

**Company Registration No. 07988540 (England and Wales)**

**WOOLGROVE SCHOOL SPECIAL NEEDS ACADEMY**

**(A COMPANY LIMITED BY GUARANTEE)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2014**

WEDNESDAY



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24/12/2014

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COMPANIES HOUSE

# **WOOLGROVE SCHOOL SPECIAL NEEDS ACADEMY**

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# WOOLGROVE SCHOOL SPECIAL NEEDS ACADEMY

## REFERENCE AND ADMINISTRATIVE DETAILS

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### Directors

T R Ashcroft  
B Frederick (Chair of Governors) \*  
V Litchfield  
S Y Morrison \*  
S A Selley (Headteacher and Accounting Officer) \*  
C L Townsend  
J Winder (Vice-Chair) \*  
J Whitrow (Responsible Officer) (Appointed 1 September 2013)  
P Sage (Appointed 1 September 2013)  
G Morley (Appointed 1 September 2013)  
M Hewitt (Appointed 1 September 2013)

\* 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 Linnell
- 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 Hacker Young (East) Limited  
PO Box 501  
The Nexus Building  
Broadway  
Letchworth Garden City  
Herts  
SG6 9BL

### Bankers

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

# **WOOLGROVE SCHOOL SPECIAL NEEDS ACADEMY**

## **REFERENCE AND ADMINISTRATIVE DETAILS**

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### **Solicitors**

Browne Jacobson  
Mowbray House  
Castle Meadow Road  
Nottingham  
NG2 1BJ

# WOOLGROVE SCHOOL SPECIAL NEEDS ACADEMY

## TRUSTEES' REPORT

**FOR THE YEAR ENDED 31 AUGUST 2014**

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The trustees present their annual report together with the accounts and independent auditor's reports of the charitable company for the period 1 September 2013 to 31 August 2014.

### **Structure, governance and management**

#### Constitution

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

The 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 year 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 recommend appointments 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 YEAR ENDED 31 AUGUST 2014**

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### 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), Chair of the Curriculum & Quality Committee (Ms Phillipa Sage) and Chair of the Premises & Environment Committee (Mrs Georgina Morley). 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 YEAR ENDED 31 AUGUST 2014**

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### **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 31st August 2014 the Academy has been working towards the CPD Quality Mark and joined with the University of Hertfordshire to provide two School's Direct Training places within the Academy both whom successfully completed training and took up NQT positions within the school commencing in September 2014.

#### 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 year

Using Pysm Data Woolgrove School has shown consistent Outstanding progress in English, Maths, ICT and PSHE over four years- 2010 to 2014 for **ALL** pupils.

Our 'Outstanding' School progress is as follows:

- 83.9% have achieved 2 levels of progress in English over four years 2010-2014
- 80.6% have achieved 2 levels of progress in Maths over four years 2010-2014
- 92.9% have achieved 2 levels of progress in ICT over four years 2010-2014
- 90.3% have achieved 2 levels of progress in PSHE over four years 2010-2014

#### 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.

# WOOLGROVE SCHOOL SPECIAL NEEDS ACADEMY

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2014**

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### **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 level of learning difficulties. In relation to the year 2013-14 the Academies successful Outreach Department has been funded separately by the LA, funding for the coming year is being overseen by the DSPL (Developing Special Provision Locally).

During the period concerned the Academy was unfortunately unsuccessful in a Capital bid for funding to carry out repairs to the second half of the school roof. An unsuccessful appeal was also launched. The aim is to bid again for funding during the current financial year, with the help of surveyors Wilby & Burnett. Evidence is currently being collected to enable us to strengthen our bid.

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. As stated 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.

### **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 YEAR ENDED 31 AUGUST 2014**

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### Strategic Report

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 - 2014/15

#### 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 YEAR ENDED 31 AUGUST 2014**

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### 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 Hacker Young (East) Limited be reappointed as auditor of the charitable company will be put to the members.

Approved by order of the board of trustees on 17/12/14 and signed on its behalf by:



B Frederick  
Chair of Governors

# WOOLGROVE SCHOOL SPECIAL NEEDS ACADEMY

## GOVERNANCE STATEMENT

**FOR THE YEAR ENDED 31 AUGUST 2014**

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### 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 3 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Directors	Meetings attended	Out of possible
T R Ashcroft	3	3
B Frederick (Chair of Governors)	3	3
V Litchfield	3	3
S Y Morrison	3	3
S A Selley (Headteacher and Accounting Officer)	3	3
C L Townsend	0	2
J Winder (Vice-Chair)	3	3
J Whitrow (Responsible Officer) (Appointed 1 September 2013)	3	3
P Sage (Appointed 1 September 2013)	2	2
G Morley (Appointed 1 September 2013)	3	3
M Hewitt (Appointed 1 September 2013)	3	3

### 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 September 2013 to 31 August 2014 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 September 2013 to 31 August 2014 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 YEAR ENDED 31 AUGUST 2014

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### 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 J Withrow, 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 year 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 17/12/14 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 YEAR ENDED 31 AUGUST 2014

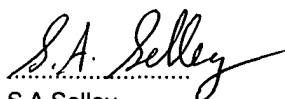
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As accounting officer of Woolgrove School Special Needs Academy I have considered my responsibility to notify the academy trust board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with Education 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 17/12/14..... and signed by:



S A Selley  
Accounting Officer

# WOOLGROVE SCHOOL SPECIAL NEEDS ACADEMY

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

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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 17/12/14 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**

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We have audited the accounts of Woolgrove School Special Needs Academy for the year ended 31 August 2014 set out on pages 17 to 36. 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 2014 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 and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 2014 and of its incoming resources and application of resources, including its income and expenditure, for the year 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 2014 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 year 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

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#### 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 FCA (Senior Statutory Auditor)**  
**UHY Hacker Young (East) Limited**

#### Chartered Accountants

#### Statutory Auditor

PO Box 501

The Nexus Building

Broadway

Letchworth Garden City

Herts

SG6 9BL

Dated: 18/12/14



# **WOOLGROVE SCHOOL SPECIAL NEEDS ACADEMY**

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

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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 2014, 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 September 2013 to 31 August 2014 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to 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 accountant**

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 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. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2013 to 31 August 2014 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

### **Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2014 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

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### Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2013 to 31 August 2014 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Tim Maris FCA

**Reporting Accountant**

UHY Hacker Young (East) Limited

Dated: 18/12/14

# WOOLGROVE SCHOOL SPECIAL NEEDS ACADEMY

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2014

		Unrestricted funds	Restricted funds	Fixed Asset fund	12 Months Total 2014	17 Months Total 2013
	Notes	£	£	£	£	£
<b>Incoming resources</b>						
<i>Resources from generated funds</i>						
- Voluntary income	2	8,394	-	-	8,394	7,625
- Inherited on conversion		-	-	-	-	5,406,279
- Activities for generating funds	3	18,686	23,617	-	42,303	49,918
- Investment income	4	2,012	-	-	2,012	765
<i>Resources from charitable activities</i>						
- Funding for educational operations	5	2,037	1,832,482	7,544	1,842,063	2,696,536
<b>Total incoming resources</b>		<b>31,129</b>	<b>1,856,099</b>	<b>7,544</b>	<b>1,894,772</b>	<b>8,161,123</b>
<b>Resources expended</b>						
<i>Costs of generating funds</i>						
- Relating to voluntary income	6	1,092	51,913	-	53,005	67,261
<i>Charitable activities</i>						
- Educational operations	7	-	1,702,989	188,674	1,891,663	2,485,353
Governance costs	8	-	41,343	-	41,343	100,085
<b>Total resources expended</b>	<b>6</b>	<b>1,092</b>	<b>1,796,245</b>	<b>188,674</b>	<b>1,986,011</b>	<b>2,652,699</b>
<b>Net incoming/(outgoing) resources before transfers</b>		<b>30,037</b>	<b>59,854</b>	<b>(181,130)</b>	<b>(91,239)</b>	<b>5,508,424</b>
Gross transfers between funds		-	(146,230)	146,230	-	-
<b>Net income/(expenditure) for the year</b>		<b>30,037</b>	<b>(86,376)</b>	<b>(34,900)</b>	<b>(91,239)</b>	<b>5,508,424</b>
<b>Other recognised gains and losses</b>						
Actuarial gains/(losses) on defined benefit pension scheme	17	-	(49,000)	-	(49,000)	(57,000)
Deficit inherited on conversion		-	-	-	-	(329,000)
<b>Net movement in funds</b>		<b>30,037</b>	<b>(135,376)</b>	<b>(34,900)</b>	<b>(140,239)</b>	<b>5,122,424</b>
Fund balances at 1 September 2013		35,298	93,907	4,993,219	5,122,424	-
<b>Fund balances at 31 August 2014</b>		<b>65,335</b>	<b>(41,469)</b>	<b>4,958,319</b>	<b>4,982,185</b>	<b>5,122,424</b>

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 two financial periods above.

# WOOLGROVE SCHOOL SPECIAL NEEDS ACADEMY

## BALANCE SHEET

AS AT 31 AUGUST 2014

	Notes	2014 £	2013 £
<b>Fixed assets</b>			
Tangible assets	11	4,958,319	4,993,219
<b>Current assets</b>			
Debtors: amounts falling due within one year	12	34,902	45,105
Debtors: amounts falling due after more than one year	12	976	-
Cash at bank and in hand		572,408	606,791
		608,286	651,896
Creditors: amounts falling due within one year	13	(102,420)	(112,691)
<b>Net current assets</b>		505,866	539,205
<b>Total assets less current liabilities</b>		5,464,185	5,532,424
Defined benefit pension liability	17	(482,000)	(410,000)
<b>Net assets</b>		4,982,185	5,122,424
<b>Funds of the academy trust:</b>			
<b>Restricted income funds</b>	15		
- Fixed asset funds		4,958,319	4,993,219
- General funds		440,531	503,907
- Pension reserve		(482,000)	(410,000)
<b>Total restricted funds</b>		4,916,850	5,087,126
<b>Unrestricted funds</b>	15	65,335	35,298
<b>Total funds</b>		4,982,185	5,122,424

The accounts were approved by order of the board of trustees and authorised for issue on 17/12/14

  
B Frederick  
Chair of Governors

Company Number 07988540

# WOOLGROVE SCHOOL SPECIAL NEEDS ACADEMY

## CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2014

	Notes	2014 £	2013 £
Net cash inflow/(outflow) from operating activities	18	123,024	636,954
<b>Returns on investments and servicing of finance</b>			
Investment income	2,012	765	
<b>Net cash inflow/(outflow) from returns on investments and servicing of finance</b>		2,012	765
		125,036	637,719
<b>Capital expenditure and financial investments</b>			
Capital grants received	7,544	163,780	
Payments to acquire tangible fixed assets	(166,963)	(194,708)	
<b>Net cash flow from capital activities</b>		(159,419)	(30,928)
<b>Increase/(decrease) in cash</b>	19	(34,383)	606,791

# WOOLGROVE SCHOOL SPECIAL NEEDS ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2014

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### 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 YEAR ENDED 31 AUGUST 2014

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#### 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:

Land and buildings	3.33% straight line
Computer equipment	33.33% 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.

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 are recognised as they are paid each year.

# WOOLGROVE SCHOOL SPECIAL NEEDS ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

### 1 Accounting policies

(Continued)

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.

### 2 Voluntary income

	Unrestricted funds £	Restricted funds £	Total 2014 £	Total 2013 £
Other donations	8,394	-	8,394	7,625

### 3 Activities for generating funds

	Unrestricted funds £	Restricted funds £	Total 2014 £	Total 2013 £
Catering income	-	21,044	21,044	18,126
Lettings income	18,686	-	18,686	21,832
School trip income	-	2,573	2,573	3,335
Other income	-	-	-	6,625
	18,686	23,617	42,303	49,918



# WOOLGROVE SCHOOL SPECIAL NEEDS ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

### 4 Investment income

	Unrestricted funds £	Restricted funds £	Total 2014 £	Total 2013 £
Short term deposits	2,012	-	2,012	765

### 5 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2014 £	Total 2013 £
<b>DfE / EFA grants</b>				
General annual grant (GAG)	-	1,455,631	1,455,631	2,220,729
Other DfE / EFA grants	-	376,851	376,851	311,848
	-	1,832,482	1,832,482	2,532,577
<b>Other government grants</b>				
Local authority grants	-	7,544	7,544	163,780
<b>Other funds</b>				
Other incoming resources	2,037	-	2,037	179
<b>Total funding</b>	2,037	1,840,026	1,842,063	2,696,536

All resources expended are inclusive of irrecoverable VAT.

### 6 Resources expended

	Staff costs £	Premises & equipment £	Other costs £	Total 2014 £	Total 2013 £
<b>Academy's educational operations</b>					
- Direct costs	1,363,207	158,488	53,852	1,575,547	2,061,178
- Allocated support costs	92,792	78,875	144,449	316,116	424,175
	1,455,999	237,363	198,301	1,891,663	2,485,353
<b>Other expenditure</b>					
Costs of generating voluntary income	1,092	-	51,913	53,005	67,261
Governance costs	16,375	-	24,968	41,343	100,085
	17,467	-	76,881	94,348	167,346
<b>Total expenditure</b>	1,473,466	237,363	275,182	1,986,011	2,652,699

# WOOLGROVE SCHOOL SPECIAL NEEDS ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

### 6 Resources expended (Continued)

Incoming/outgoing resources for the year include:	2014 £	2013 £
Loss/(profit) on disposal of fixed assets	620	-
Fees payable to auditor		
- Audit	6,750	6,250
- Other services	5,374	-
	<u>          </u>	<u>          </u>

### 7 Charitable activities - the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2014 £	Total 2013 £
<b>Direct costs</b>				
Teaching and educational support staff costs	-	1,363,207	1,363,207	1,747,459
Depreciation	-	158,487	158,487	225,086
Educational supplies and services	-	40,100	40,100	59,318
Staff development	-	13,753	13,753	16,983
Other direct costs	-	-	-	12,332
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
	-	1,575,547	1,575,547	2,061,178
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Allocated support costs</b>				
Support staff costs	-	92,792	92,792	130,100
Depreciation	-	30,186	30,186	39,721
Technology costs	-	30,198	30,198	29,101
Recruitment and support	-	1,935	1,935	16,901
Maintenance of premises and equipment	-	48,689	48,689	55,197
Cleaning	-	9,306	9,306	9,086
Energy costs	-	35,754	35,754	28,021
Rent and rates	-	2,179	2,179	7,504
Insurance	-	36,823	36,823	40,272
Security and transport	-	7,787	7,787	31,827
Other support costs	-	20,467	20,467	36,445
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
	-	316,116	316,116	424,175
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total costs</b>	-	1,891,663	1,891,663	2,485,353
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

# WOOLGROVE SCHOOL SPECIAL NEEDS ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

### 8 Governance costs

	Unrestricted funds £	Restricted funds £	Total 2014 £	Total 2013 £
Legal and professional fees	-	12,844	12,844	70,603
Auditor's remuneration	-	12,124	12,124	6,250
Support staff costs	-	16,375	16,375	23,232
	-	41,343	41,343	100,085

### 9 Staff costs

	2014 £	2013 £
Wages and salaries	1,305,112	1,649,930
Other pension costs	118,340	178,703
	1,423,452	1,828,633
Supply teacher costs	48,922	72,158
Total staff costs	1,472,374	1,900,791

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

	2014 Number	2013 Number
Teachers	20	18
Administration and support	27	25
Management	2	2
	49	45

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

	2014 Number	2013 Number
£60,001 - £70,000	1	1
£70,001 - £80,000	1	1

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

	2014	2013
Teachers' and Local Government Pension Scheme	2	2
	£ 15,509	15,509

# WOOLGROVE SCHOOL SPECIAL NEEDS ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

### 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) - £75,430 (2013: £73,907)

M Swift (Deputy Headteacher) - £61,641 (2013: £60,055)

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 year ended 31 August 2014 was £95.

### 11 Tangible fixed assets

	Land and buildings	Computer equipment	Fixtures, fittings & equipment	Total
	£	£	£	£
<b>Cost</b>				
At 1 September 2013	5,146,708	67,000	44,318	5,258,026
Additions	154,945	5,000	7,018	166,963
Disposals	-	(1,175)	-	(1,175)
At 31 August 2014	5,301,653	70,825	51,336	5,423,814
<b>Depreciation</b>				
At 1 September 2013	220,260	31,990	12,557	264,807
On disposals	-	(555)	-	(555)
Charge for the year	167,121	23,855	10,267	201,243
At 31 August 2014	387,381	55,290	22,824	465,495
<b>Net book value</b>				
At 31 August 2014	4,914,272	15,535	28,512	4,958,319
At 31 August 2013	4,926,448	35,010	31,761	4,993,219

# WOOLGROVE SCHOOL SPECIAL NEEDS ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

<b>12 Debtors</b>	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Trade debtors	4,922	1,900
VAT recoverable	18,515	29,936
Prepayments and accrued income	12,441	13,269
	<u>35,878</u>	<u>45,105</u>
Amounts falling due after more than one year and included in the debtors above are:		
	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Trade debtors	976	-
	<u>976</u>	<u>-</u>
<b>13 Creditors: amounts falling due within one year</b>	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Trade creditors	11,490	52,363
Other creditors	70,984	48,753
Accruals	8,886	11,575
Deferred income	11,060	-
	<u>102,420</u>	<u>112,691</u>
<b>14 Deferred income</b>	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Deferred income is included within:		
Creditors due within one year	11,060	-
	<u>11,060</u>	<u>-</u>
Total deferred income at 1 September 2013	-	-
Amounts credited to the statement of financial activities	-	-
Amounts deferred in the year	11,060	-
<b>Total deferred income at 31 August 2014</b>	<u>11,060</u>	<u>-</u>

At the balance sheet date the academy trust was holding funds received in advance for free school meals from the EFA for the autumn term 2014.

# WOOLGROVE SCHOOL SPECIAL NEEDS ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

### 15 Funds

	Balance at 1 September 2013	Incoming resources	Resources expended	Gains, losses and transfers	Balance at 31 August 2014
	£	£	£	£	£
<b>Restricted general funds</b>					
General Annual Grant	503,907	1,455,631	(1,717,495)	(146,230)	95,813
Other DfE / EFA grants	-	376,851	(39,375)	-	337,476
Other restricted funds	-	23,617	(16,375)	-	7,242
	<u>503,907</u>	<u>1,856,099</u>	<u>(1,773,245)</u>	<u>(146,230)</u>	<u>440,531</u>
Funds excluding pensions	503,907	1,856,099	(1,773,245)	(146,230)	440,531
Pension reserve	(410,000)	-	(23,000)	(49,000)	(482,000)
	<u>93,907</u>	<u>1,856,099</u>	<u>(1,796,245)</u>	<u>(195,230)</u>	<u>(41,469)</u>
<b>Restricted fixed asset funds</b>					
Restricted fixed asset fund	4,993,219	-	(181,130)	146,230	4,958,319
Devolved Formula Capital (DFC)	-	7,544	(7,544)	-	-
	<u>4,993,219</u>	<u>7,544</u>	<u>(188,674)</u>	<u>146,230</u>	<u>4,958,319</u>
<b>Total restricted funds</b>	<u>5,087,126</u>	<u>1,863,643</u>	<u>(1,984,919)</u>	<u>(49,000)</u>	<u>4,916,850</u>
<b>Unrestricted funds</b>					
General funds	35,298	31,129	(1,092)	-	65,335
	<u>35,298</u>	<u>31,129</u>	<u>(1,092)</u>	<u>-</u>	<u>65,335</u>
<b>Total funds</b>	<u>5,122,424</u>	<u>1,894,772</u>	<u>(1,986,011)</u>	<u>(49,000)</u>	<u>4,982,185</u>

# WOOLGROVE SCHOOL SPECIAL NEEDS ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2014

#### 15 Funds

(Continued)

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

##### General Annual Grant

The General Annual Grant (GAG) must be used for the normal running costs of the academy. Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2014.

##### Other DfE / EFA grants

This represents other funding for various purposes including pupil premium, sports funding, training and other pupil related activities.

##### Other restricted funds

The other restricted funds relate to various school and educational activities which are not funded by the General Annual Grant.

##### Pensions Reserve

The defined benefit pension scheme relates to the pension deficit arising on the LGPS pension scheme.

##### Restricted fixed asset fund

The restricted fund asset fund was funded predominantly by the funds inherited on conversion to an academy from the local authority following the transfer of the land and buildings.

##### Devolved Formula Grant (DFG)

The academy is to use the Devolved Formula Grant allocation to maintain and improve its buildings and facilities.

#### 16 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Fixed asset funds £	Total funds £
<b>Fund balances at 31 August 2014 are represented by:</b>				
Tangible fixed assets	-	-	4,958,319	4,958,319
Current assets	608,286	-	-	608,286
Creditors: amounts falling due within one year	(102,420)	-	-	(102,420)
Defined benefit pension liability	-	(482,000)	-	(482,000)
	<u>505,866</u>	<u>(482,000)</u>	<u>4,958,319</u>	<u>4,982,185</u>

#### 17 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.

# WOOLGROVE SCHOOL SPECIAL NEEDS ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

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### 17 Pensions and similar obligations

(Continued)

#### Teachers' Pension Scheme

##### Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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. Retirement and other pension benefits are paid by public funds provided by Parliament.

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

##### Valuation of the Teachers' Pension Scheme

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

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

The Public Service Pensions Bill provides for future scheme valuations to be conducted in accordance with Treasury directions. The actuarial valuation report in summer 2014 takes effect from September 2015.

##### Teachers' Pension Scheme changes

Lord Hutton made recommendations in 2011 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 with trade unions and other representative bodies. In March 2012 the Department for Education published proposals for the design for a reformed TPS.

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



# WOOLGROVE SCHOOL SPECIAL NEEDS ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

### 17 Pensions and similar obligations

(Continued)

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

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

The Department for Education has continued to work closely with trade unions and other representatives bodies to develop the reformatted Teachers' Pension Scheme, and regulations giving effect to it came into force on 1 April 2014. Communications are being rolled out and the reformatted scheme will commence on 1 April 2015.

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The academy trust is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the academy trust 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 trust has set out above the information available on the scheme.

#### 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.

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.

	2014 £	2013 £
Employer's contributions	75,000	87,000
Employees' contributions	20,000	26,000
Total contributions	95,000	113,000

#### Principal actuarial assumptions

	2014 %	2013 %
Rate of increase in salaries	3.90	5.10
Rate of increase for pensions in payment	2.60	2.80
Discount rate for scheme liabilities	3.70	4.60
Inflation assumption (CPI)	5.40	5.90

# WOOLGROVE SCHOOL SPECIAL NEEDS ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

### 17 Pensions and similar obligations

(Continued)

An allowance is included for future retirements to elect to take 50% of the maximum additional tax-free cash up to HMRC limits for pre-April 2008 service and 75% of the maximum tax-free cash for post-April 2008 service.

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

	2014 Years	2013 Years
Retiring today		
- Males	22	21
- Females	25	24
Retiring in 20 years		
- Males	24	23
- Females	27	26

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

	2014 Expected return %	2014 Fair value £	2013 Expected return %	2013 Fair value £
Equities	6.30	336,000	6.60	245,000
Bonds	3.30	115,000	3.90	57,000
Property	4.50	35,000	4.70	20,000
Other assets	3.30	15,000	3.60	13,000
Total market value of assets		501,000		335,000
Present value of scheme liabilities - funded		(983,000)		(745,000)
Net pension liability		(482,000)		(410,000)

# WOOLGROVE SCHOOL SPECIAL NEEDS ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

### 17 Pensions and similar obligations

(Continued)

#### Operating costs and income recognised in the statement of financial activities

	2014 £	2013 £
<b>Financial expenditure/(income)</b>		
Expected return on pension scheme assets	19,000	19,000
Interest on pension liabilities	(39,000)	(39,000)
	<u>(20,000)</u>	<u>(20,000)</u>
<b>Other expenditure/(income)</b>		
Current service cost	(91,000)	(91,000)
Past service cost	-	-
	<u>(91,000)</u>	<u>(91,000)</u>
<b>Total operating income</b>	<u>(111,000)</u>	<u>(111,000)</u>

#### Actuarial gains and losses recognised in the statement of financial activities

	2014 £	2013 £
Actuarial gains on assets: actual return less expected	(48,000)	(19,000)
Experience losses on liabilities	97,000	76,000
(Gains)/losses arising from changes in assumptions	-	-
	<u>49,000</u>	<u>57,000</u>
<b>Total losses</b>	<u>49,000</u>	<u>57,000</u>
<b>Cumulative losses to date</b>	<u>106,000</u>	<u>57,000</u>

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

	2014 £	2013 £
Opening defined benefit obligations	(745,000)	(513,000)
Current service cost	(84,000)	(91,000)
Interest cost	(37,000)	(39,000)
Contributions by employees	(20,000)	(26,000)
Actuarial losses	(97,000)	(76,000)
	<u>(983,000)</u>	<u>(745,000)</u>

# WOOLGROVE SCHOOL SPECIAL NEEDS ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2014

### 17 Pensions and similar obligations

(Continued)

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

	2014 £	2013 £
Opening fair value of scheme assets	335,000	184,000
Expected return on assets	23,000	19,000
Actuarial losses	48,000	19,000
Contributions by employers	75,000	87,000
Contributions by employees	20,000	26,000
	<u>501,000</u>	<u>335,000</u>

#### History of experience gains and losses:

	2014 £	2013 £
Present value of defined benefit obligations	(983,000)	(745,000)
Fair value of share of scheme assets	<u>501,000</u>	<u>335,000</u>
Deficit	<u>(482,000)</u>	<u>(410,000)</u>
Experience adjustment on scheme liabilities	(97,000)	(76,000)
Experience adjustment on scheme assets	<u>48,000</u>	<u>19,000</u>

### 18 Reconciliation of net income to net cash inflow/(outflow) from operating activities

	2014 £	2013 £
Net income	(91,239)	5,179,424
Capital grants and similar income	(7,544)	(163,780)
Net deficit transferred on conversion	-	329,000
Fixed assets transferred on conversion	-	(5,063,318)
Investment income	(2,012)	(765)
FRS17 pension costs less contributions payable	9,000	20,000
FRS17 pension finance income	14,000	4,000
Depreciation of tangible fixed assets	201,243	264,807
Losses on disposals of fixed assets	620	-
Decrease/(increase) in debtors	9,227	(45,105)
(Decrease)/increase in creditors	<u>(10,271)</u>	<u>112,691</u>
Net cash inflow from operating activities	<u>123,024</u>	<u>636,954</u>

# WOOLGROVE SCHOOL SPECIAL NEEDS ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

<b>19 Reconciliation of net cash flow to movement in net funds</b>	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
(Decrease)/increase in cash	(34,383)	606,791
Net funds at 1 September 2013	606,791	-
	<u>          </u>	<u>          </u>
<b>Net funds at 31 August 2014</b>	<b>572,408</b>	<b>606,791</b>
	<u>          </u>	<u>          </u>

<b>20 Analysis of net funds</b>	<b>At 1</b>	<b>Cash flows</b>	<b>Non-cash</b>	<b>At 31 August</b>
	<b>September</b>		<b>changes</b>	<b>2014</b>
	<b>2013</b>			
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Cash at bank and in hand	606,791	(34,383)	-	572,408
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

### 21 Commitments under operating leases

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

	<b>2014</b>	<b>2013</b>
	<b>£</b>	<b>£</b>
Expiry date:		
- Within one year	2,040	-
- Between two and five years	3,876	6,324
	<u>          </u>	<u>          </u>
	<b>5,916</b>	<b>6,324</b>
	<u>          </u>	<u>          </u>

### 22 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.

### 23 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 £16,624 (2013: £15,477).

# WOOLGROVE SCHOOL SPECIAL NEEDS ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2014**

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### **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.