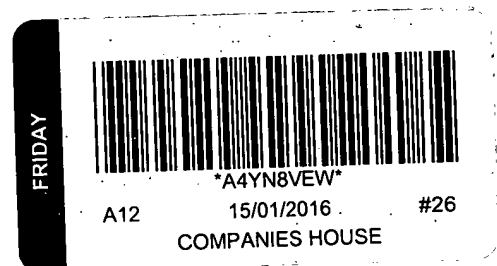


**COMPANY REGISTRATION NUMBER 07627302**

**WCGS ACADEMY TRUST**  
**(Formerly Wallington County Grammar School)**  
**COMPANY LIMITED BY GUARANTEE**  
**FINANCIAL STATEMENTS**  
**31 AUGUST 2015**



# **WCGS Academy Trust**

## **COMPANY LIMITED BY GUARANTEE**

### **FINANCIAL STATEMENTS**

**YEAR ENDED 31 AUGUST 2015**

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# **WCGS ACADEMY TRUST COMPANY LIMITED BY GUARANTEE**

## **REFERENCE AND ADMINISTRATIVE DETAILS**

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<b>Company Name</b>	WCGS Academy Trust
<b>Company Registration Number</b>	07627302
<b>Principal Office</b>	Croydon Road Wallington Surrey SM6 7PH
<b>Trustees and Members</b>	Mr P. Huitson, BA (Chairman, Director and Member) * Mr K. Plummer, J.P.,M.I.E.H.,M.I.O.S.H., (Member) Mr. R. Dean ( Resigned 8 <sup>th</sup> July 2015) Mr. J. Diamond BSc.A.C.A * (Director and Appointed Member 15 <sup>th</sup> Sept 2015) Mr. H. Ruparelia. (Responsible Officer, Resigned 13 <sup>th</sup> Oct 2015) Mr. L. Howells, BSc. * (Resigned 27 <sup>th</sup> Sept 2014) Mr. A Andre * (Resigned 13 <sup>th</sup> Oct 2015) Dr S Babu (Member) (Resigned as Director 13 <sup>th</sup> Oct 2015) Mrs A.M Ali (Resigned 13 <sup>th</sup> Oct 2015) Mr J Wilden * Mrs F Ambrose* (Resigned 8 <sup>th</sup> July 2015) Mr N Mogridge (Resigned 13 <sup>th</sup> Oct 2015) Mr A Ghazanfar * (Resigned 13 <sup>th</sup> Oct 2015) Mrs Roderigues (Member) Mrs J Rowley *(Apptd 25 <sup>th</sup> Mar 2015, Resigned 13 <sup>th</sup> Oct 2015) Miss J Gallagher (Apptd 27 <sup>th</sup> Nov 2014, Resigned 13 <sup>th</sup> Oct 2015)
	 * Members of the Resources Committee
<b>Secretary</b>	Mr R Baker, F.C.A
<b>Senior Leadership Team</b>	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 Co-Curricular Learning: Dr.K Meek

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# **WCGS ACADEMY TRUST COMPANY LIMITED BY GUARANTEE**

## **REFERENCE AND ADMINISTRATIVE DETAILS**

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### **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**

Stone King LLP  
Boundary House  
91 Charterhouse Street  
London  
EC1M 6HR

# **WCGS ACADEMY TRUST COMPANY LIMITED BY GUARANTEE**

## **TRUSTEES' REPORT**

**YEAR ENDED 31 AUGUST 2015**

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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 2015.

### **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.

During the year the Governors acted as trustees for the charitable activities of Wallington County Grammar School Academy Trust and were also the directors of the charitable company for the purposes of company law. The charitable company was known as Wallington County Grammar School Academy Trust. Since the year end, on 13<sup>th</sup> October the Academy converted to a Multi Academy Trust and was renamed WCGS Academy Trust. At this point many of the Governors resigned their role as Directors and Trustees of the company, but retained their role as Local Governors of the 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 Governors**

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 Headmaster) who are employees of the Academy Trust does not exceed one third of the total number of Governors. The Headmaster 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 preferred, by having their ballot paper returned to the Academy Trust by a registered pupil at the Academy.

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# **WCGS ACADEMY TRUST COMPANY LIMITED BY GUARANTEE**

## **TRUSTEES' REPORT**

**YEAR ENDED 31 AUGUST 2015**

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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 they are 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 Headmaster) 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 Headmaster).

### **Policies and Procedures Adopted for the Induction and Training of Governors**

During the period Trustees attended courses carried out in the Academy Trust 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 (SLT).

# **WCGS ACADEMY TRUST COMPANY LIMITED BY GUARANTEE**

## **TRUSTEES' REPORT**

**YEAR ENDED 31 AUGUST 2015**

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### **Organisational Structure**

The Leadership & Management structure in place for the period consisted of a Headmaster, two Deputy Headteachers, three Assistant Headteachers, a School Business Manager and a Director of Co-curricular Learning who acted as an additional Senior Teacher. These posts constituted the Academy's Senior Leadership Team (SLT). The aim of the Leadership & 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 Senior Leadership Team of the Academy is responsible for delivering the approved strategic actions set by the Governors which include a series of action steps and success criteria.

The evaluation of the Academy is distributed among the following Senior Staff to ensure that specific staff are accountable for the reports sent to the Board of Trustees.

Deputy Headteacher – Leadership & Management  
Deputy Headteacher – Behaviour & Safety  
Assistant Headteacher – Achievement of Students  
Assistant Headteacher – Quality of Teaching  
Assistant Headteacher – The Sixth Form

Termly reports are delivered by the Headmaster and each of the members of the SLT to ensure a smooth accountability framework. Governors / Directors / Trustees are requested to attend regular Standards and Resources Committee meetings as the main way to challenge and support the school.

### **Related Parties and other Connected Charities and Organisations**

The Academy Trust is a member of the Partnership of Sutton Secondary Schools (PSSS or 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 working collectively on matters of shared interest and co-operating 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 but now also look to other LAs to ensure value for money. An example of this would be that Governor Training is currently procured from Croydon Octavo Services.

During 2014/2015 WCGS Academy was a significant contributor to the Sutton Alliance Review process which organised peer review visits to other Sutton schools.

# **WCGS ACADEMY TRUST COMPANY LIMITED BY GUARANTEE**

## **TRUSTEES' REPORT**

**YEAR ENDED 31 AUGUST 2015**

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### **Objectives and activities**

The Academy Trust's primary objective is to safeguard students and staff while offering a broad and balanced curriculum which will allow all young people to reach their personal best. It ensures it meets the needs of all students holding high expectations of effort, conduct and organisation. The core beliefs of the Academy Trust are:

- High Expectations
- No Excuses
- Lead learners
- Every Child
- No Islands

### **Objects and Aims**

#### **Core 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 3<sup>rd</sup> 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.



# WCGS ACADEMY TRUST COMPANY LIMITED BY GUARANTEE

## TRUSTEES' REPORT

YEAR ENDED 31 AUGUST 2015

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### Aims of the Trust (as outlined in the Home School Agreement for 2014/2015)

- exhibit our core values of **self-discipline, endeavour** and **excellence**;
- enhance learning and achievement for all by:
  - using creative teaching strategies that ensure student **engagement**;
  - ensuring students know how to make **progress** and making parents/carers aware of this at timely intervals;
  - ensuring students are appropriately **challenged** and supported;
  - building and developing excellent professional working **relationships**;
  - going beyond 'surface learning' to **deepen thinking**;
- create a **happy** and **safe** school by:
  - praising students for enacting and embodying our vision;
  - using appropriate sanctions from the School's Behaviour Policy when students compromise our vision;
  - considering and ensuring student safety and wellbeing at all times;
  - using timely communication with parents/carers;
  - listening to the views of others and implementing change when appropriate;
- promote the **social, moral, spiritual, cultural** and **physical** development of all students by:
  - delivering an outstanding academic curriculum;
  - contributing to a world class House System;
  - helping provide high quality extra-curricular opportunities;
  - providing access to healthy food;
  - providing opportunities to develop health related fitness.

# WCGS ACADEMY TRUST COMPANY LIMITED BY GUARANTEE

## TRUSTEES' REPORT

YEAR ENDED 31 AUGUST 2015

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### Objectives, Strategies and Activities during 2014 / 2015

The 2014/2015 development plan focused on the **Engagement, Challenge** and **Progress** strands of the Vision for Learning model which is designed to raise standards.

All Objectives were fully met.

**Objective 1:** To ensure outstanding levels of **challenge** and **progress** for sixth form students through rigorous and accurate assessment.

1. **Develop** subject area understanding of course specifications and assessment methods/criteria by ensuring that Subject Leaders engage with: local and national networks; exam board Continuing Professional Development (CPD); examination reports; paper recalls; analysis of three year trends; examination marking.
2. **Develop** subject area understanding of course changes over the next three years by ensuring Subject Leaders engage with: local and national networks; exam board CPD.
3. **Enhance** provision by auditing and facilitating the enhancement of Subject Area Development Plans (SADPs) and 'Personalised Learning Checklists' (PLCs).
4. **Evaluate** and **enhance** the effectiveness of Subject Area assessment and assessment moderation by auditing action steps taken by Subject Areas during Teaching & Learning Meetings.
5. **Audit and develop** the use of Private Study and Homework to ensure they address Subject Area PLCs effectively.

**Objective 2:** To **engage** students in dialogic assessment to create *reflective learners* and so enhance **progress**.

1. Ensure an effective **launch and 'sell'** of the 'coloured pens model' by: sending a letter to parents drawing attention to changes to the equipment list (red and purple pens) and explaining the rationale and dates of parent workshops; launching Assessment for Learning (AfL) expectations in assembly to students; organising form time equipment checks for first few weeks; monitoring sanctions for 'unprepared for learning – equipment' closely and review after 3 weeks - intervene with persistent offenders and 're-sell' message; running parent workshops; ensuring pens are available to purchase from the canteen.
  2. **Reinforce** the value of self and peer assessment to students by ensuring staff are awarding commendations for reflective learning.
  3. **Develop** members of staff's ability to ensure high quality dialogic marking takes place through CPD 'sharing best practice sessions'.
  4. **Develop** students' self and peer assessment skills by ensuring staff are modelling high quality thinking questions and providing a range of opportunities to engage in the assessment process. **Monitor** the extent to
-

# WCGS ACADEMY TRUST COMPANY LIMITED BY GUARANTEE

## TRUSTEES' REPORT

YEAR ENDED 31 AUGUST 2015

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which opportunities for quality dialogic assessment are being provided through: formal lesson observations; drop-ins; SLT traffic lighting; work samples.

**Objective 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.

1. Engage students and staff in the co-curriculum by establishing a coherent structure for '**form time**'.
2. Engage students and staff in the co-curriculum by encouraging **subject areas** to adopt a holistic approach to curriculum and co-curriculum time. Ensuring that co-curricular time is established in the Common Agenda and evaluated regularly through SLT Teaching and Learning meetings.
3. To regularly monitor and sample co-curricular logs of Pupil premium (PP) students to ensure they are actively engaging in the co-curriculum
4. To employ a dedicated a dedicated careers/co-curricular co-ordinator to engage students in the co-curriculum through a stronger focus on career '**pathways**'.

### 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. The previous discussion regarding objectives & activities demonstrate how the public benefit test has been met.

# **WCGS ACADEMY TRUST COMPANY LIMITED BY GUARANTEE**

## **TRUSTEES' REPORT**

**YEAR ENDED 31 AUGUST 2015**

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### **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 Indicators for 2014 / 2015***

##### **Outcomes for Pupils**

*Year 11 GCSE Public Examination Results – 3<sup>rd</sup> percentile (Top 3% of schools) nationally for Value Added.*

*FFT Aspire Collaborative Grammar School GCSE Value Added analysis – 2<sup>nd</sup> best performing Grammar School in the country.*

*Raw Percentages:*

	40% - A*
	76% - A* - A
	93% - A* - B
	Ebacc – 73%

*Year 13 A Level Public Examination Results – 20<sup>th</sup> percentile (Top 20% of schools) nationally for Value Added*

*Raw Percentages:*

	24% - A*
	63% - A* - A
	88% A* - B

*League Table 'Parent Power' Sunday Times – November 2015*

*Wallington County Grammar School – 20<sup>th</sup> place in the league table of the top 200 state school nationally. This uses a combination of GCSE and A Level raw percentages (actual grades – not value added)*

##### **Attendance for 2014 / 2015 (excluding summer examination season)**

**Years 7 – 11 = 96.9% attendance**

**Sixth Form = 93.3% attendance**

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# **WCGS ACADEMY TRUST COMPANY LIMITED BY GUARANTEE**

## **TRUSTEES' REPORT**

**YEAR ENDED 31 AUGUST 2015**

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### **Quality of Teaching**

57% of all lessons observed were judged to be 'outstanding'

95% of all lessons observed were judged to be 'good' or 'outstanding'

### **Sporting Success**

Rugby win percentage – 57%

Cricket win percentage – 61%

### **Destination of school leavers – August 2015**

97 achieved their first choice of university

10 secured places at Oxbridge College

14 secured places to read Medicine

# **WCGS ACADEMY TRUST COMPANY LIMITED BY GUARANTEE**

## **TRUSTEES' REPORT**

**YEAR ENDED 31 AUGUST 2015**

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### **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.

### **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 trust, mainly from parents who donate on a regular basis, to supplement grant income. This income is usually used to cover running costs of co-curricular activities that are additional to the basic school activities but are considered important for expanding pupil opportunities, it 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 the Academy Trust has used £208,000 of unrestricted funds to supplement this income.

Fixed Assets purchased in the year have been funded by capital grants received of £216,000, Voluntary Income of £10,000 and a transfer from unrestricted funds of £34,000.

At 31 August 2015, 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 31<sup>st</sup> 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 Trust 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 Trust held fund balances at 31 August 2015 of £14.75m which consisted of £15.7m being the value of Fixed Assets, £139,000 of general restricted funds, a deficit of £17,000 on Unrestricted Reserves and the deficit on the defined benefit pension scheme of £1,042,000. The purposes of the restricted funds are set out in Note 18.

# **WCGS ACADEMY TRUST COMPANY LIMITED BY GUARANTEE**

## **TRUSTEES' REPORT**

**YEAR ENDED 31 AUGUST 2015**

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### **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.

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 2015 of £1,042,000, compared to a deficit at 31<sup>st</sup> August 2014 of £1,058,000.

The Academy has Other Restricted Reserves of £139,000. The purpose of these reserves is disclosed in Note 18.

The Academy has a deficit on Unrestricted Reserves of £17,000. Net Unrestricted Income was £246,000 of which £208,000 was transferred to Restricted Reserves to cover running costs. £34,000 was transferred to the Fixed Asset Fund to cover asset purchases. 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 2015 are £855,000.

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# **WCGS ACADEMY TRUST COMPANY LIMITED BY GUARANTEE**

## **TRUSTEES' REPORT**

**YEAR ENDED 31 AUGUST 2015**

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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 approved banks included in the Financial Services Compensation Scheme (FSCS).

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 approved banks covered by 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.



# **WCGS ACADEMY TRUST COMPANY LIMITED BY GUARANTEE**

## **TRUSTEES' REPORT**

**YEAR ENDED 31 AUGUST 2015**

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### **Plans for Future Periods**

#### **School Development Plan for 2015 / 2016**

Next year's development plan will focus on the **Engagement and Deep Thinking** strands of the Vision for Learning with a Sixth form Focus.

**Objective 1:** To enhance levels of Engagement and Deep Thinking in the Sixth form to create students who are prepared to be successful undergraduates and leaders of tomorrow.

#### **Action Steps:**

1. Launch teaching and learning vision for Sixth Form.
2. Subject Areas to audit existing provision and identify areas for development.
3. All Sixth Form drop-ins to include comment on general and subject specific skills.
4. Provide a further 4 hours of CPD for each member of staff focussing on enhancing the quality of teaching in the Sixth Form.
5. Market risk taking Sixth Form teaching strategies through staff room displays, teaching tips, SLT observations etc.
6. Introduce Sixth Form specific SLT paired learning walks on a fortnightly basis. Include a pupil premium focus.
7. Perform regular student voice exercises with the sixth form to gauge successful strategies and share them with staff.
8. Develop a leadership programme to run in form time/ drop down days commencing 2016-17
9. Set up PP Cause For Concern (CFC) students from Y11-Y13 with a leadership coach.

**Objective 2:** To plan effectively for curriculum change at GCSE and A Level so teacher's knowledge and understanding of course specific content and skills is 'outstanding'.

#### **Action Steps:**

1. Follow Curriculum Change 2015-16 Action Plan.
  2. Adapt leadership structures to provide regular time for Subject Areas to plan and evaluate their progress in delivering new specifications.
  3. Evaluate and raise the quality of Personal Learning Checklists.
  4. Provide 10 hours of Subject Leader led CPD focussing on the delivery of new specifications.
  5. Provide external CPD to upskill teachers in new specifications.
  6. Evaluate and raise the quality of Schemes of Work.
  7. Adapt tracking systems for new GCSE grading system.
  8. Track student progress at A Level on new specifications through Raising Standards Leaders (RSL) meetings and Academic Monitoring Reports.
  9. Communicate in a timely fashion with parents about how new specifications are being delivered.
  10. Facilitate student/parent voice to gauge how effectively new specifications are being delivered.
  11. Intervene with 'disadvantaged' students to ensure no adverse gaps emerge.
-

# **WCGS ACADEMY TRUST COMPANY LIMITED BY GUARANTEE**

## **TRUSTEES' REPORT**

**YEAR ENDED 31 AUGUST 2015**

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**Objective 3:** To ensure and enhance staff and student wellbeing

### **Action Steps:**

1. Re-establish WCGS' unique vocabulary to describe excellence, moving away from Ofsted terminology and towards student centred language.
2. Develop and implement a formative process to evaluate the quality of teaching in the school with less of an emphasis on teaching tools and more on student outcomes relating to the Vision for Learning.
3. Adapt and implement tracking systems to ensure successes in ensuring above average performance is recognised clearly through colour coding, particularly through data sheets.
4. Restructure the appraisal system and implement to be less bureaucratic and more responsive to people's needs.
5. Develop and lead the Student Services team effectively.
6. Facilitate high impact Year Leader led intervention strategies with students on Pupil Premium to increase their wellbeing and effort levels.

### **Other significant plans for development during 2015 / 2016:**

1. The Academy will transform into a Multi-Academy Trust (MAT) and become an approved Sponsor to help facilitate the movement of other Locally Maintained schools towards the Academy route. The Trust hopes to work closely with both converter and sponsored academies.
2. The Trust has an approved Free School application and now hopes to secure a suitable site within South Croydon.
3. The Trust is monitoring developments with regards to Grammar school expansion and will consider the possibility of siting a Grammar School Annex in Croydon as a potential part of its expansion plans.
4. The Trust hopes to grow during 2015 / 2016 to include up to four schools which may include both secondary and primary schools.

**WCGS ACADEMY TRUST  
COMPANY LIMITED BY GUARANTEE**

**TRUSTEES' REPORT**

**YEAR ENDED 31 AUGUST 2015**

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**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 16<sup>th</sup> December 2015 and signed on the boards behalf by:



Mr. P. Huitson, B.A  
Chair

# WCGS ACADEMY TRUST COMPANY LIMITED BY GUARANTEE

## GOVERNANCE STATEMENT

YEAR ENDED 31 AUGUST 2015

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### 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 Headmaster, 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 4 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 P. Huitson, B.A (Chairman)	4	4
Mr J Wilden	4	4
Mr. R. Dean	0	4
Mr. J. Diamond BSc., A.C.A.	4	4
Mr A Ghazanfar	4	4
Mr N Mogridge	4	4
Mrs F Ambrose	3	4
Mrs A Ali	3	4
Dr S Babu	4	4
Mr H Ruparelia	3	4
Mr A Andre	4	4
Mrs J Rowley	1	1
Miss J Gallagher	4	4

# WCGS ACADEMY TRUST COMPANY LIMITED BY GUARANTEE

## GOVERNANCE STATEMENT

YEAR ENDED 31 AUGUST 2015

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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. The Committee also supports and challenges the '**Behaviour & Safety**' within the Academy focusing on the environment being a safe place and that students and staff are happy. Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
Mr P. Huitson, B.A	3	3
Mr J Wilden (Headmaster)	3	3
Mr. J. Diamond BSc., A.C.A. (Chair)	3	3
Mr A Ghazanfar	3	3
Mr A Andre	3	3
Mrs J Rowley	1	1
Mr N Mogridge	2	3

The **Finance Sub-Committee** is a sub-committee of the Resources Committee. 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. J. Diamond BSc., A.C.A (Chair)	3	3
Mr J Wilden (Headmaster)	3	3
Mr P. Huitson, B.A	3	3

The Sub-committee members were also joined by the School Business Manager, a school Finance Officer and the Deputy Headteacher responsible for '**Leadership and Management**'. The group met prior to each Resources Committee to conduct a 'deep dive' into Financial Risk Variables as part of the financial monitoring of the Trust.

# WCGS ACADEMY TRUST COMPANY LIMITED BY GUARANTEE

## GOVERNANCE STATEMENT

YEAR ENDED 31 AUGUST 2015

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The **Standards 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 leadership with regards the academy's '**Achievement of Students**' and '**Quality of Teaching**'. The Committee also supports and challenges the evaluation of the '**Sixth Form**'. Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
Mrs A Ali ( Chair)	3	3
Mr P. Huitson, B.A	3	3
Mr J Wilden	3	3
Miss J Gallagher	3	3
Mr H Ruparelia	1	3
Mr S Babu	2	3

## Governance Review

The Trust performed an external review of its governing body, minutes and committee structure in April 2014. This process allowed the body to reconstitute and re-structure its committees to ensure they were more focused on the challenge surrounding the school evaluation framework.

The external review was carried out by the NGA – National Governance Association. The outcome of the review that there needed to be a skills audit carried out and the creation of two additional committees to support the work of the Resources Committee. One was a sub-committee of the Resources Committee and would look at financial management and financial risk variables in a deep dive. The other committee was a Standards Committee which was to look at the achievement of students and the quality of teaching.

This new system allowed the school to generate more focused agendas and minutes which were able to highlight improved support and challenge for the school.

Governance was part of the School development Plan for 2014 / 2015 has now been self-evaluated using the Ofsted Framework as 'outstanding'. This demonstrates progress when compared to the original RAG Rating exercise from April 2014.

The Academy has bought into Croydon's Octavo Services and aims to run an external evaluation of governance during 2016.

# **WCGS ACADEMY TRUST COMPANY LIMITED BY GUARANTEE**

## **GOVERNANCE STATEMENT**

**YEAR ENDED 31 AUGUST 2015**

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### **Review of Value for Money**

The Accounting Officer is personally responsible and publicly accountable for achieving the best possible value for money in their organisation. This includes:

- the economic, efficient and effective use of all the resources in their charge – for example to produce better educational results;
- the avoidance of waste and extravagance;
- the prudent and economical administration of the organisation;
- the establishment and maintenance of a system of financial governance, including sound internal spending controls, keeping up to date financial records, continuous financial monitoring and timely reporting;
- ensuring all financial transactions represent value for money.

A key objective is to achieve value for money not only for the organisation itself but for the taxpayer more generally. So whilst it involves an academy trust living within its budget and using its resources properly and with probity, it is primarily about how it continuously improves both the educational and wider societal outcomes for its pupils with the resources available.

With schools budgets continuing to come under pressure due to the financial constraints being placed upon the public sector and increasing employment costs that have not been funded, it is essential that we develop innovative ways of ensuring that monies are spent in the most effective ways to achieve the best outcomes for the students.

#### **1 . Maximisation of Efficiency within Curriculum Spending**

One of the measures that the school has taken this year is to set aside an unassigned pot of money for curriculum spending by challenging each subject area to reduce their regular capitation by 25%. This fund has then been made available for subject leaders to bid for during the year to ensure that monies are spent in the areas requiring development rather than using what has been more of a generic or formulaic calculation of what each department receives. In submitting their bids the subject leaders are required to indicate.

- How this investment will aid school improvement and improve teaching and learning
- How success of the initiative will be monitored and impact measured
- Finally, an evaluation is carried out and included in the subject area evaluation

This approach ensures a much more targeted approach of investing in areas of need that make a measureable difference, whilst not starving departments of the funds necessary to deliver the core objectives within their subjects.

# **WCGS ACADEMY TRUST COMPANY LIMITED BY GUARANTEE**

## **GOVERNANCE STATEMENT**

**YEAR ENDED 31 AUGUST 2015**

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### **2 . Collaboration Locally & Nationally**

The school also takes a lead in a number of local initiatives targeted at driving improvement whilst minimising cost to the school communities as a whole. A fantastic example of this is the Sutton Alliance Review which is something which Wallington has taking a major leading role in developing.

This review takes the form of a mini Ofsted style review of areas that the school in question wishes to be examined, either because they think this is an area they believe to be already excellent and they wish to confirm their own evaluation methodology, or an area they feel that they need assistance in, in order to learn and improve by gathering specific input from other schools in preparation for any inspection that may take place.

The reviews are carried out by senior leaders within the Sutton Alliance who rotate through the schools so that they get experience of reviewing and being reviewed. As the schools own staff are being used, this minimises overall cost, but also creates a great means for training and developing future leaders.

Another example of co-operation at this level that drives improvement and saves cost within the local borough is the regular forum style meetings that take place for Headteachers, Deputy Headteachers, and Business Managers. Each forum has it's own targeted benefits with the Heads and Deputies looking to drive improvement and innovation and with the Business Managers looking to work together to drive down costs by collaboration and conducting benchmarking analysis.

The Business managers have co-operated on a number of initiatives during the year, including working together to maximise value from a new tender for cleaning (7 schools took part) as well as working with major suppliers to drive additional discounts for the schools within the group.

Benchmarking has continued at a local level to ensure that schools evaluate what staffing models are working well within individual schools as well as sharing ideas for saving costs in any other innovative ways. Wallington has extended this level of co-operation by also working closely with the Boys Academic State Schools (BASS) group to help gather benchmarking data and ideas from schools across the country whose profile more closely matches that of a school with a high achieving selective nature.

This involvement with BASS has also extended to sharing ideas with groups throughout the schools so Heads, Deputies, Heads of Sixth Form and Subject areas also get together to share and learn from one another in a very cost effective way.

In addition to this the Headmaster continues to be closely involved with the Grammar Schools Heads Association.



# **WCGS ACADEMY TRUST COMPANY LIMITED BY GUARANTEE**

## **GOVERNANCE STATEMENT**

**YEAR ENDED 31 AUGUST 2015**

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### **3 . Monitoring and Governance**

All of these initiatives need to be closely monitored and evaluated and the school continues to work hard with its Governors to ensure transparency and deliver the appropriate level of challenge.

The school uses Lead governors to oversee specific areas of the schools performance and in particular the Finance Sub-Committee, introduced last year, has continued to be of huge benefit to the school with it's ability to dive deeply into the key areas of income generation and spending, concentrating on the following risk variables:

- Parental Financial Voluntary Contributions
- Teaching Staff supply costs
- Administrative Staff supply costs
- Subject Area capitation and printing costs
- Capital spending and premises costs

By focusing on these areas we have seen an improvement in the support from our parents which has allowed for greater investment in co-curricular activities that have a huge impact on the confidence and sense of achievement that our students experience by being involved in these initiatives.

Continued attention to the higher spend areas of expenditure has led to a number of initiatives that have helped us to achieve what we consider to be a very positive financial performance this year and the ability to set a budget that we enable us to build our reserves during the coming year as we continue to face an uncertain financial funding landscape.

# **WCGS ACADEMY TRUST COMPANY LIMITED BY GUARANTEE**

## **GOVERNANCE STATEMENT**

**YEAR ENDED 31 AUGUST 2015**

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### **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 2015 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 2015 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

### **The Risk and Control Framework**

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Governing Body;
- regular reviews by the 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.

# WCGS ACADEMY TRUST COMPANY LIMITED BY GUARANTEE

## GOVERNANCE STATEMENT

YEAR ENDED 31 AUGUST 2015

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### Review of Effectiveness

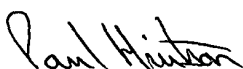
As accounting officer, the Head Teacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- 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 16<sup>th</sup> December 2015 and signed on its behalf by:

Signed



Mr. P Huitson B.A.

Chair

Signed



Mr.J Wilden

Accounting officer

**WCGS ACADEMY TRUST  
COMPANY LIMITED BY GUARANTEE**

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

**YEAR ENDED 31 AUGUST 2015**

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**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:

# **WCGS ACADEMY TRUST COMPANY LIMITED BY GUARANTEE**

## **STATEMENT OF TRUSTEES RESPONSIBILITIES**

**YEAR ENDED 31 AUGUST 2015**

---

### **Statement of Trustees Responsibilities**

The trustees (who act as governors of WCGS Academy Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Annual Accounts Direction 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.

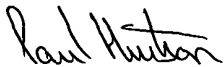
**WCGS ACADEMY TRUST  
COMPANY LIMITED BY GUARANTEE**

**STATEMENT OF TRUSTEES RESPONSIBILITIES**

**YEAR ENDED 31 AUGUST 2015**

---

Approved by order of the board of trustees on 16<sup>th</sup> December 2015 and signed on its behalf by:



Mr P Huitson

Trustee

Date:

# **WCGS ACADEMY TRUST COMPANY LIMITED BY GUARANTEE**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WCGS ACADEMY TRUST**

**YEAR ENDED 31 AUGUST 2015**

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We have audited the financial statements of Wallington County Grammar School for the year ended 31 August 2015 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 trustees and auditors**

As explained more fully in the Responsibilities of the Trustees (set out on pages 29 to 30), the Trustees (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 2015 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.
-

# **WCGS ACADEMY TRUST COMPANY LIMITED BY GUARANTEE**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WCGS ACADEMY TRUST**

**YEAR ENDED 31 AUGUST 2015**

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### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Trustees' 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 Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Rakesh Shaunak FCA  
For and on behalf of  
MHA MACINTYRE HUDSON  
Chartered Accountants & Statutory Auditor  
New Bridge Street  
30-34 New Bridge Street  
London  
EC4V 6BJ

28/12/2015



**WCGS ACADEMY TRUST  
COMPANY LIMITED BY GUARANTEE**

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO WCGS  
ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY**

**YEAR ENDED 31 AUGUST 2015**

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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 2015, 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 2015 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 2014/15. 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 2015 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 2014/15 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.

**WCGS ACADEMY TRUST  
COMPANY LIMITED BY GUARANTEE**

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO WCGS  
ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY**

**YEAR ENDED 31 AUGUST 2015**

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**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 2014 to 31st August 2015 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

*MHA MacIntyre Hudson*

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

*23 - 12 - 15*

# WCGS ACADEMY TRUST COMPANY LIMITED BY GUARANTEE

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

YEAR ENDED 31 AUGUST 2015

		Unrestricted Funds	Restricted General Funds	Fixed Asset Funds	Total Funds 2015	Total Funds 2014
		£000	£000	£000	£000	£000
<b>Incoming resources</b>						
Incoming resources from generated funds:						
Voluntary income	2	141	25	10	176	149
Activities for generating funds	3	395	176		571	602
Investment income	4	5	-	-	5	4
Incoming resources from charitable activities:						
Funding for academy's educational operations	5	-	4,800	216	5,016	4,738
<b>Total incoming resources</b>		<b>541</b>	<b>5,001</b>	<b>226</b>	<b>5,768</b>	<b>5,493</b>
<b>Resources expended</b>						
Cost of Generating Funds	6	(295)	(249)	(12)	(556)	(631)
Charitable Activities:						
Academy's Educational Operations	7	-	(4842)	(283)	(5125)	(4,944)
Governance Costs	8	-	(54)	-	(54)	(44)
<b>Total resources expended</b>		<b>(295)</b>	<b>(5,145)</b>	<b>(295)</b>	<b>(5,735)</b>	<b>(5,619)</b>
<b>Net outgoing resources for the year/net expenditure for the year before transfers</b>	9	<b>246</b>	<b>(144)</b>	<b>(69)</b>	<b>33</b>	<b>(126)</b>
Gross transfers between funds		(242)	208	34	-	-
<b>Net income /(expenditure) for the period</b>		<b>4</b>	<b>64</b>	<b>(35)</b>	<b>33</b>	<b>(126)</b>
<b>Other Recognised Gains &amp; Losses</b>						
Actuarial Gain/(losses) on defined benefit pension scheme	17	-	86	-	86	(218)
<b>Net movement in funds</b>		<b>4</b>	<b>150</b>	<b>(35)</b>	<b>119</b>	<b>(344)</b>
<b>Reconciliation of funds</b>						
Total funds brought forward		(21)	(1,053)	15,705	14,631	14,975
<b>Total funds carried forward</b>		<b>(17)</b>	<b>(903)</b>	<b>15,670</b>	<b>14,750</b>	<b>14,631</b>

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 38 to 55 form part of these financial statements.

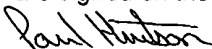
# WCGS ACADEMY TRUST COMPANY LIMITED BY GUARANTEE

## BALANCE SHEET

31 AUGUST 2015

	Note	2015 £000	2015 £000	2014 £000	2014 £000
<b>Fixed Assets</b>					
Tangible assets	13		15,670		15,705
<b>Current assets</b>					
Stock		3		6	
Debtors	14	229		233	
Cash at bank and in hand		855		173	
		<u>1,087</u>		<u>412</u>	
<b>Creditors: amounts falling due within one year</b>	15	<u>(949)</u>		<u>(401)</u>	
<b>Net current assets</b>			138		11
<b>Total assets less current liabilities</b>			<u>15,808</u>		<u>15,716</u>
<b>Creditors: amounts falling due after one year</b>	16		(16)		(27)
<b>Net assets excluding pension liability</b>			<u>15,792</u>		<u>15,689</u>
<b>Defined benefit pension scheme liability</b>	17		(1,042)		(1058)
<b>Net assets including pension liability</b>			<u>14,750</u>		<u>14,631</u>
<b>Funds</b>	18				
<b>Restricted income funds</b>					
Fixed asset funds		15,670		15,705	
General restricted funds		139		5	
Pension reserve		(1,042)		(1,058)	
<b>Total restricted income funds</b>			<u>14,767</u>		<u>14,652</u>
Unrestricted funds			(17)		(21)
<b>Total funds</b>			<u>14,750</u>		<u>14,631</u>

These financial statements were approved by the Trustees, and authorised for issue on 16<sup>th</sup> December 2015 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 38 to 55 form part of these financial statements.

**WCGS ACADEMY TRUST  
COMPANY LIMITED BY GUARANTEE**

**CASH FLOW STATEMENT**

**YEAR ENDED 31 AUGUST 2015**

	<b>Note</b>	<b>2015 £000</b>	<b>2014 £000</b>
Net cash (inflow)/outflow from operating activities	<b>24</b>	711	26
Returns on investments and servicing of finance	<b>25</b>	5	4
Capital expenditure	<b>26</b>	(34)	(59)
<b>Increase/(Decrease) in cash</b>		<b>682</b>	<b>(29)</b>

**Analysis of changes in net funds**

	<b>1 Sept 2014</b>	<b>Cash flows</b>	<b>31 Aug 15</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
Cash at bank and in hand	173	682	855

The accounting policies and notes on pages 38 to 55 form part of these financial statements.

# **WCGS ACADEMY TRUST COMPANY LIMITED BY GUARANTEE**

## **NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 AUGUST 2015**

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### **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

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# **WCGS ACADEMY TRUST COMPANY LIMITED BY GUARANTEE**

## **NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 AUGUST 2015**

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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.

# **WCGS ACADEMY TRUST COMPANY LIMITED BY GUARANTEE**

## **NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 AUGUST 2015**

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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 Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy to continue as a going concern. The Trustees make this assessment in respect of a period of 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.



# WCGS ACADEMY TRUST COMPANY LIMITED BY GUARANTEE

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2015

### 2. Voluntary income

	Unrestricted Funds	Restricted Funds	Restricted Fixed Asset Funds	Total Funds 2015	Total Funds 2014
	£000	£000	£000	£000	£000
Donations	141	25	10	176	149
	<u>141</u>	<u>25</u>	<u>10</u>	<u>176</u>	<u>149</u>

### 3. Incoming resources from activities for generating funds

	Unrestricted Funds	Restricted Funds	Total Funds 2015	Total Funds 2014
	£000	£000	£000	£000
Catering income	322	-	322	282
School trips	-	173	173	265
Other income	73	3	76	55
	<u>395</u>	<u>176</u>	<u>571</u>	<u>602</u>

### 4. Investment income

	Unrestricted Funds	Total Funds 2015	Total Funds 2014
	£000	£000	£000
Bank interest receivable	<u>5</u>	<u>5</u>	<u>5</u>

# WCGS ACADEMY TRUST COMPANY LIMITED BY GUARANTEE

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2015

### 5. Funding for academy's educational operations

	Restricted Funds £000	Total Funds 2015 £000	Total Funds 2014 £000
<b>EFA revenue grants</b>			
General Annual Grant (GAG)	4,570	4,570	4,474
Other government grants	165	165	32
Pupil premium	65	65	49
	<u>4,800</u>	<u>4,800</u>	<u>4,555</u>
 <b>Other Government grants</b>			
Capital grants	216	216	183
	<u>216</u>	<u>216</u>	<u>183</u>
	 <u>5,016</u>	 <u>5,016</u>	 <u>4,738</u>

Under the funding agreement with the Secretary of State the academy trust was subject to limits at 31 August 2015 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 2015

### 6. Cost of Generating Funds

	Staff costs £000	Premises £000	Other costs £000	Total 2015 £000	Total 2014 £000
Direct costs	111	-	352	463	547
Support costs	56	26	11	93	84
	<u>167</u>	<u>26</u>	<u>363</u>	<u>556</u>	<u>631</u>

# WCGS ACADEMY TRUST COMPANY LIMITED BY GUARANTEE

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2015

### 7. Charitable Activities

	Staff costs £000	Premises £000	Other costs £000	Total 2015 £000	Total 2014 £000
<b>Academy's Educational Operations:</b>					
Direct costs	3,534	-	400	3,934	3,816
Support costs	440	630	121	1,191	1,128
	<b>3,974</b>	<b>630</b>	<b>521</b>	<b>5,125</b>	<b>4,944</b>

	Restricted Funds £000	Restricted Fixed Asset Funds £000	Total Funds 2015 £000	Total Funds 2014 £000
<i>Direct costs</i>				
Teaching and educational support staff	3,534	-	3,534	3,417
Educational supplies	181	-	181	178
Examination fees	139	-	139	134
Staff development	33	-	33	36
Other direct costs	47	-	47	51
	<b>3,934</b>	<b>-</b>	<b>3,934</b>	<b>3,816</b>
<i>Allocated support costs</i>				
Support staff costs	440	-	440	378
Recruitment and support	-	-	-	-
Maintenance of premises and equipment	193	-	193	198
Rent and rates	22	-	22	21
Cleaning	106	-	106	106
Insurance	26	-	26	27
Depreciation	-	283	283	271
Other support costs	121	-	127	127
	<b>908</b>	<b>283</b>	<b>1,191</b>	<b>1,128</b>
	<b>4,842</b>	<b>283</b>	<b>5,125</b>	<b>4,944</b>

# **WCGS ACADEMY TRUST** **COMPANY LIMITED BY GUARANTEE**

## **NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 AUGUST 2015**

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### **8. Governance Costs**

	2015	2014
	£000	£000
Legal and professional fees	12	5
Auditors Remuneration	10	9
Support staff costs	32	30
	<u>54</u>	<u>44</u>

### **9. Net outgoing resources for the year**

This is stated after charging:

	2015	2014
	£000	£000
Operating leases - equipment	34	28
Depreciation	295	282

# WCGS ACADEMY TRUST COMPANY LIMITED BY GUARANTEE

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2015

### 10. Staff costs and emoluments

	2015 £000	2014 £000
Wages and salaries	3,232	3,140
Social security	252	249
Pension costs	645	569
Supply teacher costs and other agency staff	44	19
	<u>4,173</u>	<u>3,977</u>

#### Particulars of employees:

The average number of employees during the period was:

	2015	2014
Teaching	59	57
Non-teaching	36	36
	<u>95</u>	<u>93</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 2015 was as follows:

J Wilden (principal and trustee)

Remuneration £85,000 - £90,000 (2014: £80,000 - £85,000)

Employers pension contributions £10,000 - £15,000 (2014: £10,000 - £15,000)

Jamie Gallagher (staff trustee) – appointed 17<sup>th</sup> November 2014

Remuneration £40,000 - £45,000

Employers pension contributions £5,000 - £10,000

Anton Andre (staff trustee)

Remuneration £20,000 - £25,000 (2014: £15,000 - £20,000)

Employers pension contributions £1,000 - £5,000 (2014: £5,000 - £10,000)

# WCGS ACADEMY TRUST COMPANY LIMITED BY GUARANTEE

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2015

### 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.

### 13. Tangible fixed assets

	Freehold property £000	Furniture & equipment £000	Assets Under Construction £000	Total £000
<b>Cost</b>				
At 1 <sup>st</sup> September 2014	16,246	257	-	16,503
Additions	14	62	184	260
<b>At 31 August 2015</b>	<b>16,260</b>	<b>319</b>	<b>184</b>	<b>16,763</b>
<b>Depreciation</b>				
At 1 <sup>st</sup> September 2014	710	88	-	798
Charged in the year	239	56	-	295
<b>At 31 August 2015</b>	<b>949</b>	<b>144</b>		<b>1,093</b>
<b>Net book value</b>				
<b>At 31 August 2015</b>	<b>15,311</b>	<b>175</b>	<b>184</b>	<b>15,670</b>
At 31 August 2014	15,536	169	-	15,705

### 14. Debtors

	2015 £000	2014 £000
Trade debtors	2	14
Other debtors	227	219
	<b>229</b>	<b>233</b>

# WCGS ACADEMY TRUST COMPANY LIMITED BY GUARANTEE

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2015

### 15. Creditors: Amounts falling due within one year

	2015 £000	2014 £000
Trade creditors	245	127
Other taxes and social security	133	137
Accruals and deferred income	537	112
Other creditors	34	25
	<u>949</u>	<u>401</u>

### Deferred income

	2015 £000
At 1 September 2014	28
Deferred in the year	413
Amounts released from previous periods	(28)
Deferred income at 31 August 2015	<u>413</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

	2015 £000
Salix loan repayments due after one year	<u>16</u>

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

# **WCGS ACADEMY TRUST COMPANY LIMITED BY GUARANTEE**

## **NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 AUGUST 2015**

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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 2015.

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.



# **WCGS ACADEMY TRUST COMPANY LIMITED BY GUARANTEE**

## **NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 AUGUST 2015**

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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 2015. 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.

# WCGS ACADEMY TRUST COMPANY LIMITED BY GUARANTEE

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2015

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### 17. Pensions and similar obligations *(continued)*

#### Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions made for the year ended 31 August 2015 was £222,000, of which employer's contributions totalled £174,000 and employees' contributions totalled £48,000.

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 2015.

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

#### Principal actuarial assumptions

	At 31 Aug 2015	At 31 Aug 2014
	%	%
Discount rate	4.0	3.7
Expected return on scheme assets	5.4	5.4
Rate of increase in salaries	4.4	4.4
Rate of increase in pensions payment	2.6	2.6

Sensitivity analysis is as follows:

# WCGS ACADEMY TRUST COMPANY LIMITED BY GUARANTEE

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2015

### 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 2015	At 31 August 2014
Retiring today		
Males	21.7	22.3
Females	25.0	24.5
Retiring in 20 years		
Males	23.7	24.2
Females	27.0	26.8

The Academy's share of the assets and liabilities in the scheme :

	Bid Value at 31 Aug 2015 £000	Bid Value at 31 Aug 2014 £000
Equities	759	664
Gilts	169	-
Other bonds	147	265
Property	84	71
Cash	42	20
Absolute return portfolio	9	-
Alternative assets	8	-
	<b>1,218</b>	<b>1,020</b>

Present value of scheme liabilities - funded	<b>(1,042)</b>	<b>(1,058)</b>
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The return on the fund for the year to 31 August 2015 is estimated to be 0.5%.

# WCGS ACADEMY TRUST COMPANY LIMITED BY GUARANTEE

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2015

### 17. Pensions and similar obligations *(continued)*

#### Amounts recognised in the Statement of Financial Activities

	2015	2014
	£000	£000
Current service cost (net of employee contributions)	(224)	(177)
<b>Total operating charge</b>	<b>(224)</b>	<b>(177)</b>

#### Analysis of pension finance income/(costs)

	2014	2014
	£000	£000
Interest on pension liabilities	(81)	(76)
Expected return on pension scheme assets	61	47
<b>Pension finance costs</b>	<b>(20)</b>	<b>(29)</b>

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:

	2015	2014
	£000	£000
As at 31 August 2014	(2,078)	(1,545)
Current service cost	(224)	(177)
Interest on pension liabilities	(81)	(76)
Employee contributions	(48)	(42)
Actuarial gain/(loss)	146	(243)
Estimated benefits paid	25	5
<b>At 31 August 2015</b>	<b>(2,260)</b>	<b>(2,078)</b>

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

	2015	2014
	£000	£000
As at 31 August 2014	1,020	747
Expected return on assets	61	47
Employee contributions	48	42
Employer contributions	174	164
Actuarial (loss)/gain	(60)	25
Estimated benefits paid	(25)	(5)
<b>At 31 August 2015</b>	<b>1,218</b>	<b>1,020</b>

# WCGS ACADEMY TRUST COMPANY LIMITED BY GUARANTEE

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2015

### 18. Funds

	Balance at 1 September 2014 £000	Incoming resources £000	Resources expended £000	Gains and losses £000	Transfer £000	Balance at 31 Aug 2015 £000
<b>Restricted general funds</b>						
General annual grant (GAG)	-	4,548	(4,771)	-	222	-
Other Restricted funds	4	453	(304)	-	(14)	139
Pension reserve	(1,058)	-	(70)	86	-	(1,042)
<b>Total restricted general funds</b>	<b>(1,054)</b>	<b>5,001</b>	<b>(5,145)</b>	<b>86</b>	<b>208</b>	<b>(903)</b>
<b>Restricted Fixed asset funds</b>	<b>15,705</b>	<b>226</b>	<b>(295)</b>	<b>-</b>	<b>34</b>	<b>15,670</b>
<b>Total Restricted funds</b>	<b>14,651</b>	<b>5,227</b>	<b>(5,440)</b>	<b>86</b>	<b>242</b>	<b>14,767</b>
<b>Unrestricted funds</b>						
General unrestricted funds	(21)	541	(295)	-	(242)	(17)
<b>Total unrestricted funds</b>	<b>(21)</b>	<b>541</b>	<b>(295)</b>	<b>-</b>	<b>-</b>	<b>(17)</b>
<b>Total Funds</b>	<b>14,631</b>	<b>5,768</b>	<b>(5,735)</b>	<b>86</b>	<b>-</b>	<b>14,750</b>

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

	£000
Funds to be used to increase capacity to sponsor additional schools	45
Funds to be used to develop a Free School	85
Funds to be distributed to charity	5
Funds to be used to purchase educational equipment	4
<b>Total</b>	<b>139</b>

# WCGS ACADEMY TRUST COMPANY LIMITED BY GUARANTEE

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2015

### 19. Analysis of net assets between funds

Fund balances at 31 August 2015 are represented by:

	Unrestricted funds	Restricted general funds	Restricted fixed asset fund	Total
	£000	£000	£000	£000
Fixed Assets	-	-	15,670	15,670
Net Current Assets	(17)	139	-	-
Pension Liability	-	(1,042)	-	(1,042)
<b>Net Assets</b>	<b>(17)</b>	<b>(903)</b>	<b>15,670</b>	<b>14,750</b>

### 20. Capital Commitments

	2015 £000	2014 £000
Contracted for, but not provided for in the financial statements	300	-

### 21. Financial Commitments

At 31 August 2015 the academy trust had annual commitments under non-cancellable operating leases as follows:

	2015 £000	2014 £000
<b>Equipment</b>		
Expiring within 1 year	14	-
Expiring within two and five years	27	22

### 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.

# **WALLINGTON COUNTY GRAMMAR SCHOOL ACADEMY TRUST COMPANY LIMITED BY GUARANTEE**

## **NOTES TO THE FINANCIAL STATEMENTS**

**YEAR ENDED 31 AUGUST 2015**

### **24. Reconciliation of net incoming (outgoing) resources to net cash inflow from operating activities**

	2015	2014
	£000	£000
Net incoming (outgoing) resources before transfers	35	(126)
Depreciation	295	282
Capital grants and other sponsorship	(226)	(183)
Interest Receivable	(5)	(4)
FRS 17 pension adjustments	70	42
Decrease in stocks	3	1
Decrease in debtors	4	182
Increase/(Decrease) in creditors	535	(168)
<b>Net cash inflow from operating activities</b>	<b>711</b>	<b>26</b>

### **25. Returns on investments and servicing of finance**

	2015	2014
	£000	£000
Interest received	5	4

### **26. Capital Expenditure**

	2015	2014
	£000	£000
Purchase of tangible fixed assets	(260)	(242)
Capital grants and other capital sponsorship	226	183
<b>Net cash outflow from capital expenditure</b>	<b>(34)</b>	<b>59</b>

### **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.