

Company Registration No. 07988540 (England and Wales)

WOOLGROVE SCHOOL SPECIAL NEEDS ACADEMY

(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT AND AUDITED ACCOUNTS

FOR THE PERIOD ENDED 31 AUGUST 2013



WOOLGROVE SCHOOL SPECIAL NEEDS ACADEMY

CONTENTS

	Page
Reference and administrative details	1 - 2
Trustees' report	3 - 8
Governance statement	9 - 10
Statement on regularity, propriety and compliance	11
Statement of trustees' responsibilities	12
Independent auditor's report on the accounts	13 - 14
Independent auditor's report on regularity	15 - 16
Statement of financial activities	17
Balance sheet	18
Cash flow statement	19
Notes to the accounts	20 - 35

WOOLGROVE SCHOOL SPECIAL NEEDS ACADEMY

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees

T R Ashcroft
B Frederick (Chair of Governors) *
S J Hamson
V Litchfield
S Y Morrison *
S A Selley (Headteacher and Accounting Officer) *
C L Townsend
C R Tyler
J Winder (Vice-Chair) *
J Rushton (Resigned 1 March 2013)
M R Massie (Resigned 1 December 2012)
T J Langford (Resigned 1 March 2013)
T Brazier (Resigned 1 March 2013)
M Handscombe (Responsible Officer)
P Clarke (Resigned 1 March 2013)
J Whitrow

* members of the finance and general purposes committee

Senior managers

- Head of Infant Department	V Litchfield
- Head of CPD	R Pritchard
- Outreach Co-ordinator	L Howe
- Head of Junior Department	G Rowlands
- Headteacher	S A Selley
- Deputy Headteacher	M Swift
- Business Manager and Clerk	S Boakes
- Senior Teaching Assistant	A Linnel
- Senior Teaching Assistant	A Gooding

Company registration number 07988540 (England and Wales)

Registered office

Pryor Way
Letchworth Garden City
Herts
SG6 2PT

Independent auditor

UHY WKH Partnership
P O Box 501
The Nexus Building
Broadway
Letchworth Garden City
Herts
SG6 9BL

WOOLGROVE SCHOOL SPECIAL NEEDS ACADEMY

REFERENCE AND ADMINISTRATIVE DETAILS

Bankers

Lloyds TSB Bank plc
4 Station Road
Letchworth Garden City
Herts
SG6 3BH

Solicitors

Browne Jacobson
Mowbray House
Castle Meadow Road
Nottingham
NG2 1BJ

WOOLGROVE SCHOOL SPECIAL NEEDS ACADEMY

TRUSTEES' REPORT

FOR THE PERIOD ENDED 31 AUGUST 2013

The trustees present their annual report together with the accounts and independent auditor's reports of the charitable company for the period 1 April 2012 to 31 August 2013

Structure, governance and management

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust.

The trustees of Woolgrove School Special Needs Academy are also the directors of the charitable company for the purposes of company law. Details of the trustees who served during the Period are included in the Reference and Administrative Details on page 1.

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

Governors benefit from indemnity insurance to cover the liability of the Governors which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust. The cost of this insurance in the year was £95.

Principal activities

Woolgrove School, Special Needs Academy is established to maintain, manage and develop a school organised to make educational provision for pupils with Special Educational Needs. It is a forward-thinking school for Primary aged pupils (5-11 yrs) with a mixture of needs including MLD, ASC, SLCN, & a variety of Syndromes. Our vision is for everyone, pupils and staff, to reach their potential and to encourage the highest aspirations in all. We aim to "Live, Laugh and Learn Together".

Method of recruitment and appointment or election of trustees

Members of the Governing Body are either elected or appointed. Confidential ballot elections are held and overseen by the Clerk. Nominations for Teaching and Support Staff governors are taken from within the school. Nominations for Community Governors are welcomed from existing members of the board. Nominations for Parent Governors are welcomed from existing parents or guardians within the school. The Chair and Headteacher are in a position to appoint directly to the board.

Policies and procedures adopted for the induction and training of trustees

New members are provided with an induction pack detailing information relating specifically to the Academy. Formal induction training is provided by Herts Governance. The Academy subscribes to Herts Governance and further continuous training on educational, legal and financial matters is offered to all members.

WOOLGROVE SCHOOL SPECIAL NEEDS ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2013

Organisational structure

The structure of the Academy consists of three senior levels, the Academy Trust (Member Governors), the Board of Governors and the Senior Leadership Team. An aim of the management structure is to distribute responsibility and encourage involvement in decision making at all levels.

The Instrument of Government provides for a Governing Body consisting of

- 1 Headteacher
- 4 Parent Governors
- 2 Staff Governors
- 1 Local Authority Governor
- 8 Community Governors
- 3 Co-optees

The Governing Body is responsible for setting general policy, adopting an annual plan and budget monitoring of the Academy. It can make major decisions regarding the direction of the Academy, capital expenditure and senior staff appointments.

The Academy Trust Member Governors consist of a maximum of six members of the Governing Body, normally consisting of the Chair, Vice-Chair and Committee Chairs. They are nominated and appointed by the Governing Body. At present the Member Governors are Headteacher (Mrs Susan Selley), Chair (Mr Brian Frederick), Vice-Chair (Mr John Winder) and Chair of the Personnel & Parental Support Committee (Mrs Sonia Morrison). They control the Academy at an executive level, implementing the policies laid down by the Governing Body.

The Senior Leadership Team includes the Headteacher, Deputy Head, Heads of the Infant and Junior Departments, Outreach Co-ordinator, Head of CPD, Academy Business Manager and the Academy's two Senior Teaching Assistants. They are responsible for the day to day operation of the Academy, in particular organising the teaching staff, facilities and pupils. The Headteacher is the accounting officer for the Academy responsible for the financial position of the school delegated on a day to day basis to the Academy Business Manager.

Risk management

The Academy's system of internal financial control is based on a framework of regular management information and administration procedures including the segregation of duties and a system of delegation and accountability detailed in the "Schedule of Financial Delegation" which is reviewed annually in the Autumn term.

Connected organisations and related party relationships

Woolgrove School, Special Needs Academy works alongside "Friends of Woolgrove" (Charity Number XR-62498) to raise funds for the benefit of pupils and support their wider education. FOW assists with funding Riding for the Disabled, the costs of trips for pupils from disadvantaged backgrounds and funding theatre group visits to the Academy.

Throughout the year the Academy also holds several fund raising days to support national charities for example Jeans for Genes, RNLI and Children in Need.

WOOLGROVE SCHOOL SPECIAL NEEDS ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2013

Objectives and activities

Objects and aims

Woolgrove seeks to create a happy, secure and stimulating environment in which all can experience success and realise their unique potential

- To raise people's self-esteem, so that they are able to make the most of their abilities and talents
- To foster a sense of curiosity and a love of learning, so that all will develop a determination to achieve and succeed
- To work in partnership with parents, other schools and wider community, To promote a more inclusive education system and a sense of citizenship
- To promote independence and encourage intellectual, emotional, spiritual and healthy growth, so that everyone can become lifelong learners
- To work together in an atmosphere of trust and mutual respect, so that all feel equally safe and valued
- To provide a challenging and enriching curriculum which addresses individual needs

Objectives, strategies and activities

Woolgrove is a thriving, energetic, family orientated learning environment. Our pupils' achievements are remarkable in so many different ways that parents, visitors and colleagues make comment. The school's happy and flourishing context is created by the dedicated staff who work as a thoughtful, caring team supporting each other to provide the best education for our pupils. Pupils in turn, behave well because they understand the clear rules and boundaries which are put in place to keep everyone safe and achieving.

During the period to 31 August 2013 the Academy has gained the Autism Accreditation with the Society for Autism, the University of Birmingham and the Local Authority. We have also renewed the Basic Skills Quality Mark and joined with the University of Hertfordshire to provide two School's Direct Training places within the Academy both whom successfully commenced training in September 2013.

Public benefit

The trustees have complied with their duty to have due regard to the guidance on public benefit issued by the Charity Commission in exercising their powers and duties.

Achievements and performance

Achievements in the Period

Using Prysma Data Woolgrove School has shown consistent Outstanding progress in English, Maths, Science, ICT, Art, Design Technology and RE over four years- 2008 to 2012 for **ALL** pupils. Our 'Outstanding' Whole School progress is as follows:

- 88.04% have achieved 2 levels of progress in English over four years 2008-2012
- 90.22% have achieved 2 levels of progress in Maths over four years 2008-2012
- 84.27% have achieved 2 levels of progress in Science over four years 2008-2012
- 84.27% have achieved 2 levels of progress in ICT over four years 2008-2012
- 83.15% have achieved 2 levels of progress in Art over four years 2008-2012
- 83.15% have achieved 2 levels of progress in RE over four years 2008-2012
- 77.01% have achieved 2 levels of progress in History over four years 2008-2012
- 76% have achieved 2 levels of progress in Geography over four years 2008-2012
- 73.17% have achieved 2 levels of progress in Music over four years 2008-2012
- 82.02% have achieved 2 levels of progress in Design Technology over four years 2008-2012

WOOLGROVE SCHOOL SPECIAL NEEDS ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2013

Going concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason the board of trustees continues to adopt the going concern basis in preparing the accounts. The governors make this assessment in respect of a period of at least one year from the date of approval of these financial statements.

Financial review

Most of the Academy's income is obtained from the EFA in the form of specific grants ie School Budget Share and LACSEG. From April 2013 the Academy has also received funding from the LA in the form of Top-Up-Funding in relation to pupils over and above the funded number. At the present time the Academies successful Outreach Department is funded separately by the LA.

The Academy was also successful in a Capital bid for funding during the period concerned, gaining funds to carry out repairs to the front half of the schools roof. The aim is to bid again for funding for the rest of the roof in this financial year.

The Academy has self funded an extension consisting of a new classroom space, two offices and a connecting corridor. This has been funded by reserves from the old school balance. Since becoming an Academy reserves were initially maintained at a higher than normal level in order to future proof the Academy from unforeseen expenditure. The change in levels of the children now joining has necessitated an increase in the number of support staff in every area. It is therefore likely that the Academies present reserves will be reduced. The Governing Body has reviewed the possibility of investment and will consider this annually.

Principal risks and uncertainties

The Academy has assessed the major risks to which it is exposed, in particular those relating to safeguarding, provision of teaching staff, maintenance of the Academy's roof, boilers and drains, provision of facilities and other operational areas of the Academy and its finances. These are regularly reviewed by Governors and systems have been implemented to manage these risks.

Reserves policy

Since becoming an Academy reserves were initially maintained at a higher than normal level in order to future proof the Academy from unforeseen expenditure. The change in levels of the children now joining has necessitated an increase in the number of support staff in every area. Therefore the Academies present reserves will be reduced. The Governing Body has reviewed the possibility of investment and will consider this annually.

The revenue reserves of £533K will be reduced by a further £80K allocated for transfer to Capital for completion of the extension.

Investment policy and powers

The Governing Body have the power to allocate reserves for investment. They would act upon advice provided by the Academy Accountants and the Academy Banking Advisor. In all respects the Academy would aim to invest in ethical companies and would not wish to invest in products which could in any way cause harm to children.

WOOLGROVE SCHOOL SPECIAL NEEDS ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2013

Plans for the future

Woolgrove School seeks to respond positively to the challenge of change and build on its reputation for successful innovation in the field of special education

One Year Overview Priorities - 2013/14

1 Partnership with Parents and Rest of Community

- To ensure the review by the Local Authority of Woolgrove Outreach results in a clear and positive understanding of its work so that the outcomes of the review are constructive, encouraging and helpful in developing it further
- To increase the amount of engagement parents/carers have in the life of the school through coffee mornings, training opportunities and after-school activities
- To develop increased connections with the local schools particularly through the use of the environmental area

2 Achievements and Standards

- To enhance pupils' reading skills so that levels of progression are increased
- To raise KS1 pupils' attainment in Science
- To renew the Basic Skills Quality Mark
- To gain the CPD Quality Mark

3 Personal Development and Well Being

- To further develop the provision to make sure it caters for the pupils with increasingly complex needs to enable them all to achieve their full potential whatever their difficulties
- To continue to develop the school's environment so that it is seen as an optimistic, healthy and positive environment in which learning is encouraged and enhanced through bright, lively and cheerful surroundings

4 Quality of Provision

- To ensure there is a safe and secure method for greeting and meeting pupils off transport each morning, that any absenteeism is followed-up and that pupils are safely and appropriately handed over to their relatives or placed on their transport at the end of each day
- To enhance the provision for autism, including staff training, handbook on autism & induction booklet
- Consider the future development of the Academy in the light of the changing needs of the school's population

5 Leadership and Management

- To support teacher's professional development so that they become outstanding practitioners
- To ensure the PRYSM package and the B-Squared assessment tool are used competently across the school
- To assess the success of links between performance management, CPD and outcomes for pupils
- To develop the knowledge and expertise of the Governors and their SEN links within the school

WOOLGROVE SCHOOL SPECIAL NEEDS ACADEMY

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2013

Auditor

In so far as the trustees are aware

- there is no 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

A resolution proposing that UHY WKH Partnership be reappointed as auditor of the charitable company will be put to the members

Approved by order of the board of trustees on 27/11/13 and signed on its behalf by



B Frederick
Chair of Governors

WOOLGROVE SCHOOL SPECIAL NEEDS ACADEMY

GOVERNANCE STATEMENT

FOR THE PERIOD ENDED 31 AUGUST 2013

Scope of responsibility

As trustees we acknowledge we have overall responsibility for ensuring that Woolgrove School Special Needs Academy has an effective and appropriate system of control, financial and otherwise. However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The board of trustees has delegated the day-to-day responsibility to the headteacher, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Woolgrove School Special Needs Academy and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

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

Trustees	Meetings attended	Out of possible
T R Ashcroft	5	5
B Frederick (Chair of Governors)	5	5
S J Harrison	3	5
V Litchfield	3	5
S Y Morrison	3	5
S A Selley (Headteacher and Accounting Officer)	5	5
C L Townsend	3	5
C R Tyler	5	5
J Winder (Vice-Chair)	5	5
J Rushton (Resigned 1 March 2013)	1	3
M R Massie (Resigned 1 December 2012)	0	3
T J Langford (Resigned 1 March 2013)	2	3
T Brazier (Resigned 1 March 2013)	0	3
M Handscombe (Responsible Officer)	5	5
P Clarke (Resigned 1 March 2013)	2	3
J Whitrow	1	1

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 on-going 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 Woolgrove School Special Needs Academy for the period 1 April 2012 to 31 August 2013 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

The board of trustees 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 board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 April 2012 to 31 August 2013 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of trustees.

WOOLGROVE SCHOOL SPECIAL NEEDS ACADEMY

GOVERNANCE STATEMENT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2013

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 board of trustees,
- regular reviews by the finance and general purposes 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 board of trustees has considered the need for a specific internal audit function and has decided

- not to appoint an internal auditor. However the trustees have appointed M Handscombe, a trustee, as responsible officer (RO)

The Responsible Officer role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. On a quarterly basis, Responsible Officer reports to the board of trustees on the operation of the systems of control and on the discharge of the financial responsibilities of the board of trustees.

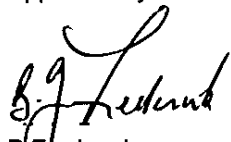
Review of effectiveness

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

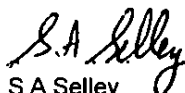
- the work of the external auditor,
- the financial management and governance self-assessment process

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the [audit committee/finance and general purposes committee] and a plan to address weaknesses [if relevant] and ensure continuous improvement of the system is in place.

Approved by order of the board of trustees on 27/11/13 and signed on its behalf by



B. J. Frederick
Chair of Governors



S. A. Selley
Headteacher and Accounting Officer

WOOLGROVE SCHOOL SPECIAL NEEDS ACADEMY

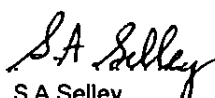
STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE FOR THE PERIOD ENDED 31 AUGUST 2013

As accounting officer of Woolgrove School Special Needs Academy I have considered my responsibility to notify the academy trust board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with Education Funding Agency terms and conditions of funding, under the funding agreement in place between the academy trust and Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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

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

Approved on 27/11/13 and signed by


S A Selley
Accounting Officer

WOOLGROVE SCHOOL SPECIAL NEEDS ACADEMY

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who also act as governors for Woolgrove School Special Needs Academy and are also the directors of Woolgrove School Special Needs Academy for the purposes of company law) are responsible for preparing the Trustees' Report and the accounts in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations

Company law requires the trustees to prepare accounts for each financial year. Under company law the trustees must not approve the accounts 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 accounts, 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 accounts, and
- prepare the accounts 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 accounts 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 that grants received from the 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 accounts may differ from legislation in other jurisdictions.

Approved by order of the board of trustees on 27/11/13 and signed on its behalf by


B Frederick
Chair of Governors

WOOLGROVE SCHOOL SPECIAL NEEDS ACADEMY

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF WOOLGROVE SCHOOL SPECIAL NEEDS ACADEMY

We have audited the accounts of Woolgrove School Special Needs Academy for the Period ended 31 August 2013 set out on pages 17 to 35. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2013 issued by the EFA.

This report is made solely to the charitable company'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 charitable company'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 charitable company and its 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 Trustees' Responsibilities Statement set out on page 12, the trustees, who are also the directors of Woolgrove School Special Needs Academy for the purposes of company law, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the accounts 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 accounts

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

Opinion on accounts

In our opinion the accounts

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

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Report for the financial Period for which the accounts are prepared is consistent with the accounts.

WOOLGROVE SCHOOL SPECIAL NEEDS ACADEMY

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF WOOLGROVE SCHOOL SPECIAL NEEDS ACADEMY

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 accounts 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



Tim Maris (Senior Statutory Auditor) FCA
for and on behalf of UHY WKH Partnership

Chartered Accountants

Statutory Auditor

P O Box 501

The Nexus Building

Broadway

Letchworth Garden City

Herts

SG6 9BL

Dated

13/12/13

WOOLGROVE SCHOOL SPECIAL NEEDS ACADEMY

INDEPENDENT REPORTING AUDITOR'S ASSURANCE REPORT ON REGULARITY TO WOOLGROVE SCHOOL SPECIAL NEEDS ACADEMY AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 08 October 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Woolgrove School Special Needs Academy during the period 1 April 2012 to 31 August 2013 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them

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

Respective responsibilities of Woolgrove School Special Needs Academy's accounting officer and the reporting auditor

The accounting officer is responsible, under the requirements of Woolgrove School Special Needs Academy's funding agreement with the Secretary of State for Education dated 27 March 2012 and the Academies Financial Handbook, extant from 1 September 2012, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2013. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 April 2012 to 31 August 2013 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2013 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

WOOLGROVE SCHOOL SPECIAL NEEDS ACADEMY

INDEPENDENT REPORTING AUDITOR'S ASSURANCE REPORT ON REGULARITY TO WOOLGROVE SCHOOL SPECIAL NEEDS ACADEMY AND THE EDUCATION FUNDING AGENCY (CONTINUED)

Conclusion

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



Tim Maris (Senior Statutory Auditor) FCA
for and on behalf of UHY WKH Partnership

Dated 13/12/13

WOOLGROVE SCHOOL SPECIAL NEEDS ACADEMY

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE PERIOD ENDED 31 AUGUST 2013

	Notes	Unrestricted funds £	Restricted funds £	Fixed Asset fund £	Total 2013 £
<u>Incoming resources</u>					
<i>Resources from generated funds</i>					
- Voluntary income	2	7,625	-	-	7,625
- Inherited on conversion	23	-	342,961	5,063,318	5,406,279
- Activities for generating funds	3	28,457	21,461	-	49,918
- Investment income	4	765	-	-	765
<i>Resources from charitable activities</i>					
- Funding for educational operations	5	-	2,532,756	163,780	2,696,536
Total incoming resources		36,847	2,897,178	5,227,098	8,161,123
<u>Resources expended</u>					
<i>Costs of generating funds</i>					
- Relating to voluntary income	6	1,549	65,712	-	67,261
<i>Charitable activities</i>					
- Educational operations	7	-	2,220,546	264,807	2,485,353
Governance costs	8	-	100,085	-	100,085
Total resources expended	6	1,549	2,386,343	264,807	2,652,699
Net incoming/(outgoing) resources before transfers		35,298	510,835	4,962,291	5,508,424
Gross transfers between funds		-	(30,928)	30,928	-
Net income/(expenditure) for the Period		35,298	479,907	4,993,219	5,508,424
<u>Other recognised gains and losses</u>					
Actuarial gains/(losses) on defined benefit pension scheme	16	-	(57,000)	-	(57,000)
Deficit inherited on conversion	23	-	(329,000)	-	(329,000)
Net movement in funds		35,298	93,907	4,993,219	5,122,424
Fund balances at 1 April 2012		-	-	-	-
Fund balances at 31 August 2013		35,298	93,907	4,993,219	5,122,424

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006. A statement of total recognised gains and losses is not required as all gains and losses are included in the statement of financial activities.

All of the academy's activities derive from continuing operations during the financial period above.

WOOLGROVE SCHOOL SPECIAL NEEDS ACADEMY

BALANCE SHEET

AS AT 31 AUGUST 2013

	Notes	2013 £	£
Fixed assets			
Tangible assets	11		4,993,219
Current assets			
Debtors	12	45,105	
Cash at bank and in hand		606,791	
		<u>651,896</u>	
Creditors amounts falling due within one year	13	(112,691)	
Net current assets			<u>539,205</u>
Total assets less current liabilities			<u>5,532,424</u>
Defined benefit pension liability	16		(410,000)
Net assets			<u><u>5,122,424</u></u>
Funds of the academy trust			
Restricted income funds	14		
- Fixed asset funds			4,993,219
- General funds			503,907
- Pension reserve			(410,000)
Total restricted funds			<u>5,087,126</u>
Unrestricted funds	14		<u>35,298</u>
Total funds			<u><u>5,122,424</u></u>

The accounts were approved by order of the board of trustees and authorised for issue on 27/11/13


B. J. Frederick
Chair of Governors


S. A. Selley
Headteacher & Accounting Officer

Company Number 07988540

WOOLGROVE SCHOOL SPECIAL NEEDS ACADEMY

CASH FLOW STATEMENT

FOR THE PERIOD ENDED 31 AUGUST 2013

	Notes	31 August 2013 £
Net cash inflow/(outflow) from operating activities	17	636,954
Returns on investments and servicing of finance		
Investment income		765
		<hr/>
Net cash inflow/(outflow) from returns on investments and servicing of finance		765
		<hr/>
		637,719
Capital expenditure and financial investments		
Capital grants received		163,780
Payments to acquire tangible fixed assets		(194,708)
		<hr/>
Net cash flow from capital activities		(30,928)
		<hr/>
Increase/(decrease) in cash	18	606,791
		<hr/>

WOOLGROVE SCHOOL SPECIAL NEEDS ACADEMY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 AUGUST 2013

1 Accounting policies

1.1 Basis of preparation

The accounts have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice Accounting and Reporting by Charities' ('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.

1.2 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.

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

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

1.3 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.

Costs of generating funds

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

WOOLGROVE SCHOOL SPECIAL NEEDS ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2013

1 Accounting policies

(Continued)

Charitable activities

These are costs incurred on the Academy's educational operations

Governance costs

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

All resources expended are inclusive of irrecoverable VAT

1.4 Tangible fixed assets and depreciation

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

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset over its expected useful life, as follows:

Freehold land is not depreciated

Freehold buildings	33% straight line
Computer equipment	33% straight line
Fixtures, fittings & equipment	20% straight line

1.5 Leasing and hire purchase commitments

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

1.6 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.

1.7 Pensions benefits

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 and the assets are held separately from those of the academy trust.

WOOLGROVE SCHOOL SPECIAL NEEDS ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2013

1 Accounting policies

(Continued)

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

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.

1.8 Fund accounting

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

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

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

1.9 Conversion to an Academy Trust

The conversion from a state maintained school to an Academy Trust involved the transfer of identifiable assets and liabilities and the operation of the school for £nil consideration and has been accounted for under the acquisition accounting method.

The assets and liabilities transferred to Woolgrove School to the Academy Trust have been valued at their estimated depreciated replacement cost being a reasonable estimate of the current market value that the Governors would expect to pay in the open market for an equivalent item. Their estimated depreciated replacement cost is in accordance with the accounting policies set out for Woolgrove School. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in voluntary income as net income in the Statement of Financial Activities and analysed under restricted fixed asset funds.

2 Voluntary income

	Unrestricted funds £	Restricted funds £	Total 2013 £
Other donations	7,625	-	7,625

WOOLGROVE SCHOOL SPECIAL NEEDS ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2013

3 Activities for generating funds

	Unrestricted funds £	Restricted funds £	Total 2013 £
Catering income	-	18,126	18,126
Lettings income	21,832	-	21,832
School trip income	-	3,335	3,335
Other income	6,625	-	6,625
	<u>28,457</u>	<u>21,461</u>	<u>49,918</u>

4 Investment income

	Unrestricted funds £	Restricted funds £	Total 2013 £
Short term deposits	<u>765</u>	<u>-</u>	<u>765</u>

5 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2013 £
DfE / EFA revenue grants			
General annual grant (GAG)	-	2,220,729	2,220,729
Other DfE / EFA grants	-	311,848	311,848
	<u>-</u>	<u>2,532,577</u>	<u>2,532,577</u>
Other government grants			
Local authority grants	-	163,780	163,780
	<u>-</u>	<u>163,780</u>	<u>163,780</u>
Other funds			
Other incoming resources	-	179	179
	<u>-</u>	<u>179</u>	<u>179</u>
Total funding	<u>-</u>	<u>2,696,536</u>	<u>2,696,536</u>

All resources expended are inclusive of irrecoverable VAT

WOOLGROVE SCHOOL SPECIAL NEEDS ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2013

6 Resources expended

	Staff costs £	Premises & equipment £	Other costs £	Total 2013 £
Academy's educational operations				
- Direct costs	1,747,459	225,086	88,633	2,061,178
- Allocated support costs	130,100	94,918	199,157	424,175
	<u>1,877,559</u>	<u>320,004</u>	<u>287,790</u>	<u>2,485,353</u>
Other expenditure				
Costs of generating voluntary income	1,549	-	65,712	67,261
Governance costs	23,232	-	76,853	100,085
	<u>24,781</u>	<u>-</u>	<u>142,565</u>	<u>167,346</u>
Total expenditure	<u>1,902,340</u>	<u>320,004</u>	<u>430,355</u>	<u>2,652,699</u>
Incoming/outgoing resources for the year include:				2013 £
Fees payable to auditor				
- Audit				<u>6,250</u>

WOOLGROVE SCHOOL SPECIAL NEEDS ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2013

7 Charitable activities - the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2013 £
Direct costs			
Teaching and educational support staff costs	-	1,747,459	1,747,459
Depreciation	-	225,086	225,086
Educational supplies and services	-	59,318	59,318
Staff development	-	16,983	16,983
Other direct costs	-	12,332	12,332
	-	2,061,178	2,061,178
Allocated support costs			
Support staff costs	-	130,100	130,100
Depreciation	-	39,721	39,721
Technology costs	-	29,101	29,101
Recruitment and support	-	16,901	16,901
Maintenance of premises and equipment	-	55,197	55,197
Cleaning	-	9,086	9,086
Energy costs	-	28,021	28,021
Rent and rates	-	7,504	7,504
Insurance	-	40,272	40,272
Security and transport	-	31,827	31,827
Other support costs	-	36,445	36,445
	-	424,175	424,175
Total costs	-	2,485,353	2,485,353

8 Governance costs

	Unrestricted funds £	Restricted funds £	Total 2013 £
Legal and professional fees	-	70,603	70,603
Auditor's remuneration	-		
- Audit of financial statements	-	6,250	6,250
Support staff costs	-	23,232	23,232
	-	100,085	100,085

WOOLGROVE SCHOOL SPECIAL NEEDS ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2013

9 Staff costs

	2013 £
Wages and salaries	1,649,930
Other pension costs	178,703
	<hr/> 1,828,633
Supply teacher costs	72,158
	<hr/>
Total staff costs	1,900,791
	<hr/> <hr/>

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

	2013 Number
Teachers	18
Administration and support	25
Management	2
	<hr/> 45
	<hr/> <hr/>

The number of employees whose annual remuneration was £60,000 or more was

	2013 Number
£60,001 - £70,000	1
£70,001 - £80,000	1
	<hr/>
	<hr/> <hr/>

Of the employees above, the number participating in pension schemes and the employers' contributions paid on their behalf were as follows

		2013
Teachers' and Local Government Pension Scheme	Numbers	2
	£	15,509
		<hr/>
		<hr/> <hr/>

WOOLGROVE SCHOOL SPECIAL NEEDS ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2013

10 Trustees' remuneration and expenses

The headteacher and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of headteacher and staff, and not in respect of their services as trustees. Other trustees did not receive any payments, other than expenses, from the academy trust in respect of their role as trustees.

The value of trustees' remuneration was as follows:

S A Selley (Headteacher & Trustee) - £75,795

M Swift (Deputy Headteacher) - £60,420

Other related party transactions involving the trustees are set out within the related parties note.

Trustees' and officers' insurance

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 £5,000,000 on any one claim and the cost for the period ended 31 August 2013 was £95.

11 Tangible fixed assets

	Land and buildings	Computer equipment	Fixtures, fittings & equipment	Total
	£	£	£	£
Cost				
At 1 April 2012	-	-	-	-
Additions	194,708	-	-	194,708
Transferred on conversion	4,952,000	67,000	44,318	5,063,318
	<u>5,146,708</u>	<u>67,000</u>	<u>44,318</u>	<u>5,258,026</u>
At 31 August 2013	5,146,708	67,000	44,318	5,258,026
Depreciation				
At 1 April 2012	-	-	-	-
Charge for the Period	220,260	31,990	12,557	264,807
	<u>220,260</u>	<u>31,990</u>	<u>12,557</u>	<u>264,807</u>
At 31 August 2013	220,260	31,990	12,557	264,807
Net book value				
At 31 August 2013	<u>4,926,448</u>	<u>35,010</u>	<u>31,761</u>	<u>4,993,219</u>

12 Debtors

	2013 £
Trade debtors	1,900
VAT recoverable	29,936
Prepayments and accrued income	13,269
	<u>45,105</u>

WOOLGROVE SCHOOL SPECIAL NEEDS ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2013

13	Creditors: amounts falling due within one year				2013
					£
	Trade creditors				52,363
	Other creditors				39,319
	Accruals				21,009
					<u>112,691</u>
14	Funds				
		Balance at 1	Incoming	Resources Gains, losses	Balance at 31
		April 2012	resources	expended and transfers	August 2013
		£	£	£	£
	Restricted general funds				
	General Annual Grant	-	2,220,729	(2,363,111)	-
	Other DfE / EFA grants	-	311,848	-	-
	Other restricted funds	-	364,601	(23,232)	(30,928)
		<u>-</u>	<u>2,897,178</u>	<u>(2,386,343)</u>	<u>(30,928)</u>
	Funds excluding pensions	-	2,897,178	(2,386,343)	(30,928)
	Pension reserve	-	(329,000)	-	(57,000)
		<u>-</u>	<u>2,568,178</u>	<u>(2,386,343)</u>	<u>(87,928)</u>
	Restricted fixed asset funds				
	DfE / EFA capital grants	-	163,780	(264,807)	30,928
	Inherited fixed asset fund	-	5,063,318	-	-
		<u>-</u>	<u>5,227,098</u>	<u>(264,807)</u>	<u>30,928</u>
	Total restricted funds	<u>-</u>	<u>7,795,276</u>	<u>(2,651,150)</u>	<u>(57,000)</u>
	Unrestricted funds				
	General funds	-	36,847	(1,549)	-
		<u>-</u>	<u>36,847</u>	<u>(1,549)</u>	<u>-</u>
	Total funds	<u>-</u>	<u>7,832,123</u>	<u>(2,652,699)</u>	<u>(57,000)</u>

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

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

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

WOOLGROVE SCHOOL SPECIAL NEEDS ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2013

15 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Fixed asset funds £	Total funds £
Fund balances at 31 August 2013 are represented by:				
Tangible fixed assets	-	-	4,993,219	4,993,219
Current assets	35,298	616,598	-	651,896
Creditors amounts falling due within one year	-	(112,691)	-	(112,691)
Defined benefit pension liability	-	(410,000)	-	(410,000)
	<u>35,298</u>	<u>93,907</u>	<u>4,993,219</u>	<u>5,122,424</u>

16 Pensions and similar obligations

The academy trust'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, which is managed by Hertfordshire County Council. Both are defined-benefit schemes. The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2004 and of the LGPS 31 August 2013.

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

Teachers' Pension Scheme

Introduction

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

The Teachers' Pension Scheme budgeting and valuation account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis - these contributions along with those made by employers are credited to the Exchequer under arrangements governed by the above Act.

WOOLGROVE SCHOOL SPECIAL NEEDS ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2013

16 Pensions and similar obligations

(Continued)

Valuation of the Teachers' Pension Scheme

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

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

Actuarial scheme valuations are dependent on assumptions about the value of future costs, the design of benefits and many other factors. Many of these assumptions are being considered as part of the work on the reformed TPS, as set out below. Scheme valuations therefore remain suspended. The Public Service Pensions Bill, which is being debated in the House of Commons, provides for future scheme valuations to be conducted in accordance with Treasury directions. The timing for the next valuation has still to be determined, but it is likely to be before the reformed schemes are introduced in 2015.

Teachers' Pension Scheme changes

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

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 1 per cent for employers and 1 per cent for employees. The estimated value of employer contributions for the forthcoming year is £66,000.

	2013 £
Employer's contributions	87,000
Employees' contributions	26,000
Total contributions	113,000

WOOLGROVE SCHOOL SPECIAL NEEDS ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2013

16 Pensions and similar obligations

(Continued)

Principal actuarial assumptions

	2013 %
Rate of increase in salaries	5.10
Rate of increase for pensions in payment	2.80
Discount rate for scheme liabilities	4.60
Inflation assumption (CPI)	5.90

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

	2013 Years
Retiring today	
- Males	21
- Females	24
Retiring in 20 years	
- Males	23
- Females	26

The academy's share of the assets and liabilities in the scheme and the expected rates of return were

	2013 Expected return %	2013 Fair value £
Equities	6.60	245,000
Bonds	3.90	57,000
Property	4.70	20,000
Other assets	3.60	13,000
Total market value of assets		335,000
Present value of scheme liabilities - funded		(745,000)
Net pension asset / (liability)		(410,000)

WOOLGROVE SCHOOL SPECIAL NEEDS ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2013

16 Pensions and similar obligations

(Continued)

Operating costs and income recognised in the statement of financial activities

2013
£

Financial expenditure/(income)

Expected return on pension scheme assets

19,000

Interest on pension liabilities

(39,000)

(20,000)

Other expenditure/(income)

Current service cost

(91,000)

Past service cost

-

(91,000)

Total operating charge/(income)

(111,000)

Actuarial gains and losses recognised in the statement of financial activities

2013
£

Actuarial (gains)/losses on assets actual return less expected

57,000

Experience (gains)/losses on liabilities

-

(Gains)/losses arising from changes in assumptions

-

Total (gains)/losses

57,000

Cumulative (gains)/losses to date

57,000

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

2013
£

Opening defined benefit obligations

(513,000)

Current service cost

(91,000)

Interest cost

(39,000)

Contributions by employees

(26,000)

Actuarial gains/(losses)

(76,000)

(745,000)

WOOLGROVE SCHOOL SPECIAL NEEDS ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2013

16	Pensions and similar obligations	(Continued)
	Movements in the fair value of the academy trust's share of scheme assets	2013
		£
	Opening fair value of scheme assets	184,000
	Expected return on assets	19,000
	Actuall gains/(losses)	19,000
	Contributions by employers	87,000
	Contributions by employees	26,000
		<u>335,000</u>
	History of experience gains and losses:	2013
		£
	Present value of defined benefit obligations	(745,000)
	Fair value of share of scheme assets	335,000
		<u>(410,000)</u>
	Experience adjustment on scheme liabilities	(76,000)
	Experience adjustment on scheme assets	19,000
		<u></u>
17	Reconciliation of net income to net cash inflow/(outflow) from operating activities	2013
		£
	Net income	5,179,424
	Capital grants and similar income	(163,780)
	Net deficit/(surplus) transferred on conversion	329,000
	Fixed assets transferred on conversion	(5,063,318)
	Investment income	(765)
	FRS17 pension costs less contributions payable	20,000
	FRS17 pension finance income	4,000
	Depreciation of tangible fixed assets	264,807
	(Increase)/decrease in debtors	(45,105)
	Increase/(decrease) in creditors	112,691
		<u>636,954</u>
	Net cash inflow/(outflow) from operating activities	<u>636,954</u>

WOOLGROVE SCHOOL SPECIAL NEEDS ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2013

18 Reconciliation of net cash flow to movement in net funds 2013 £

Increase/(decrease) in cash	606,791
Net funds at 1 April 2012	-
Net funds at 31 August 2013	606,791

19 Analysis of net funds

	At 1 April 2012 £	Cash flows £	Non-cash changes £	At 31 August 2013 £
Cash at bank and in hand	-	606,791	-	606,791

20 Commitments under operating leases

At 31 August 2013 the academy trust had annual commitments under non-cancellable operating leases as follows

	2013 £
Expiry date	
- Between two and five years	6,324

21 Controlling party

The academy trust is run by the management team on a day to day basis. Strategic decisions are made by the trustees. There is no ultimate controlling party.

22 Related parties

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

The following related party transactions took place in the period of account:

A Boakes, brother of S Boakes, Business Manager, was used as the architect for the extension carried out in the year. Total fees paid to A Boakes in the year amounted to £15,477.

WOOLGROVE SCHOOL SPECIAL NEEDS ACADEMY

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2013

23 Conversion to an academy

On 1 April 2012 Woolgrove School converted to an Academy Trust. The conversion from a state maintained school to an Academy Trust involved the transfer of identifiable assets and liabilities and the operation of the school for £nil consideration and has been accounted for under the acquisition accounting method.

The assets and liabilities transferred to Woolgrove School to the Academy Trust have been valued at their estimated depreciated replacement cost being a reasonable estimate of the current market value that the Governors would expect to pay in the open market for an equivalent item. Their estimated depreciated replacement cost is in accordance with the accounting policies set out for Woolgrove School. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in voluntary income as net income in the Statement of Financial Activities and analysed under restricted fixed asset funds.

	Unrestricted funds £	Restricted funds £	Fixed asset funds £	Total 2013 £
Fixed assets transferred	-	-	5,063,318	5,063,318
Surplus/(deficit) on LA budget funds	-	342,961	-	342,961
LGPS pension surplus/(deficit)	-	(329,000)	-	(329,000)
Net assets transferred	-	13,961	5,063,318	5,077,279

Net assets transferred include the following:

	£
Freehold land and buildings	4,952,000
Tangible fixed assets apart from land and buildings	111,318

24 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 or she is a member, or within one year after he or she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he or she ceases to be a member.