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The Waverley Education Foundation Limited

(A Company Limited by Guarantee)

**Annual Report and Financial Statements
Year ended 31 August 2014**

Company Number : 08331922



**Feltons
Chartered Accountants**

**Birmingham
B1 3JR**

The Waverley Education Foundation Limited

(A Company Limited by Guarantee)

**Report and financial statements
Year ended 31 August 2014**

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The Waverley Education Foundation Limited
(A Company Limited by Guarantee)

Reference and Administrative Details

Members	Berman, Giora Hanif, Kamal Sohal, Rita	Director Director Director
Trustees	Berman, Giora Hanif, Kamal Sohal, Rita Sood, Navin	* Chair of Trustees * CEO/Executive Head teacher * Trustee Staff trustee (appointed 03/11/13) * members of finance committee
Senior management team	CEO-Executive Head teacher Principal Vice Principal	Mr Kamal Hanif Mrs Melanie Gaiderman Mr Nadeem Bashir
Responsible officer		DRB Financial Services
Principal and registered office		Melanie Gaiderman Waverley Studio College 311 Yardley Green Rd
Company registration number		08331922
Independent auditor		Feltons 8 Sovereign Court 8 Graham Street Birmingham B1 3JR
Bankers		Royal Bank of Scotland 5th Floor 2 St Phillips Place Birmingham B3 2RB

The Waverley Education Foundation Limited

(A Company Limited by Guarantee)

Trustees' report

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2013 to 31 August 2014. The annual report serves the purposes of both a trustees' report and a directors' report under company law.

The trust operates an academy for pupils aged 14 to 19 catchment is open to Birmingham. It has a pupil capacity of 300 and had a roll of 168 pupils in the school census on 2 October 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 The Waverley Education Foundation Limited are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Waverley Studio College.

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

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 £2,000,000 on any one claim.

Method of recruitment and appointment or election of Governors

Parent Governors are appointed by trustees following an application and interview process and must be of registered pupils at the Academy. A Parent Governor must be a parent of a pupil at the Academy at the time when she/he is elected.

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

- a person who lives or works in the community served by the Academy; or
- a person who, in the opinion of the Governing Body, is committed to the governance and success of the Academy.

Staff Governors are elected by employees of the Academy Trust.

Trustees will appoint a representative from each local governing body to serve as a director, this would normally be the chair of governors unless a certain skills set is required by the directors.

The above selection procedures are reviewed annually.

The Waverley Education Foundation Limited
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Trustees' report (continued)

Policies and procedures adopted for the induction and training of Trustees and Governors

The Governing Body has a Service Level Agreement with the Trustee Support department of Studio Schools Trust, to provide training, advice and support to the Governing Body.

Newly elected/appointed Trustees, directors and governors attend Induction Training, and in addition select specific training provided by Trustee Support in accordance with their needs.

One of the Trustees is appointed as Link Trustee, attends relevant training and provides information to Trustees following such training.

The Deputy Head Teacher/Vice Principal is the Leader for Professional Development in school, and she ensures that Trustees/Directors/governors are provided with opportunities to receive training in accordance with their role, and the school's Training Plan.

Organisational structure

The Governing Body has established committees and appoints Trustees to serve on each of the committees annually. The committees for the period of the report were:

- **Board of Trustees**
- **Board of Directors - (Disbands into 3 committees)**
 - Finance & Estates Committee**
 - Remuneration & Pay Committee**
 - Performance/Disciplinary Appeals Committee**
- **Local Governing Body - Curriculum & Standards**
 - Curriculum & Standards Committee**
 - Policy Review Committee**
 - Staff & Pupil Disciplinary Committee**

The written terms of reference of the committees include the monitoring of the preparation and management of the Academy's budget and implementation of the Academy's financial management policies, including risk assessment.

The Governing Body also appoints a Responsible Officer and this role has been fully implemented in accordance with the Academy Trust's Financial Procedures.

Connected organisations, including related party relationships

Heartlands Hospital Trust

Objectives and activities

Objects and aims

The strategic goal of The Waverley Education Foundation Limited is to provide a broad and balanced curriculum to all pupils in accordance with the Funding Agreement between the Academy Trust and the Department for Education.

The Waverley Education Foundation Limited
(A Company Limited by Guarantee)

Trustees' report (continued)

Objectives, strategies and activities

The school aims to maintain and improve upon its outstanding status, through:

- securing outstanding achievement for all students
- supporting staff in developing into reliably outstanding practitioners
- developing rigorous quality assurance programmes that inform high quality teaching resulting in outstanding learning outcomes
- developing a curriculum through which outstanding learning outcomes are secured
- developing a relationship with parents built on active partnership and mutual confidence
- developing partnerships with schools, colleges, employers in preparing our students for working life
- developing high quality teaching that is never less than good
- developing an appropriate curriculum

Public benefit

In setting our objectives and planning our activities, the Governing Body has given careful consideration to the Charity Commission's general guidance on public benefit.

Waverley Studio College is an equal opportunity employer, and strives to give full and fair consideration to all applicants for employment, training and promotions, irrespective of disability, gender, race, colour or sexual orientation.

Strategic report

Achievements and performance

Key qualification will be undertaken by students within the AY2014/2015.

Key financial performance indicators

- Direct costs as a percentage of total costs were 79.4%
- Support costs as a percentage of total costs were 19.7%
- Total payroll costs as a percentage of recurring income were 59.5%

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 it continues to adopt the going concern basis in preparing the financial statements. Further details concerning the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Financial review

Financial and risk management objectives and policies

The financial results of The Waverley Education Foundation Limited are detailed in the following pages. It is considered that the finances are sound and well established. The principal financial management policies adopted are laid down by the Finance Handbook for Academies published by the EFA and requirements as laid down by the Academy's Financial Handbook.

The Waverley Education Foundation Limited
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Trustees' report (continued)

The principal funding source is grant income from the EFA. All expenditure of this grant income is planned to fulfil the objectives and strategies of the Academy.

During the period ended 31 August 2014 total resources expended were £727,027 and the surplus of income over expenditure was £316,763 which included depreciation of £4,511.

At 31 August 2014 the net book value of fixed assets was £90,289. The assets were used exclusively for providing the education and the associated support services to the pupils of The Waverley Education Foundation Limited.

Reserves policy

The Trustees continually monitor the reserves of the Charitable Company. This process encompasses the nature of income and expenditure streams and the need to match commitments with income and nature of reserves.

It is the Governing Body's general policy to continue to build reserves which can be used for future educational purposes.

The deficit on the restricted pension fund of £3,000 arises from an actuarial deficit on the local government pension scheme which will be dealt with as advised by the actuary.

Principal risks and uncertainties

The Trustees have considered the major risks and uncertainties facing the Charitable Company which include changes in legislation and regulations and cash flow management and have put in place procedures to deal with these matters.

Plans for future periods

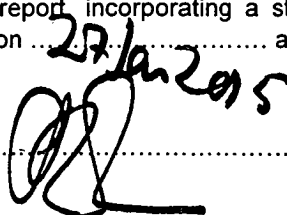
Develop an environment where young people will thrive and perform to their maximum potential.

Auditor

Insofar 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.

Trustees' report incorporating a strategic report, approved by order of the board of trustees, as the company directors, on and signed on its behalf by:

27 Jan 2015


..... Mr G Berman - Chair of Trustees

The Waverley Education Foundation Limited
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Governance statement

Scope of Responsibility

As Trustees, we acknowledge we have overall responsibility for ensuring that Waverley Studio College 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 Principal, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Waverley Studio College 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 period. Attendance during the period at meetings of the board of trustees was as follows :

Main board	Meetings attended	Out of a possible
Mr Giora Berman	3	3
Mr Kamal Hanif	3	3
Mrs Rita Sohal	3	3
Finance committee		
Mr Kamal Hanif	3	3
Mr Giora Berman	3	3
Ms Nargis Rashid	3	3
Mrs Rita Sohal	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 ongoing process designed to identify and prioritise the risks to the achievement of the Academy's 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 The Waverley Education Foundation Limited for the period to 31 August 2014 and up to the date of approval of the annual report and financial statements.

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 on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period to 31 August 2014 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The Waverley Education Foundation Limited
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Governance statement (continued)

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 DRB Financial Services, as responsible officer ('RO'). The RO's role includes giving advice on financial matters and performing a range of checks in the academy trust's financial systems. On a termly basis, the RO reports to the board of trustees on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

Review of Effectiveness

As Accounting Officer, Mr Kamal Hanif (The Executive Head teacher) 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 Responsible Officer;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance and General Purposes Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 22/4/2015 and signed on its behalf by:

 Mr G Berman - Chair of Trustees

 Mr K Hanif - Accounting Officer

The Waverley Education Foundation Limited
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Statement on regularity, propriety and compliance

As accounting officer of Waverley Studio College 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 EFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

I confirm that I and the academy trust 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. If any instances are identified after the date of this statement, these will be notified to the board of trustees and the EFA.

 Mr K Hanif - Accounting Officer

19/12/14 Date

The Waverley Education Foundation Limited
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Statement of Trustees' Responsibilities

The trustees (who act as governors of Waverley Studio College and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Annual Accounts Direction 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 financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure for that period. In preparing these financial statements, the trustees are required to:


- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring 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 financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the board of trustees on and signed on its behalf by:

 Mr G Berman - Chair of Trustees

22/10/2015

The Waverley Education Foundation Limited
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Independent Auditor's Report on the Financial Statements to the Board of Trustees of The Waverley Education Foundation Limited

We have audited the financial statements of Waverley Studio College (A Company Limited by Guarantee) for the period ended 31 August 2014 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies: Accounts Direction 2013 issued by the Education Funding Agency.

This report is made solely to the academy trust's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the academy trust's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the academy trust 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 auditor

As explained more fully in the statement of trustees' responsibilities, the trustees (who are also the directors of the academy trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the academy's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the trustees to identify material inconsistencies with the audited financial statements 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 financial statements

In our opinion the financial statements :

- 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 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
- the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency.

**The Waverley Education Foundation Limited
(A Company Limited by Guarantee)**

**Independent Auditor's Report on the Financial Statements to the Board of Trustees of The Waverley Education Foundation Limited
(continued)**

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the trustees for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

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

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

Feltons

David W Farnsworth FCA (Senior Statutory Auditor)

For and on behalf of Feltons, Statutory Auditor

8 Sovereign Court

8 Graham Street

Birmingham B1 3JR

19 December 2014

The Waverley Education Foundation Limited
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Independent Reporting Accountant's Assurance Report on Regularity to The Waverley Education Foundation Limited and the Education Funding Agency

In accordance with the terms of our engagement letter dated 10 October 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013 to 2014, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by the Waverley Studio College 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 Waverley Studio College and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Waverley Studio College 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 Waverley Studio College and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Waverley Studio College's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Waverley Studio College's funding agreement with the Secretary of State for Education dated 25 July 2013 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 2013 to 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 and 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 to 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.

The work undertaken to draw our conclusion includes :

- Consideration of the applicable legislation and the Academy Trust's Funding Agreement
- Review and evaluation of the academy trust's system of internal controls
- Examination and assessment of the Accounting Officer's statement on Regularity, Propriety and Compliance
- Examination, on a test basis, of third party evidence supporting income and expenditure
- Review of exceptional and unusual items

The Waverley Education Foundation Limited
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Independent Reporting Accountant's Assurance Report on Regularity to The Waverley Education Foundation Limited 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 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.



David W Farnsworth FCA (Senior Statutory Auditor)

For and on behalf of Feltons, Statutory Auditor

8 Sovereign Court

8 Graham Street

Birmingham B1 3JR

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..... December 2014

The Waverley Education Foundation Limited
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Statement of financial activities for the year ended 31 August 2014
(including income and expenditure account and statement of total recognised gains and losses)

	Notes	Restricted pension fund £	Restricted general funds £	Restricted fixed asset funds £	Total 2014 £	Total 2013 £
Incoming resources						
<i>Incoming resources from general funds:</i>						
Voluntary income	2	-	-	25,000	25,000	-
<i>Incoming resources from charitable activities:</i>						
Funding for the Academy's educational operations	3	-	837,658	181,132	1,018,790	300,000
Total incoming resources		-	837,658	206,132	1,043,790	300,000
Resources expended						
<i>Charitable activities:</i>						
Academy's educational operations	5	2,000	714,566	4,511	721,077	71,811
Governance costs	6	-	5,950	-	5,950	4,550
Total resources expended	4	2,000	720,516	4,511	727,027	76,361
Net incoming/(outgoing) resources before transfers		(2,000)	117,142	201,621	316,763	223,639
Gross transfers between funds	13	-	(29,169)	29,169	-	-
Net income/(expenditure) for the year		(2,000)	87,973	230,790	316,763	223,639
Other recognised gains and losses						
Actuarial losses on defined benefit pension schemes	13,20	(1,000)	-	-	(1,000)	
Net movement in funds		(3,000)	87,973	230,790	315,763	223,639
Reconciliation of funds						
Total funds brought forward at 1 September 2013	13	-	223,639	-	223,639	-
Total funds carried forward at 31 August 2014		(3,000)	311,612	230,790	539,402	223,639

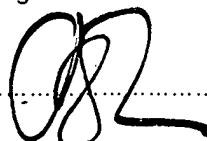
All of the Academy's activities derive from continuing operations during the above two financial periods.

The Waverley Education Foundation Limited
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Company Number : 08331922
Balance sheet as at 31 August 2014

		2014		2013	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	10		90,289		-
Current assets					
Debtors	11	159,633		4,676	
Cash at bank and in hand		<u>325,804</u>		<u>290,075</u>	
		485,437		294,751	
Liabilities					
Creditors: amounts falling due within one year	12	<u>33,324</u>		<u>71,112</u>	
Net current assets			452,113		223,639
Total assets less current liabilities			<u>542,402</u>		<u>223,639</u>
Pension scheme liability	20		(3,000)		-
Net assets including pension liability			<u>539,402</u>		<u>223,639</u>
Funds of the academy trust :					
Restricted funds					
Fixed asset fund	13	230,790		-	
General fund	13	311,612		223,639	
Pension reserve	13	<u>(3,000)</u>		<u>-</u>	
Total restricted funds			539,402		223,639
Total funds			<u>539,402</u>		<u>223,639</u>

The financial statements on pages 14 to 33 were approved by the trustees, and authorised for issue on
and are signed on their behalf by:

.....  Mr G Berman - Chair of Trustees

27/6/2015

The Waverley Education Foundation Limited
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Cash flow statement for the year ended 31 August 2014

	Notes	2014 £	2013 £
Net cash inflow from operating activities	16	(75,603)	290,075
Capital expenditure	17	111,332	-
Increase in cash in the period	18	<u>35,729</u>	<u>290,075</u>
Reconciliation of net cash flow to movement in net funds			
Net funds at 1 September 2013		290,075	-
Net funds at 31 August 2014		<u>325,804</u>	<u>290,075</u>

The Waverley Education Foundation Limited
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Notes to the financial statements for the year ended 31 August 2014

1. Statement of accounting policies

Basis of preparation

The financial statements 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 2013 to 2014 issued by the EFA and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

Going concern

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

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.

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Notes to the financial statements for the year ended 31 August 2014 (continued)

1. Statement of accounting policies (continued)

- **Donated services and gifts in kind**

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

Resources expended

All expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

- **Costs of generating funds**

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

- **Charitable activities**

These are costs incurred in the academy trust's educational operations.

- **Governance costs**

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

All resources expended are inclusive of irrecoverable VAT.

Tangible fixed assets

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. 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. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

The Waverley Education Foundation Limited
(A Company Limited by Guarantee)

Notes to the financial statements for the year ended 31 August 2014 (continued)

1. Statement of accounting policies (continued)

Tangible fixed assets (continued)

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:

Long leasehold land & buildings	- straight line over 50 years
Fittings and equipment	- 25% reducing balance
Computer equipment	- 33% straight line

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

Leased assets

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

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.

Pension 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 Waverley Education Foundation Limited
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Notes to the financial statements for the year ended 31 August 2014 (continued)

Pension benefits (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 20, the TPS is a multi-employer scheme and the academy trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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

Fund accounting

Unrestricted income funds

These represent resources which may be used towards meeting any of the charitable objects of the academy trust at the discretion of the trustees.

Restricted fixed asset funds

These represent resources which are to be applied to specific capital purposes imposed by funders where the asset acquired or created is held for a specific purpose.

Restricted general funds

These comprise all other restricted funds received with restrictions imposed by the funder and include grants from the Education Funding Agency and Department for Education.

The Waverley Education Foundation Limited
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Notes to the financial statements for the year ended 31 August 2014 (continued)

2. Voluntary income

	Restricted fixed asset funds £	Total 2014 £
Transfer from local authority		
- fixed assets	25,000	25,000
	<u>25,000</u>	<u>25,000</u>

3. Funding for the Academy Trust's educational operations

	Restricted general funds £	Restricted fixed asset funds £	Total 2014 £	Total 2013 £
EFA revenue grants				
General Annual Grant	701,711	-	701,711	-
Start up grants	106,315	-	106,315	300,000
Capital grants	-	181,132	181,132	-
Other EFA grants	29,632	-	29,632	-
	<u>837,658</u>	<u>181,132</u>	<u>1,018,790</u>	<u>300,000</u>

4. Resources expended

	Staff costs £	Non pay expenditure Premises £	Other costs £	Total 2014 £	Total 2013 £
Academy's educational operations					
Direct costs	499,956	3,248	74,549	577,753	25,223
Allocated support costs	106,059	10,290	26,975	143,324	46,588
	<u>606,015</u>	<u>13,538</u>	<u>101,524</u>	<u>721,077</u>	<u>71,811</u>
Governance costs including allocated support costs	-	-	5,950	5,950	4,550
	<u>606,015</u>	<u>13,538</u>	<u>107,474</u>	<u>727,027</u>	<u>76,361</u>

	£	£
Outgoing resources for the year include :		
Fees payable to auditor		
- audit	5,825	4,250
- other services	125	-
	<u>5,950</u>	<u>4,250</u>

The Waverley Education Foundation Limited
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Notes to the financial statements for the year ended 31 August 2014 (continued)

5. Charitable activities

	Restricted pension fund £	Other restricted funds £	Total 2014 £	Total 2013 £
Direct costs - educational operations				
Teaching and educational support staff	-	499,956	499,956	9,879
Depreciation	-	3,248	3,248	-
Technology costs	-	3,581	3,581	-
Educational supplies	-	55,895	55,895	6,946
Examination fees	-	630	630	-
Staff development	-	1,770	1,770	4,605
Educational consultancy	-	10,433	10,433	-
Other direct costs	-	2,240	2,240	3,793
	-	577,753	577,753	25,223
Support costs - educational operations				
Support staff	2,000	104,059	106,059	-
Depreciation	-	1,263	1,263	-
Technology costs	-	70	70	70
Recruitment and support	-	-	-	6,915
Maintenance of premises and equipment	-	3,443	3,443	-
Insurance	-	5,584	5,584	-
Security and transport	-	2,118	2,118	1,245
Bank interest and charges	-	337	337	-
Other support costs	-	24,450	24,450	38,358
	2,000	141,324	143,324	46,588
Total direct and support costs	2,000	719,077	721,077	71,811

6. Governance costs

	Restricted funds £	Total 2014 £	Total 2013 £
Legal and professional fees	-	-	300
Auditor's remuneration			
audit of financial statements	5,825	5,825	4,250
other audit costs	125	125	-
	5,950	5,950	4,550

The Waverley Education Foundation Limited
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Notes to the financial statements for the year ended 31 August 2014 (continued)

7. Staff

a) Staff costs

Staff costs during the period were:

	Total 2014 £	Total 2013 £
Wages and salaries	393,556	8,017
Social security costs	25,729	733
Pension costs		
Teachers' pension scheme	27,145	1,129
Local government pension scheme	9,407	-
	<u>455,837</u>	<u>9,879</u>
Supply staff costs	150,178	-
	<u>606,015</u>	<u>9,879</u>

b) Staff severance payments

There were no staff severance payments during the year (2013 : £nil).

c) Staff numbers

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

	2014 Number	2013 Number
Charitable activities		
Teachers	7	1
Administration and support	1	-
Management	2	-
	<u>10</u>	<u>1</u>

d) Higher paid staff

The number of employees whose emoluments exceeded £60,000 was :
£60,001 - £70,000

<u>1</u>	<u>-</u>
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This employee participated in the Teachers' Pension Scheme. During the year ended 31 August 2014, employer's pension contributions for this employee amounted to £9,865 (2013 - £nil).

8. Related Party Transactions - Trustees' remuneration and expenses

The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal 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 Waverley Education Foundation Limited
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Notes to the financial statements for the year ended 31 August 2014 (continued)

8. Related Party Transactions - Trustees' remuneration and expenses (continued)

The value of trustees' remuneration was as follows :

K Hanif (chief executive officer and trustee)	£35,000 - £40,000
N Sood (learning mentor and staff trustee)	£20,000 - £25,000

During the year, travel and subsistence expenses totalling £nil (2013 - £nil) were reimbursed to trustees. Other related party transactions involving the trustees are set out in note 21.

9. 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 £2,000,000 on any one claim and the cost for the year ended 31 August 2014 was £238 (2013 - £nil). The cost of this insurance is included in the total insurance cost.

10. Tangible fixed assets

	Long Leasehold land & buildings £	Assets in the course of construction £	Computer equipment £	Total £
Cost or valuation				
At 1 September 2013	-	-	-	-
Additions	25,000	40,631	29,169	94,800
At 31 August 2014	25,000	40,631	29,169	94,800
Depreciation				
At 1 September 2013	-	-	-	-
Charge for the year	500	-	4,011	4,511
At 31 August 2014	500	-	4,011	4,511
Net book values				
At 31 August 2014	24,500	40,631	25,158	90,289
At 31 August 2013	-	-	-	-

	Long Leasehold land & buildings £	Assets in the course of construction £	Computer equipment £	Total £
Cost or valuation at 31 August 2014 is represented by :				
Valuation in 2014	25,000	-	-	25,000
Cost	-	40,631	29,169	69,800
	25,000	40,631	29,169	94,800

The Waverley Education Foundation Limited
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Notes to the financial statements for the year ended 31 August 2014 (continued)

11. Debtors

	Total 2014 £	Total 2013 £
VAT recoverable	13,054	-
Prepayments and accrued income	6,078	4,676
Other debtors - grants receivable	140,501	-
	<u>159,633</u>	<u>4,676</u>

12. Creditors

	Total 2014 £	Total 2013 £
Amounts falling due within one year :		
Creditors from operations	12,976	-
Accruals and deferred income	20,348	4,250
Other creditors	-	66,862
	<u>33,324</u>	<u>71,112</u>

13. Funds

	Balance at 1 September 2013 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2014 £
Restricted general funds					
General Annual Grant (GAG)	-	701,711	(360,930)	(29,169)	311,612
Start-up grant	223,639	106,315	(329,954)	-	-
Other EFA grants	-	29,632	(29,632)	-	-
	<u>223,639</u>	<u>837,658</u>	<u>(720,516)</u>	<u>(29,169)</u>	<u>311,612</u>
Restricted fixed asset funds					
Voluntary income	-	25,000	(500)	-	24,500
EFA capital grants	-	181,132	-	-	181,132
Capital expenditure from GAG	-	-	(4,011)	29,169	25,158
	<u>-</u>	<u>206,132</u>	<u>(4,511)</u>	<u>29,169</u>	<u>230,790</u>
Restricted pension funds	<u>-</u>	<u>-</u>	<u>(2,000)</u>	<u>(1,000)</u>	<u>(3,000)</u>
Total restricted funds	<u>223,639</u>	<u>1,043,790</u>	<u>(727,027)</u>	<u>(1,000)</u>	<u>539,402</u>

The Waverley Education Foundation Limited
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Notes to the financial statements for the year ended 31 August 2014 (continued)

13. Funds (continued)

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

Restricted general funds

These comprise all restricted funds other than restricted fixed asset funds and include grants from The Education Funding Agency.

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.

Unrestricted funds

These comprise resources that may be used towards meeting any of the charitable objects of the academy trust at the discretion of the trustees.

Restricted fixed asset funds

These comprise resources which are to be applied to specific capital purposes imposed by The Education Funding Agency and Birmingham City Council where the asset acquired or created is held for a specific purpose.

14. Analysis of net assets between funds

Fund balances at 31 August 2014
are represented by:

	Restricted pension funds	Restricted general funds	Restricted fixed asset funds	Total funds
	£	£	£	£
Tangible fixed assets	-	-	90,289	90,289
Current assets	-	344,936	140,501	485,437
Current liabilities	-	(33,324)	-	(33,324)
	-	311,612	230,790	542,402
Pension scheme liability	(3,000)	-	-	(3,000)
Total net assets	(3,000)	311,612	230,790	539,402

15. Capital commitments

There were capital commitments amounting to £4,315,720 at 31 August 2014 (2013 - £nil).

16. Reconciliation of net income to net cash inflow from operating activities

	Total 2014	Total 2013
	£	£
Net income	316,763	223,639
Depreciation (note 10)	4,511	-
Capital grants from EFA and other capital income	(181,132)	-
Voluntary income	(25,000)	-
FRS 17 actuarial movements (note 20)	2,000	-
Decrease / (increase) in debtors	(154,957)	(4,676)
Increase / (decrease) in creditors	(37,788)	71,112
Net cash inflow from operating activities	(75,603)	290,075

The Waverley Education Foundation Limited
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Notes to the financial statements for the year ended 31 August 2014 (continued)

17. Capital expenditure and financial investment

	Total 2014 £	Total 2013 £
Purchase of tangible fixed assets	(69,800)	-
Capital grants from EFA	181,132	-
Net cash from capital expenditure and financial investment	111,332	-

18. Analysis of changes in net funds

	At 1 September 2013 £	Cash flows £	At 31 August 2014 £
Cash at bank and in hand	290,075	35,729	325,804
	290,075	35,729	325,804

19. Member's liability

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

20. Pension and similar obligations

The academy's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by West Midlands Pension Fund. 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 March 2013.

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

The Waverley Education Foundation Limited
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Notes to the financial statements for the year ended 31 August 2014 (continued)

20. Pension 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 Waverley Education Foundation Limited
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Notes to the financial statements for the year ended 31 August 2014 (continued)

20. Pension and similar obligations (continued)

Valuation of the Teachers' Pension Scheme (continued)

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 the 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.

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 were to be phased in since April 2012 on a 40:80:100% basis.

The Department for Education has continued to work closely with trade unions and other representative bodies to develop the reformed Teachers' Pension Scheme and regulations giving effect to it came into force on 1 April 2014. Communications are being rolled out and the reformed 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 is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the academy has taken advantage of the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy has set out above the information available on the scheme.

The Waverley Education Foundation Limited
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Notes to the financial statements for the year ended 31 August 2014 (continued)

20. Pension and similar obligations (continued)

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2014 was £10,472, of which employer's contributions totalled £7,241 and employees' contributions totalled £3,231. The agreed contribution rates for future years are 13% for employers and between 5.5% and 9.9% for employees.

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

The trustees have agreed that the trust will make additional contributions in addition to normal funding levels over the next 22 years.

Principal actuarial assumptions

	At 31 August 2014
Rate of increase in salaries	3.95%
Rate of increase for pensions in payment / inflation	2.20%
Discount rate for scheme liabilities	4.00%
Inflation assumption (CPI)	2.20%

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

	At 31 August 2014
Retiring today	
Males	22.9
Females	25.5
Retiring in 20 years	
Males	25.1
Females	27.8

The Waverley Education Foundation Limited
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Notes to the financial statements for the year ended 31 August 2014 (continued)

20. Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

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

	Expected return at 31 August 2014	Fair value at 31 August 2014 £
Equities	7.00%	5,000
Government bonds	2.90%	1,000
Other bonds	3.80%	1,000
Property	6.20%	1,000
Cash	50.00%	-
Other	7.00%	3,000
Total market value of assets		11,000
Present value of scheme liabilities		
- Funded		(14,000)
Deficit in the scheme		(3,000)

The expected rate of return on the Scheme assets is based on market expectations at the beginning of the period.

The actual return on the Scheme assets was £nil.

	2014 £
Amounts recognised in the statement of financial activities	
Current service cost (net of employee contributions)	9,000
Total operating charge	9,000

The actuarial gains and losses for the current year are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is a £1,000 loss.

The Waverley Education Foundation Limited
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Notes to the financial statements for the year ended 31 August 2014 (continued)

20. Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

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

	2014
	£
At 1 September 2013	-
Current service cost	9,000
Employee contributions	3,000
Actuarial loss	2,000
At 31 August 2014	<u>14,000</u>

Movements in the fair value of academy's share of scheme assets were as follows :

	2014
	£
At 1 September 2013	-
Actuarial gain	1,000
Employer contributions	7,000
Employee contributions	3,000
At 31 August 2014	<u>11,000</u>

Net pension scheme liability	<u>(3,000)</u>
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The estimated value of employer contributions for the year ended 31 August 2015 is £7,000.

The history of experience adjustments is as follows:

	2014
	£
Present value of defined benefit obligations	(14,000)
Fair value of share of scheme assets	11,000
Deficit in the scheme	<u>(3,000)</u>
Experience adjustments on share of scheme assets (£)	<u>1,000</u>

The Waverley Education Foundation Limited
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Notes to the financial statements for the year ended 31 August 2014 (continued)

21. Related party transactions

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 a trustee has 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.

During the year, Waverley School incurred expenses on behalf of The Waverley Education Foundation Limited amounting to £125,399 (2013 : £66,862). The Waverley Education Foundation Limited has a balance owing to Waverley School of £nil (2013 : £66,862) at the end of the year.