the Trust

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 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 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

Achievement Objectives

The Trustees set challenging objectives for achievement. Objectives for achievement are set based on value added performance measure targets. The scores relate to the achievement of students relative to their predicted attainment in public examinations and is measured in grades; thus the target of 0.60 represents on average the students achieving 0.60 grades higher than predicted and this is also converted the percentage of students achieving grades A* - B.

Achievement is also analysed across groups of students with a reduction in the achievement gap as a key goal.

Behaviour & Safety Objectives

Good attendance is related to good behaviour and high attendance targets are set and monitored against as a key performance indicator.

Sport encompasses team-work and self-discipline, and sporting success helps to create pride in the school. The school sets win percentage targets for both Rugby and Cricket teams.

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Quality of Teaching Objectives

Quality of teaching is a key factor for the enjoyment and engagement of students. Trustees desire high levels of outstanding and good lessons and set targets accordingly.

Key Performance Objectives within the School Development Plan 2013 – 2014 (includes action steps)

The school development plan is a statement of the key objectives for the year. It is prepared by the Senior Leadership Team and approved by the Trustees, and progress against the plan is reported in each term. For 2013/14 the objectives and action steps are as set out below.

Objective 1:

Ensure 'outstanding' use of data by using it rigorously to: inform planning; precisely target intervention; and effectively communicate student progress internally.

Action steps:

Ensure all students have accurate target grades/levels which are clearly understood by students, staff and parents.
Ensure that relevant data is clearly and quickly disseminated to classroom teachers, Subject Leaders, Year Leaders and Senior Leadership Team (SLT).
Ensure that data provided after assessment is used to inform targeted intervention at all levels.
High impact targeted intervention menu made available to staff and appropriate Continued Professional Development (CPD) delivered on how to use the strategies effectively.
Use 'Drop-in's' to ensure that data is being used effectively to inform seating plans and task setting.
Conduct Subject Area Reviews as a senior team to drill into how well data is being used in key subject areas.

Objective 2:

Develop outstanding questioning strategies which: challenge students; accurately assess students learning; facilitate students learning from one another effectively; capture key learning points.

Action steps:

Deliver a whole staff session on 'questioning'.
Adapt lesson observation forms/ lesson planning forms etc. to facilitate the delivery, monitoring and evaluation of questioning.
Ensure 'outstanding' CPD is provided for members of staff who need to develop their questioning strategies.
Implement consistent and rigorous evaluation systems including 'Drop in's' and 'Formal Learning Observations' to monitor the quality of questioning.
Conduct Subject Area Reviews as a senior team to drill into the quality of questioning in key subject areas.
Research the development of high level 'oracy' across the school.

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Objective 3:

Provide 'outstanding' feedback to students through dialogic marking.

Action steps:

Deliver a whole staff session on dialogic marking.

Ensure 'outstanding' CPD is provided for members of staff who need to increase the quality of their marking.

Implement consistent and rigorous evaluation systems including 'Drop in's', 'Work Samples' and 'Formal Learning Observations' to monitor the quality of marking.

Ensure marking is discussed and evidenced as a Common Agenda point in all Subject Area Meetings.

Conduct Subject Area Reviews as a senior team to drill into the quality of questioning in key subject areas.

Develop the marking of literacy and communication through the use of a revised Assessment for Learning (AfL) Sheet.

Public Benefit

The Academy Trust's trustees confirm that they have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission exercising their powers of duties.

Strategic Report

Current Ofsted Judgement – November 2012

Achievement of Students = 1 (outstanding)

Behaviour & Safety = 1 (outstanding)

Leadership & Management = 1 (outstanding)

Quality of Teaching = 2 (good)

Overall Effectiveness = 2 (good)

Key Performance Objectives for Achievement of Students 2013 – 2014

Key Stage 4 GCSE Public Examinations

Target = +0.60 Value Added / 92% A* - B

Actual = +0.61 Value Added / 93% A* - B

Key Stage 5 A2 Public Examinations

Target = +0.13 Value Added / 87% A* - B

Actual = -0.18 Value Added / 79% A* - B

Reduction in the achievement gap between groups of students.

The Trust monitors carefully the achievement of all students but pays particular attention to those who belong to more vulnerable groups such as:

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EAL – students who speak English as an Additional Language

SEN – students with Special Educational Needs

PP – students who are eligible for Pupil Premium support funding

The Trust monitors the use of funding for Pupil Premium students within its Pupil Premium Statement which is published annually on its website during the Autumn Term.

The tables below give an overview of how well the School is closing attainment gaps for those students in the school that are part of the vulnerable groups identified above:

A narrative of how the School is closing the achievement gap between groups of students.

In 2014 the student's GCSE public examination results placed the School in the top 5% of schools nationally. In The Sunday Times Newspaper 'Parent Power' analysis, which analyses GCSE and A Level results together, the School was placed within the top 50 state schools nationally. Raw GCSE statistics show that GCSE results are the best for the last three academic years (2012 – 2014). Both English and Mathematics are in the 1st percentile underlining the strength within the School with regards the teaching of core skills. Students achieving the English Baccalauréate, the 'EBacc' measure, is the highest for the last three years reaching an impressive 80%.

When analysing the progress of vulnerable groups compared to that of the entire cohort we can see that students attracting Pupil Premium, students with English as an Additional Language (EAL) and those students joining the School through the 13+ entrance examination all achieved Value Added which placed them in the top 5% nationally indicating that these more vulnerable groups have made 'outstanding' progress over time. The five students within the Special Educational Needs (SEN) group achieved Value Added better than the average school nationally (30th %ile). Specific Case Studies for all five students indicate the story of progress here. The School will continue to look to improve this statistic. Prior achievement Value Added measures indicate how this small group can vary over time in the level of Value Added achieved.

All major ethnic minority groups are achieving well. Those in the lowest percentiles have very low numbers and again have specific Case Studies to explain circumstances which have led to their low percentile ranks. The School does not recognise any specific ethnic minority group which is underachieving.

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Achievement of Students - GCSE public examination results 2014 (pc = percentile rank)

GCSE 2014								
		VA	% A*	% A*/A	% A*-B	Eng VA	Ma-VA	EBACC%
Public Exams.	2012 (RoL)	17 th pc 1020.7 (+0.34)	30	90	90	19 th pc (+0.32)	8 th pc (+0.52)	73%
	2013 (RoL)	9 th pc 1029.0 (+0.48)	41	91	91	1 st pc (+0.82)	4 th pc (+0.65)	79%
	2014 Internal analysis	5 th pc 1035.6 (+0.61)	36	93	93	1 st pc (+0.95)	1 st pc (+0.83)	80%
Statistical Estimates for current Year 11		5 th pc 1036.0 (+0.60)	40	82	95	5 th pc (0.68)	5 th pc (0.76)	NA

Student Groups	Number of students	VA	Gap	VA 2013	VA 2012
Pupil Premium	8	5 th pc (+0.75)	Above +0.14	5 th pc (+0.72)	20 th pc (+0.35)
SEN	5	30 th pc (+0.21)	Below -0.40	10 th pc (+0.56)	60 th pc (-0.09)
EAL	40	5 th pc (+0.70)	Above +0.09	10 th pc (+0.58)	10 th pc (+0.55)
13 + entries	9	5 th (+0.64)	Above +0.03	Not available	Not available

	Groups	Number of students	VA
Highest Performing Student Groups	AO Mixed	3	1 st pc
	Chinese	2	1 st pc
	Pakistan	3	1 st pc

	Groups	Number of students	VA
Lowest Performing Student Groups	W/B African	1	70 th pc
	AO White	2	30 th pc
	SEN	5	30 th pc

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Destination of school leavers – August 2014

As part of its Value for Money statement the trust outlines the destination of those students who leave at the end either Key Stage 4 or Key Stage 5. This information can demonstrate value for money and shows that a high percentage always choose to continue onto Higher Education.

The number of students in Year 11 who left WCGS in August 2014 – 18

The number of students in Year 11 who left WCGS and who remained in education – 13

The number of students in Year 11 who left WCGS and who entered employment and training – 5

The number of students in Year 11 who continued into the WCGS Sixth Form – 112

The number of students in Year 12 who left WCGS Sixth Form in August 2014 – 28

The number of students in Year 12 who left WCGS and who remained in education – 23

The number of students in Year 12 who left WCGS and who entered employment and training – 5

The number of students in Year 13 who left WCGS for University in August 2014 – 129

The number of students in Year 13 who achieved their 1st choice of university – 85

The number of students in Year 13 who achieved a place at Oxbridge – 4

The number of students in Year 13 who achieved a place at a Russell Group University – 78

The number of students in Year 13 who took a gap year in August 2014 – 14

The number of students in Year 13 who accessed employment and training in August 2014 – 1

Key Performance Objectives for Behaviour & Safety 2013 – 2014

Attendance for Years 7 – 11

Target = 97%

Actual = 95.40%

Attendance for Years 12 & 13

Target = 95%

Actual = 89.86%

Rugby win % Target = 60%

Actual = 53%

Cricket win % Target = 60%

Actual = 58%

Key Performance Objectives for Quality of Teaching 2013 – 2014

% of Teaching Staff rated as 'outstanding' Target = 45%

Actual = 37%

% of Teaching Staff rated as 'good' or 'outstanding' Target = 95%

Actual = 94%

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Progress against School Development Plan Objectives 2013 – 2014.

Objective 1:

Ensure 'outstanding' use of data by using it rigorously to: inform planning; precisely target intervention; and effectively communicate student progress internally.

Autumn Term Summary:

SLT traffic lighting document indicates that the "use of prior data" is 'good'
Formal lesson observation data indicates that "use of prior data" is 'good'
Targeted intervention menu made available to subject areas post assessment data – evidence of use from meeting minutes
Relevant CPD delivered x4: (3 middle leader sessions and 1 session open to all staff)
Targeted intervention discussed as part of all line management meetings
99.89% of subject areas are 'good' or 'outstanding' for "use of prior data" in November SLT traffic lighting

Spring Term Summary:

SLT traffic lighting document indicates that "use of prior data" is good but only 7 out of 18 subject areas 'outstanding'.
Formal lesson observation data indicates that "use of prior data" is good
Of the 40 Y11 students identified for targeted intervention in Autumn 1, 17 have increased Value Added scores in Autumn 2, but 23 have decreased scores. The group's Value Added has decreased from +0.40 to +0.35 compared to a negligible shift for the rest of the cohort.
Of the 10 Upper Sixth students identified at the start of the academic year for targeted intervention, none have increased Value Added scores, and 8 have decreased. The group's Value Added has decreased from -0.45 to -0.92.
A common agenda analysis indicates that 13 out of 17 departments are using data well to track progress and implement intervention. Key departments to improve in this area are physics, PE, biology and DT.

Summer Term Summary:

SLT traffic lighting document indicates that "use of prior data" is good but only 8 out of 18 subject areas are outstanding.
Formal lessons observation data indicates that "use of prior data" is good.
Targeted intervention groups are being analysed for impact on a regular basis (September public examination results following on from June/July internal examination analysis and Spring 2 final professional predictions for exam classes). Impact is varied; 80% have not closed the gap, but this is now known and can be addressed.

Objective 2:

Develop outstanding questioning strategies which: challenge students; accurately assess students learning; facilitate students learning from one another effectively; capture key learning points.

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Autumn Term Summary:

Questioning is 'good' in 94% of formal learning observations and 'outstanding' in 26% of formal lesson observations.

Challenge Partner Reviews indicated questioning was a strength in some departments e.g. English but not consistent enough across the school.

Subject area review not complete

Spring Term Summary:

6 out of 13 members of staff with questioning as a key appraisal target are on track to hit it (green). The other 7 continue to develop in this area (amber).

Questioning is 'good' in 91% of formal learning observations and 'outstanding' in 26% of formal lesson observations.

SLT traffic lighting document indicates that "Questioning" is 'good' (2.0 in January)

Subject area reviews x3 scheduled

Academic Board reported on Oracy research on 19.03.14

Summer Term Summary:

SLT to update appraisal tracking

Questioning is at least 'good' in 90% of formal learning observations and 'outstanding' in 37% of formal lesson observations.

The quantity of lessons receiving outstanding judgements has declined due to the change in lesson observation policy (as referred to on front sheet) – projections if this had not been the case suggest that the number of lessons rated 'outstanding' for questioning would be 52%.

SLT traffic lighting document indicates that 'Questioning' is 'good'

2 Subject area reviews complete with 1 planned for start of July

Oracy a JPD focus for directed CPD in 2014-15

Objective 3:

Provide 'outstanding' feedback to students through dialogic marking.

Autumn Term Summary:

Formal lesson observation data suggests 'marking' is 'good'

SLT traffic lighting document indicates that 'periodic assessment' is 'good' in October and 'good' in November.

SLT traffic lighting document indicates that 'periodic assessment' is at least 'good' in 61% of subject areas.

The November SLT work sample indicates marking is 'good' in terms of "regularity"; 'good' in terms of "providing precise targets"; 'requires improvement' in terms of "providing opportunities for students to improve their work"; 'requires improvement' for "correcting of literacy"

Spring Term Summary:

A common agenda analysis indicates that 11 out of 17 departments are regularly assessing improvements in marking in subject area meetings. Key areas to improve are geography, economics, PE, RS, biology, DT.

Formal lesson observation data suggests 'marking' is 'good'

SLT traffic lighting document indicates that 'periodic assessment' is 'good' in January.

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SLT traffic lighting document indicates that 'periodic assessment' is at least 'good' in 78% of subject areas.
SLT traffic lighting document indicates that 'periodic assessment' is 'outstanding' in 17% of subject areas.
The January SLT work sample indicates that marking is 'good' in terms of "regularity"; 'good' in terms of "providing precise targets for improvement"; 'good' in terms of "providing opportunities for students to improve their work"; 'good' in terms of "correcting of literacy" and 'good' in terms of "effective use of peer and self-assessment"

Summer Term Summary:

Common Agenda Analysis suggests that the majority of subject areas are regularly moderating marking, discussing the achievement of students and forming appropriate interventions.
Formal lesson observation data suggests 'marking' is 'good'
SLT traffic lighting document indicates that 'periodic assessment' is 'good' in June.
SLT traffic lighting document indicates that 'periodic assessment' is at least 'good' in 78% of subject areas.
SLT traffic lighting document indicates that 'periodic assessment' is 'outstanding' in 28% of subject areas.
SLT work samples indicates that marking is 'good' in terms of "regularity"; 'good' in terms of "providing precise targets for improvement"; 'good' in terms of "providing opportunities for students to improve their work"; 'good' in terms of "correcting of literacy" and 'requires improvement' in terms of "effective use of peer and self-assessment"

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.

The Academy is in a position of negative reserves as at 31 August 2014, however, the Governing Body is confident that this is temporary as higher levels of funding have been allocated for the London Borough of Sutton for 2015-16 from which the Academy will benefit.

Financial Review

Most of the Academy's income is obtained from the Department for Education (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.

Expenditure for the year was not completely covered by grants from the DfE and other income, such as voluntary income, activities for generating funds and investment income, and the Academy has used £164,000 of unrestricted reserves to supplement this income. This was necessary as levels of parental donations were much lower than anticipated. The Academy is actively trying to address this issue by instigating a marketing campaign to parents in an attempt to increase voluntary donations.

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Fixed Assets purchased in the year have been funded by capital grants received of £183,000 and a transfer from reserves of £59,000, of which £43,000 is represented by a Salix loan.

At 31 August 2014, the net book value of fixed assets was £15.7m 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 and adjusted it to allow for any additions in subsequent years.

The Academy held fund balances at 31 August 2014 of £14.6m which consisted of £15.7m being the value of Fixed Assets, £5,000 of general restricted funds, a deficit of £21,000 on Unrestricted Reserves and the deficit on the defined benefit pension scheme of £1,058,000. The purposes of the restricted funds are set out in Note 18.

Fixed Assets purchased in the year have been funded by capital grants received of £183,000, £42,000 and a transfer from reserves of £59,000, of which £43,000 is represented by a Salix loan.

At 31 August 2014, the net book value of fixed assets was £15.7m 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 and adjusted it to allow for any additions in the year.

Reserves Policy

Maintaining an appropriate level of financial reserves is considered essential in protecting the school from financial risk generated by, for example;

- income reduction due to Government funding changes
- unexpected falls in student numbers
- cash flow issues due to delays in receipt of funding
- emergencies

In general it is considered prudent to maintain a level of useable reserves sufficient to cover unexpected and unplanned events so that the school's primary objective is preserved. At the same time, the school wishes to ensure that it uses its funding to benefit the students in its care which implies an imperative to consider actively the use of reserves to enhance educational provision.

WALLINGTON COUNTY GRAMMAR SCHOOL COMPANY LIMITED BY GUARANTEE

TRUSTEES' REPORT

YEAR ENDED 31 AUGUST 2014

Governors will monitor levels of reserves in financial reports provided by the School Business Manager and in the audited annual financial statements. Governors will aim for a prudent level of reserves to be maintained, bearing in mind the recurrent spending needs to ensure high quality provision. In deciding the level of reserves Governors will take into account the following:

- one month salary bill
- the school's annual budget
- the need for any large project spend such as facilities development or building condition needs
- any uncertainty, turbulence or expected reduction in funding arrangements, including the level of transitional protection within the school funding and its expiry date
- anticipated funding over the next three years.

This policy will be reviewed annually.

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

The Academy's pension reserve is reporting a deficit at 31 August 2014 of £1,058,000, compared to a deficit at 31st August 2013 of £798,000.

The Academy has Other Restricted Reserves of £5,000. The purpose of these reserves is disclosed in Note 18.

The Academy has a deficit on Unrestricted Reserves of £21,000. Net Unrestricted Income was £188,000 of which £164,000 was transferred to Restricted Reserves to cover running costs. £16,000 was transferred to the Fixed Asset Fund to cover asset purchases. The remaining Fixed Assets were purchased using a Salix loan of £43,000 which is repayable over 5 years and is being funded by energy savings over the term of the loan. This is represented on the SOFA as a transfer of the full amount of the loan from Unrestricted Reserves to the Fixed Asset Fund.

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 2014 are £173,000.

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

Investment Policy

Governors are firmly committed to ensuring that all funds under their control are administered in such a way as to maximise return while minimising risk. Governors do not consider the investment of surplus funds as a primary activity, but rather a requirement for the effective management of the various funds entrusted to the Board.

Governors' management of cash flow should ensure that there are always sufficient funds in the main bank accounts to cover operational costs. Banks must be selected from the FSA Approved List included in the Financial Services Compensation Scheme (FSCS).

WALLINGTON COUNTY GRAMMAR SCHOOL COMPANY LIMITED BY GUARANTEE

TRUSTEES' REPORT

YEAR ENDED 31 AUGUST 2014

Governors will seek to ensure that any cash not required for operating expenses is placed on deposit at the most favourable rate. Arrangements for deposits may include, but are not limited to Treasury Bonds and CCLA Deposit Accounts. Deposit account providers must be selected from the FSA Approved List included in the Financial Services Compensation Scheme (FSCS) or from the CCLA.

Principal Risks and Uncertainties

The Academy practices, through its Governing Body and the constituted sub-committees, risk management principles. Any major risks highlighted at any sub-committee are brought to the main board with proposed mitigating actions and they continue to be actively reported until the risk is adequately mitigated.

The Governing Body accepts managed risk as an inevitable part of its operations but maintains an objective not to run unacceptable levels of risk in any area. The subjective nature of the process requires major risks to be resolved by the Governing Body collectively, whilst minor risks are dealt with by the Senior Leadership Team.

The principal risks facing the Academy are:

- Reputational risk - mitigated by maintaining good relations with local stakeholders, improving standards in learning and behaviour, and providing a broad-based and relevant curriculum.
- Performance risk - mitigated by monitoring each student's progress at each Key Stage and providing additional resources as necessary.
- Financial risk - the principal risks here are a reduction in student numbers, reductions in central government funding, unbudgeted increases in teaching or support staff costs or unbudgeted major capital repairs. The risks here are mitigated by careful budget planning and monitoring and by holding sufficient reserves to cover challenging financial circumstances.
- Risks associated with personnel - mitigated by ensuring that the school has correct recruitment and performance management procedures, and that all staff are supported, motivated and valued.

Plans for Future Periods

It is the School's main aim to be judged as 'outstanding' by Ofsted in the near future.

The School Development Plan for 2014 – 2015 focuses on areas of school life which need to be further developed to ensure standards continually develop further and give the School an opportunity hopefully in 2014 – 2015 to be judged by Ofsted as 'outstanding'. A summary of these key development objectives are as follows:

1. To ensure outstanding levels of **challenge** and **progress** for Sixth Form students through rigorous and accurate assessment.
 2. To **engage** students in dialogic assessment to create *reflective learners* and so enhance **progress**.
 3. To develop an **engaging** co-curricular program that enhances the *Personal, Learning and Thinking Skills* and so prepares students for the next stage of their education and employment.
 4. To ensure Non-Teaching Staff use the Performance Management process to identify needs, seek out CPD opportunities and disseminate expertise.
-

WALLINGTON COUNTY GRAMMAR SCHOOL COMPANY LIMITED BY GUARANTEE

TRUSTEES' REPORT

YEAR ENDED 31 AUGUST 2014

5. To enhance the effectiveness of the Governing Body in its role of supporting and challenging the school.
6. To enhance the effectiveness of the Parent Body in its role of supporting and challenging the school.
7. To grow the school's financial capacity.

During 2014 - 2015 the School also has aspirations to grow from a Single Academy Trust into a Multi-Academy Trust (MAT). This is part of our School Development objective to grow the School's financial capacity. At the time of writing this report the School has submitted both an application to become a recognised sponsor and has submitted a Free School Application as part of the governments 'Wave 8' application window. We hope to develop a family of schools under a 'WCGS Federation' and bring improved capacity to support more students in the local area and benefit from economies of scale in seeking to provide enhanced resources for students and staff.

We hope to hear whether our applications are successful in Spring / Summer 2015.

Auditor

Insofar as the trustees are aware;

- there is not relevant audit information of which the charitable company's auditor is unaware;
- and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information;

Trustees' report incorporating a strategic report, approved by order of the board of trustees, as the company directors, on Wednesday 17th December 2014 and signed on the boards behalf by:



Mr. P. Huitson, B.A
Chairman

WALLINGTON COUNTY GRAMMAR SCHOOL COMPANY LIMITED BY GUARANTEE

GOVERNANCE STATEMENT

YEAR ENDED 31 AUGUST 2014.

Scope of Responsibility

As Trustees, 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 Head Teacher, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between 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 Trustees Report and in the Statement of Trustees' Responsibilities. The Governing Body has formally met 3 times during the year. Attendance during the year at meetings of the Governing Body was as follows:

Trustee	Meetings attended	Out of a possible
Mr G. Cooper	1	1
Mr P. Huitson, B.A (Chairman)	3	3
Mr J Wiiden	3	3
Mr K. Plummer, J.P., M.I.E.H., M.I.O.S.H., (Vice-Chairman)	1	3
Mr. P. Clifton	0	0
Mr. R. Dean	2	3
Mr. J. Diamond BSc., A.C.A.	3	3
Mr A Ghazanfar	1	2
Mr N Mogridge	2	3
Mrs F Ambrose	2	2
Mr. L. Howells, BSc.	3	3
Mrs A Ali	3	3
Dr S Babu	3	3
Mr H Ruparella	2	3
Mr J Eynon	2	3
Mr A Andre	3	3

WALLINGTON COUNTY GRAMMAR SCHOOL COMPANY LIMITED BY GUARANTEE

GOVERNANCE STATEMENT

YEAR ENDED 31 AUGUST 2014

The Resources Committee is a sub-committee of the main Governing Body. Its purpose is to assist the decision making of the governing body, by enabling more detailed consideration to be given to the best means of fulfilling the governing body's responsibility to ensure sound management of the academy's finances and resources, including proper planning, monitoring and probity. Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
Mr. P Huitson B.A	4	6
Mr K. Plummer, J.P,M.I.E.H,M.I.O.S.H.,	4	6
Mr G. Cooper	3	4
Mr. J. Diamond BSc., A.C.A.	6	6
Mr J.Wilden	6	6
Mr. L Howells, BSc.	5	6
Mr. P Clifton	1	1
Mr J Eynon	2	2

Governance Review

The trust has not undertaken a review of governance during the year. It has commenced an internal review which will be finalised during the forthcoming year.

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 2014 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 2014 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

WALLINGTON COUNTY GRAMMAR SCHOOL COMPANY LIMITED BY GUARANTEE

GOVERNANCE STATEMENT

YEAR ENDED 31 AUGUST 2014

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 Resources 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. H. Ruparelia, 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.

WALLINGTON COUNTY GRAMMAR SCHOOL COMPANY LIMITED BY GUARANTEE

GOVERNANCE STATEMENT

YEAR ENDED 31 AUGUST 2014

Review of Effectiveness

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

- the work of the 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 Resources Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Governing Body on 17th December 2014 and signed on its behalf by:

Signed



Mr. P Huitson B.A.

Chair

Signed



Mr. J Wilden

Accounting officer

WALLINGTON COUNTY GRAMMAR SCHOOL COMPANY LIMITED BY GUARANTEE

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

YEAR ENDED 31 AUGUST 2014

Statement on Regularity, Propriety and Compliance

As accounting officer of Wallington County Grammar School I have considered my responsibility to notify the academy 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 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. If any instances are identified after the date of this statement, these will be notified to the governing body and the EFA.



Mr J Wilden

Accounting Officer

Date: 17.12.14

WALLINGTON COUNTY GRAMMAR SCHOOL COMPANY LIMITED BY GUARANTEE

STATEMENT OF TRUSTEES RESPONSIBILITIES

YEAR ENDED 31 AUGUST 2014

Statement of Trustees Responsibilities

The trustees (who act as governors of Wallington County Grammar School and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Annual Accounts Direction published by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

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

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

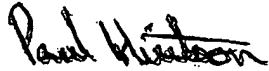
The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions

WALLINGTON COUNTY GRAMMAR SCHOOL
COMPANY LIMITED BY GUARANTEE

STATEMENT OF TRUSTEES RESPONSIBILITIES

YEAR ENDED 31 AUGUST 2014

Approved by order of the board of trustees on 17th December 2014 and signed on its behalf by:



Mr P Huitson

Trustee

Date:

WALLINGTON COUNTY GRAMMAR SCHOOL COMPANY LIMITED BY GUARANTEE

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

YEAR ENDED 31 AUGUST 2014

We have audited the financial statements of Wallington County Grammar School for the year ended 31 August 2014 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2014 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 19 to 20), 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 31 August 2014 and of its incoming resources and application of resources for the year then ended;
 - have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
 - have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2014 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

YEAR ENDED 31 AUGUST 2014

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.

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 2014

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

YEAR ENDED 31 AUGUST 2014

In accordance with the terms of our engagement letter dated 6 November 2012 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013 to 2014, 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 year ended 31 August 2014 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 2013, 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 2013/14. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year ended 31 August 2014 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2014 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.

**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**

YEAR ENDED 31 AUGUST 2014

Approach (continued)

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

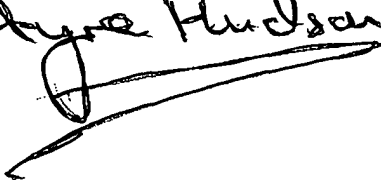
The work undertaken to draw to our conclusion includes:

- Reviewing the Minutes of the meetings of the Governing Body and other evidence made available to us, relevant to our consideration of regularity.
- A review of the objectives and activities of the academy, with reference to the income streams and other information available to us as auditors of the academy.
- Testing of a sample of payroll payments to staff.
- Testing of a sample of payments to suppliers and other third parties.
- Testing of a sample of grants received and other income streams.

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 September 2013 to 31st August 2014 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



A Burnham FCA
Reporting Accountant
MHA MacIntyre Hudson
Chartered Accountants
New Bridge Street House
30-34 New Bridge Street
London
EC4V 6BJ

18 December 2014

WALLINGTON COUNTY GRAMMAR SCHOOL COMPANY LIMITED BY GUARANTEE

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

YEAR ENDED 31 AUGUST 2014

		Unrestricted Funds	Restricted General Funds	Fixed Asset Funds	Total Funds 2014	Total Funds 2013
		£000	£000	£000	£000	£000
Incoming resources						
Incoming resources from generated funds:						
Voluntary income	2	126	23	-	149	168
Activities for generating funds	3	332	270	-	602	551
Investment income	4	4	-	-	4	8
Incoming resources from charitable activities:						
Funding for academy's educational operations	5	-	4,555	183	4,738	5,704
Total incoming resources		462	4,848	183	5,493	6431
Resources expended						
Cost of Generating Funds	6	(275)	(345)	(11)	(631)	(532)
Charitable Activities:						
Academy's Educational Operations	7	-	(4,673)	(271)	(4,944)	(4,931)
Governance Costs	8	-	(44)	-	(44)	(47)
Total resources expended		(275)	(5,062)	(282)	(5,619)	(5,510)
Net outgoing resources for the year/net expenditure for the year before transfers	9	187	(214)	(99)	(126)	921
Gross transfers between funds		(223)	164	59	-	-
Net income/(expenditure) for the period		(36)	(50)	(40)	(126)	921
Other Recognised Gains & Losses						
Actuarial losses on defined benefit pension scheme	17	-	(218)	-	(218)	(6)
Net movement in funds		(36)	(268)	(40)	(344)	915
Reconciliation of funds						
Total funds brought forward		15	(785)	15,745	14,975	14,060
Total funds carried forward		(21)	(1,053)	15,705	14,631	14,975

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.

The accounting policies and notes on pages 35 to 52 form part of these financial statements.

WALLINGTON COUNTY GRAMMAR SCHOOL COMPANY LIMITED BY GUARANTEE

BALANCE SHEET

31 AUGUST 2014

	Note	2014 £000	2014 £000	2013 £000	2013 £000
Fixed Assets					
Tangible assets	13		15,705		15,745
Current assets					
Stock		6		8	
Debtors	14	233		415	
Cash at bank and in hand		173		202	
		<u>412</u>		<u>625</u>	
Creditors: amounts falling due within one year	15	(401)		(597)	
Net current assets			11		28
Total assets less current liabilities			<u>15,716</u>		<u>15,773</u>
Creditors: amounts falling due after one year	16		(27)		—
Net assets excluding pension liability			<u>15,689</u>		<u>15,773</u>
Defined benefit pension scheme liability	17		(1,058)		(798)
Net assets including pension liability			<u>14,631</u>		<u>14,975</u>
Funds	18				
Restricted income funds					
Fixed asset funds		15,705		15,745	
General restricted funds		5		13	
Pension reserve		(1,058)		(798)	
Total restricted income funds			<u>14,652</u>		<u>14,960</u>
Unrestricted funds			(21)		15
Total funds			<u>14,631</u>		<u>14,975</u>

These financial statements were approved by the Governors; and authorised for issue on 17th December 2014 and are signed on their behalf by:

Mr. P. Huitson
Chair



Mr. J. Wilden
Principal and Accounting Officer



Company Registration Number: 07627302

The accounting policies and notes on pages 35 to 52 form part of these financial statements.

WALLINGTON COUNTY GRAMMAR SCHOOL COMPANY LIMITED BY GUARANTEE

CASH FLOW STATEMENT

YEAR ENDED 31 AUGUST 2014

	Note	2014 £000	2013 £000
Net cash (inflow)/outflow from operating activities	24	26	(304)
Returns on investments and servicing of finance	25	4	8
Capital expenditure	26	(59)	-
Increase/(Decrease) in cash		<u>(29)</u>	<u>(296)</u>

Analysis of changes in net funds

	1 Sept 2013 £	Cash flows £	31 Aug 14 £
Cash in hand and at bank	202	(29)	173
	<u>202</u>	<u>(29)</u>	<u>173</u>

The accounting policies and notes on pages 35 to 52 form part of these financial statements.

WALLINGTON COUNTY GRAMMAR SCHOOL COMPANY LIMITED BY GUARANTEE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2014

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.

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

WALLINGTON COUNTY GRAMMAR SCHOOL COMPANY LIMITED BY GUARANTEE

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YEAR ENDED 31 AUGUST 2014

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 on 1 June 2011 were included at the estimated depreciated replacement cost valuation.

Depreciation on fixed assets purchased with the aid of donations or grants 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:

Buildings:	2% per annum
Furniture and Equipment:	20% per annum

Operating lease agreements

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

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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 17, 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.

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2. Voluntary income

	Unrestricted Funds	Restricted Funds	Restricted Fixed Asset Funds	Total Funds 2014	Total Funds 2013
	£000	£000	£000	£000	£000
Donations	126	23	-	149	168
	<u>126</u>	<u>23</u>	<u>-</u>	<u>149</u>	<u>168</u>

3. Incoming resources from activities for generating funds

	Unrestricted Funds	Restricted Funds	Total Funds 2014	Total Funds 2013
	£000	£000	£000	£000
Catering income	282	-	282	241
School trips	-	265	265	188
Other income	50	5	55	122
	<u>332</u>	<u>270</u>	<u>602</u>	<u>551</u>

4. Investment income

	Unrestricted Funds	Total Funds 2014	Total Funds 2013
	£000	£000	£000
Bank interest receivable	<u>4</u>	<u>4</u>	<u>8</u>

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5. Funding for academy's educational operations

	Restricted Funds: £000	Total Funds 2014: £000	Total Funds 2013 £000
EFA revenue grants:			
General Annual Grant (GAG)	4,474	4,474	4,357
Other government grants	32	32	58
Pupil premium	49	49	40
	<u>4,555</u>	<u>4,555</u>	<u>4,455</u>
Other Government grants			
Capital grants	183	183	1,249
	<u>183</u>	<u>183</u>	<u>1,249</u>
	<u>4,738</u>	<u>4,738</u>	<u>5,704</u>

Under the funding agreement with the Secretary of State the academy trust was subject to limits at 31 August 2014 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

The academy trust has not exceeded those limits in the year ended 31 August 2014

6. Cost of Generating Funds

	Staff costs £000	Premises £000	Other costs £000	Total 2014: £000	Total 2013 £000
Direct costs	103	-	444	547	449
Support costs	49	25	10	84	83
	<u>152</u>	<u>25</u>	<u>454</u>	<u>631</u>	<u>532</u>

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7. Charitable Activities

	Staff costs £000	Premises £000	Other costs £000	Total 2014 £000	Total 2013 £000
Academy's Educational Operations:					
Direct costs	3,417	-	399	3,816	3,748
Support costs	378	625	125	1,128	1,155
	<u>3,795</u>	<u>625</u>	<u>524</u>	<u>4,944</u>	<u>4,903</u>

	Restricted Funds £000	Restricted Fixed Asset Funds £000	Total Funds 2014 £000	Total Funds 2013 £000
<i>Direct costs</i>				
Teaching and educational support staff	3,417	-	3,417	3,312
Educational supplies	178	-	178	196
Examination fees	134	-	134	138
Staff development	36	-	36	53
Other direct costs	51	-	51	49
	<u>3,816</u>	<u>-</u>	<u>3,816</u>	<u>3,748</u>
<i>Allocated support costs</i>				
Support staff costs	378	-	378	438
Recruitment and support	-	-	-	-
Maintenance of premises and equipment	198	-	198	204
Rent and rates	21	-	21	21
Cleaning	106	-	106	96
Insurance	27	-	27	27
Depreciation	-	271	271	234
Other support costs	127	-	127	136
	<u>857</u>	<u>271</u>	<u>1,128</u>	<u>1,155</u>
	<u>4,673</u>	<u>271</u>	<u>4,944</u>	<u>4,903</u>

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8. Governance Costs

	2014 £000	2013 £000
Legal and professional fees	5	1
Auditors Remuneration	9	9
Support staff costs	30	37
	<u>44</u>	<u>47</u>

9. Net outgoing resources for the year

This is stated after charging:

	2014 £000	2013 £000
Operating leases - equipment	28	21
Depreciation	282	243

WALLINGTON COUNTY GRAMMAR SCHOOL COMPANY LIMITED BY GUARANTEE

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10. Staff costs and emoluments

	2014	2013
	£000	£000
Wages and salaries	3,140	3,106
Social security	249	250
Pension costs	569	536
Supply teacher costs and other agency staff	19	41
	<u>3,977</u>	<u>3,933</u>

Particulars of employees:

The average number of employees during the period was:	2014	2013
Teaching	57	56
Non-teaching	36	34
	<u>93</u>	<u>90</u>

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 2014 was as follows:

Salary Bracket £000's	No. of Staff Governors 2014	No. of Staff Governors 2013	Pension Bracket £000's	No. of Staff Governors 2014	No. of Staff Governors 2013
£15-£20	1	1	£1-5	1	2
£20-£30	0	0	£5-10	2	1
£35-£40	1	1	£10-15	1	1
£40-£45	0	2	£15-20	0	0
£80-£85	1	0			
£95-£100	0	1			
£110-£115	0	0			

The Principal, Mr J Wilden, was also a staff governor and received remuneration of £84,048 in salary and £11,844 in pension contributions for the year ended 31st August 2014. Amounts for the prior period were £95,921 in salary and £15,973 in pension contributions payable to the previous Principal, Mr P Smart.

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.

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13. Tangible fixed assets

	Freehold property £000	Furniture & equipment £000	Total £000
Cost			
At 1 st September 2013	16,023	237	16,260
Additions	223	19	242
At 31 August 2014	16,246	256	16,502
Depreciation			
At 1 st September 2013	477	38	515
Charged in the year	232	50	282
At 31 August 2014	709	88	797
Net book value			
At 31 August 2014	15,537	168	15,705
At 31 August 2013	15,546	200	15,746

14. Debtors

	2014 £000	2013 £000
Trade debtors	14	5
Other debtors	219	410
	233	415

15. Creditors: Amounts falling due within one year

	2014 £000	2012 £000
Trade creditors	127	166
Other taxes and social security	137	135
Accruals and deferred income	112	147
Other creditors	25	149
	401	597

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15. Creditors: Amounts falling due within one year *(continued)*

Deferred income

	2014 £000
At 1 September 2013	88
Deferred in the year	28
Amounts released from previous periods	(88)
Deferred income at 31 August 2014	<u>28</u>

Deferred income relates to projects that will take place in the following year as well as rental income received in advance.

16. Creditors: Amounts falling due after one year

	2014 £000
Salix loan repayments due after one year	<u>27</u>

Salix delivers 100% interest-free capital to the public sector to improve their energy efficiency and reduce their carbon emissions.

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17. 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 2012 and of the LGPS was at 31 August 2014.

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.

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17. Pensions and similar obligations *(continued)*

Valuation of the Teachers' Pension Scheme

The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%))
- total scheme liabilities for the service to the effective date of £191,500 million, and notional assets of £176,600 million, giving a notional past service deficit of £14,900 million; and
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations.

The new employer contribution rate is applicable from 1 April 2015 and will be implemented for the TPS from September 2015.

A copy of the valuation report and supporting documentation is on the Teachers Pension website (<https://www.teacherspension.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx>)

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.

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 2014 was £206,000, of which employer's contributions totalled £164,000 and employees' contributions totalled £42,000.

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. 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 2014.

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

WALLINGTON COUNTY GRAMMAR SCHOOL COMPANY LIMITED BY GUARANTEE

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YEAR ENDED 31 AUGUST 2014

17. Pensions and similar obligations *(continued)*

Principal actuarial assumptions

	At 31 Aug 2014	At 31 Aug 2013
	%	%
Discount rate	3.7	4.6
Expected return on scheme assets	5.4	5.6
Rate of increase in salaries	4.4	5.1
Rate of increase in pensions payment	2.6	2.8

Sensitivity analysis is as follows:

	Increase in Employer liability	Monetary amount
	%	£000
0.5% decrease in the real discount rate	12	252
1 year increase in member life expectancy	3	62
0.5% increase in the salary increase rate	5	109
0.5% increase in the pension increase rate	7	135

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17. 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 2014	At 31 August 2013
Retiring today		
Males	22.3	21.0
Females	24.5	23.8
Retiring in 20 years		
Males	24.2	22.9
Females	26.8	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 2014 %	Fair value at 31 Aug 2014 £000	Expected return at 31 Aug 2013 %	Fair value at 31 Aug 2013 £000
Equities	6.3	664	6.6	441
Bonds	3.5	265	4.0	239
Property	4.5	71	4.7	37
Cash	3.3	20	3.6	30
Total market value of assets		1,020		747
Present value of scheme liabilities - funded		(2,078)		(1,545)
Deficit in the scheme		(1,058)		(798)

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.

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17. Pensions and similar obligations (continued)

Amounts recognised in the Statement of Financial Activities

	2014	2013
	£000	£000
Current service cost (net of employee contributions)	(177)	(154)
Total operating charge	(177)	(154)
Analysis of pension finance income/(costs)	2014	2014
	£000	£000
Interest on pension liabilities	(76)	(56)
Expected return on pension scheme assets	47	28
Pension finance costs	(29)	(28)

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:

	2014	2013
	£000	£000
As at 31 August 2013	(1,545)	(1,258)
Current service cost	(177)	(154)
Interest on pension liabilities	(76)	(56)
Employee contributions	(42)	(39)
Actuarial loss	(243)	(38)
Estimated benefits paid	5	-
At 31 August 2014	(2,078)	(1,545)

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

	2014	2013
	£000	£000
As at 31 August 2013	747	497
Expected return on assets	47	28
Employee contributions	42	39
Employer contributions	164	151
Actuarial gains	25	32
Estimated benefits paid	(5)	-
At 31 August 2014	1,020	747

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18. Funds

	Balance at 1 September 2013	Incoming resources	Resources expended	Gains and losses	Transfer	Balance at 31 Aug 2014
	£000	£000	£000	£000	£000	£000
Restricted general funds						
General annual grant (GAG)	-	4,473	(4,665)	-	192	-
Other Restricted funds	13	375	(355)	-	(28)	5
Pension reserve	(798)		(42)	(218)	-	(1,058)
Total restricted general funds	(785)	4,848	(5,062)	(218)	164	(1,053)
Restricted Fixed asset funds	15,745	183	(282)	-	59	15,705
Total Restricted funds	14,960	5,031	(5,344)	(218)	223	14,652
Unrestricted funds						
General unrestricted funds	15	462	(275)	-	(223)	(21)
Total unrestricted funds	15	462	(275)	-	(223)	(21)
Total Funds	14,975	5,493	(5,619)	(218)	-	14,631

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	4
Other sundry donations	1
Total	5

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YEAR ENDED 31 AUGUST 2014

19. Analysis of net assets between funds

Fund balances at 31 August 2014 are represented by:

	Unrestricted funds	Restricted general funds	Restricted fixed asset fund	Total
	£000	£000	£000	£000
Fixed Assets	-	-	15,705	15,705
Net Current Assets	(21)	5	-	(16)
Pension Liability	-	(1,058)	-	(1,058)
Net Assets	(21)	(1,053)	15,705	14,631

20. Capital Commitments

	2014 £000	2013 £000
Contracted for, but not provided for in the financial statements	-	332

21. Financial Commitments

At 31 August 2014 the academy trust had annual commitments under non-cancellable operating leases as follows:

	2014 £000	2013 £000
Equipment		
Expiring within two and five years	22	23

22. Ultimate controlling party

There is no ultimate controlling party.

23. Company limited by guarantee

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

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YEAR ENDED 31 AUGUST 2014

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

	2014	2013
	£000	£000
Net incoming resources before transfers	(126)	921
Depreciation	282	243
Capital grants and other sponsorship	(183)	(1,249)
Interest Receivable	(4)	(8)
FRS 17 pension adjustments	42	31
Decrease/(increase) in stocks	1	(1)
Decrease/(increase) in debtors	182	(165)
(Decrease)/increase in creditors	(168)	(76)
Net cash inflow/(outflow) from operating activities	26	(304)

25. Returns on investments and servicing of finance

	2014	2013
	£000	£000
Interest received	4	8

26. Capital Expenditure

	2014	2013
	£000	£000
Purchase of tangible fixed assets	242	1,249
Capital grants	(183)	(1,249)
Net cash outflow from capital expenditure	(59)	-

27. 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.