

Registered number: 07662701

WROTHAM SCHOOL
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2015

WROTHAM SCHOOL
(A company limited by guarantee)

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS MEMBERS/ TRUSTEES AND
ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2015**

Members and Trustees P B Broszek¹
D J Lewis
M C Reeve¹

Trustees S Smith, Chair¹
Dr R E Mather, Vice Chair¹
J S Finney
E K Moe
N Newman, Responsible Officer
Dr D Price
K E Skinner
S G Toher
K B Williams
M Wright, Head Teacher
P Cole (resigned 27 March 2015)

¹ members of the Leadership & Management Committee

Unless otherwise noted all trustees were in office at the time of signing the financial statements.

Company registered number 07662701

Principal and registered office Borough Green Road
Wrotham
Sevenoaks
TN15 7RD

Senior Leadership team
M Wright, Head Teacher
M Cater, Deputy Head Teacher
K James, Assistant Head Teacher
K Ward, Assistant Head Teacher
T Kelvie, Assistant Head Teacher
K Williams, Assistant Head Teacher
R Mingo, Director of Finance

Independent auditors Williams Giles Limited
Chartered Accountants
Registered Auditors
12 Conqueror Court
Sittingbourne
Kent
ME10 5BH

Bankers National Westminster Bank plc
41 High Street
Borough Green
Sevenoaks
TN15 8BX

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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2015

The Trustees (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of Wrotham School (the Academy) for the year ended 31 August 2015. The Trustees confirm that the annual report and financial statements of the Academy comply with the current statutory requirements, the requirements of the Academy's articles of association and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005.

The trust operates an Academy for pupils aged 11 to 19 (the 'School') serving a catchment area in Tonbridge & Malling, Sevenoaks and Gravesham in Kent. It has a pupil capacity of 716 and had a roll of 745 in the school census on October 2015.

Structure, governance and management

a. CONSTITUTION

The Academy trust is a company limited by guarantee and an exempt charity and was set up by a memorandum of association on 8 June 2011. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust.

The trustees of Wrotham School are also the directors of the charitable company for the purposes of company law. The charitable company is known as Wrotham School.

Details of the Trustees who served during the year are included in the Reference and Administrative Details as well as the Trustees Report.

The following Trustees were in office at 26th November and served throughout the year except where shown.

| Trustees | Appointed | Resigned |
|-------------------------------|--------------------|-----------------|
| Mrs S Smith (Chairman) | | |
| Mr R E Mather (Vice Chairman) | | |
| Mr P B Broszek | | |
| Mr P Cole | | 27th March 2015 |
| Mrs J S Finney | | |
| Mr D J Lewis | | |
| Mr E K Moe | | |
| Mr N Newman | 1st September 2015 | |
| Mr D Price | | |
| Mr M C Reeve | | |
| Mrs K E Skinner | | |
| Mr S G Toher | | |
| Mr K B Williams | | |
| Mr M Wright (Headteacher) | | |

During the year Mr P Cole resigned on 27th March 2015 and Mr N Newman was appointed on 1st September 2015.

b. 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.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

c. METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF TRUSTEES

The Board is currently comprised of 13 Trustees, of whom 2 are Staff Trustees and 3 are Parent Trustees. The appointment of Trustees is governed by the Company's Articles of Association. The members of the Company may appoint up to 20 Trustees. They may also appoint Staff Trustees through such process as they may determine, providing no more than one third of the Trustees are employees of the Company. The Headteacher automatically becomes a Trustee upon appointment. A minimum of two Parent Trustees shall be appointed by the Board of Trustees based upon an election or ballot by parents of registered pupils at the school, conducted in such manner as the Board of Trustees may determine. Parent Trustees must be the parent of a registered pupil at the school at the time they are elected. The Board of Trustees will recruit Trustees according to the needs of the School and the skills the Board of Trustees require.

d. POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES

The training and induction provided for new Trustees will depend on their existing experience.

An induction programme is available to all new Trustees, and this includes a meeting with the Headteacher and Chair of Trustees, a tour of the School, a welcome pack and an induction booklet, which includes copies of relevant policies and procedures.

Where necessary, induction will include training in charity, educational legal and financial matters relevant to the operation of the Company. They are also provided with an annual training programme for both internal workshops/training and external specific school Trustee courses. A careful record of Trustees' training is maintained.

The Company ensures that all Trustees are provided with the information needed to undertake their role as Trustees.

e. ORGANISATIONAL STRUCTURE

The Trustees are responsible for setting the strategic direction of the Academy. They are also responsible for the general policy, adopting an annual improvement plan and budget, monitoring the Academy by the use of budgets and making major decisions about the direction of the Academy, capital expenditure and senior staff appointments.

The Board of Trustees comprises those persons appointed under the Articles of Association. The Board meets a minimum of four times a year. The Committees structure includes Teaching & Learning; Behaviour & Safeguarding; Health & Safety and Leadership & Management. All of these committees are formally constituted with terms of reference and comprise appropriately qualified and experienced members.

The Board delegates specific responsibilities to its Committees, the activities of which are reported to and discussed at full Board Meetings. Day to day management of the Academy is undertaken by the Headteacher, supported by the Senior Leadership Team.

The Senior Leadership Team comprises the Headteacher (who is also the Accounting Officer), Deputy Headteacher, and four Assistant Headteachers. They control the Academy at an executive level ensuring that full compliance with the policies set out by the Trustees. The appointment panel for a Leadership post always contains a Trustee. Spending control is devolved to the Headteacher and a new Finance Director who started work at the academy in March 2015. A scheme of delegation is in operation with limits above which cheques/approvals are countersigned by a Trustee.

f. CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS

The Academy does not have any connected organisations.

Where Trustees offer their services to the Academy their interest is recorded on the relevant paperwork and the circumstances discussed by the Board. The Headteacher and Staff Trustees are employees of the company.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

g. RISK MANAGEMENT

The Trustees have assessed the major risks to which the Academy is exposed, in particular those relating to teaching/academic performance, provision of facilities, finance and student welfare. The Trustees have implemented a number of systems to assess risks that the Academy faces; and have developed policies and procedures to mitigate those risks. Where significant financial risk still remains they have ensured they have adequate insurance cover.

One of the key financial risks remains the uncertainty of future funding. Funding reforms continue to be worked on by the DfE/EFA and therefore, the Academy is anticipating further changes in funding over the foreseeable future.

The Trustees have assessed the major risks to which the Academy is exposed, and are satisfied that systems are in place to mitigate exposure to the major risks.

h. TRUSTEES' INDEMNITIES

Directors' & Officers' insurance is in place through the EFA Risk Protection Assurance scheme. This policy has a limit of indemnity of £10,000,000. The cover is for legal liability for claims arising from a breach of professional duty by reason of any neglect, error or omission.

Objectives and Activities

a. OBJECTS AND AIMS

The principal objective of Wrotham School is to provide education for students of different abilities and achieves this by providing a state education, free of charge, to pupils aged 11 to 19.

In exercising their powers, the Trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission.

b. OBJECTIVES, STRATEGIES AND ACTIVITIES

The main strategic aims of the Academy are summarised below:

- to support every student to achieve academic excellence and personal success
- to ensure that every student enjoys and receives high quality education in terms of environment, resourcing, tuition and care
- to raise the standards of educational achievements of all students
- to invest in staff and student development through new initiatives and opportunities
- to provide value for money

The main strategy is encompassed in its mission statement which is for all students to 'High Expectations, Challenge and Opportunity'. Activities provided include:

- tuition and learning opportunities for all students to attain the best possible academic qualifications
- training and development opportunities for all staff
- investment in providing excellent learning environments including a superb teaching block housing Science and Maths
- a large variety of education visits for all subjects, throughout the UK and Europe

In setting the objectives listed above and planning activities the Trustees have given careful consideration to the

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

Charity Commission's general guidance on the public benefit.

The School is an equal opportunity organisation and is committed to take a positive stand to ensure all stakeholders have a right to equality of opportunity and achievement regardless of race and ethnicity, faith, belief and religion, disability and access, age, sex, sexual orientation, transexualism, and marital status.

Equality of opportunity is related to all areas of the School's work and is a fundamental aspect of the ethos of the School. We will make reasonable adjustments to meet the needs of staff or students who are or become disabled. Lifts, ramps and disabled toilets are installed and door widths are adequate to enable wheelchair access to all main areas of the School.

Wrotham School is committed to safeguarding and promoting the welfare of children and young people, and expects all staff and volunteers to share this commitment. All posts are subject to an enhanced Disclosure Application to the Disclosure and Barring Service and check against the ISA Barred List for children.

Parents are given regular information about their son/daughter's social and academic progress through 6 progress reports a year and one full report a year as well as Parent Evenings, Parent Portal (secure online system), Newsletters, and regular contact with parents is maintained as and when required.

Strategic report

Achievements and performance

The Academy is a good school with outstanding features where staff, students and Trustees strive to continually improve all aspects of academic provision.

Ofsted inspected the school in May 2015. Overall effectiveness was judged as 'good' along with the quality of leadership and management, the achievement of students, the quality of teaching of learning and the behaviour and safety of students.

Students at the Academy make significantly better progress than in similar schools nationally. The school is ranked fourth for the three year average performance at GCSE for all non selective schools in Kent (2014) and is ranked joint 5/55 similar schools for the attainment of students (DFE Performance tables 2014).

Key performance measures

| | 2011 | 2012 | 2013 | 2014 | 2015 unvalidated |
|--|---------------------|---------------------|---------------------|---------------------|----------------------|
| 5 or more Grades A*-C inc E and M | 67% | 61% | 69% | 66% | 57% |
| At Key Stage 5 A*-C is on rising trend | 58% | 64% | 75% | 75% | 76% |
| At A2 and AS APS are on a rising trend | A2 = 182 AS = 78 | A2 = 201 AS = 91 | A2 = 214 AS = 93 | A2 = 223 AS = 82 | A2 = 215 AS = 111 |

a. GOING CONCERN

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

b. KEY FINANCIAL PERFORMANCE INDICATORS

The School Development Plan is linked to the budget and the School's financial performance is monitored by the Leadership and Management Committee.

Financial review

The principal sources of income for the Academy's funding is obtained from the Department of Education (via the EFA) in the form of recurrent grants; the use of which is restricted to particular purposes. Additional income is achieved through lettings of the school facilities, including a 3G All-Weather football pitch.

Leaders of learning receive a devolved budget in order to procure curriculum based expenditure. This is monitored by members of the leadership team and Finance Director, ensuring Value for Money is achieved.

Pupil Premium funding is received annually to support groups of students vulnerable to possible underachievement. This funding is spent on a number of strategic priorities to help raise the attainment and achievement of identified students and is regularly reviewed by the Trustees.

This strategy is supported throughout the year with 'Summer School Funding' and 'Year 7 Catch up' with the money being used to implement a reading and numeracy catch up for year 7 and other Key Stage 3 students who are behind their chronological reading age and in need of intervention with their numeracy skills.

The day to day financial management of the Company is the responsibility of the Headteacher, supported and overseen by the Leadership and Management Committee.

a. PRINCIPAL RISKS AND UNCERTAINTIES

Trustees monitor and assess possible risks, in particular financial risks, keeping spendable reserves under constant review to ensure that they have sufficient income to run the Academy on an efficient basis without affecting the quality of teaching and learning.

The Academy Financial Handbook Risk Register is reviewed annually by two Finance Trustees, and any risks are flagged up as a concern with relevant action plans and reported to the Leadership and Management Committee.

The three major risks that Trustees are aware of are:

- The uncertainty of future funding
- Community changes within the catchment area and potential losses of pupils to new free schools and a new grammar school extension in Sevenoaks
- not knowing what employer pension contributions are likely to be in the future after the next round of revaluation of LGPS and TPS

b. RESERVES POLICY

The Trustees have formalised a policy on reserves, which is held separately within the budget and available to support the strategic aims of the school. This is monitored by Trustees and Management to ensure that sufficient reserves are maintained to meet anticipated future needs while avoiding long term accumulation of excessive funds.

With imminent changes to the funding formula it is essential that adequate revenue funds are available to support future staffing structures and curriculum initiatives, all of which is constantly reviewed through Leadership and Management and/or Trustee visits.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

c. MATERIAL INVESTMENTS POLICY

There are no investments held beyond cash deposits retained with the major UK clearing banks. Speculative investments are not permitted.

Plans for future periods

a. FUTURE DEVELOPMENTS

Wrotham School recently secured a new build housing Science and Maths (phase one), including improvements through Capital funding for a new fire alarm system and roofing (phase two).

Further bids are being submitted and include renovation of the main building, including major roofing repairs

EMPLOYEE INVOLVEMENT AND EMPLOYMENT OF THE DISABLED

Disabled employees

Lifts, ramps and disabled toilets are installed and door widths are adequate to enable wheelchair access to all main areas of the School. The policy of the School is to support recruitment and retention of students and employees with disabilities. The Academy does this by adapting the physical environment, by making support resources available and through training and career development.

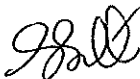
Employee Consultation

School staff are empowered to elect colleagues to sit and serve as Trustees. Trustees regularly meet with staff ranging from attendance at formal board and committee meetings to Trustee visits.

DISCLOSURE OF INFORMATION TO AUDITORS

In so far as that Trustees are aware there is no relevant audit information of which the charitable company's auditors are unaware, and that Trustees have taken all the steps that they ought to have to make themselves aware of any relevant order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

Approved by order of the Board of Trustees on 26 November 2015 and signed on the board's behalf by:



S Smith
Chair of Trustees

M Wright
Trustee



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GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

The 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 Wrotham School 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 Trustees' responsibilities statement. The board of Trustees has formally met 5 times during the year. Attendance during the year at meetings of the board of Trustees was as follows:

| Trustee | Meetings attended | Out of a possible |
|---------------------------|-------------------|-------------------|
| S Smith, Chair | 5 | 5 |
| P B Broszek | 4 | 5 |
| P Cole | 0 | 4 |
| J S Finney | 5 | 5 |
| D J Lewis | 5 | 5 |
| Dr R E Mather, Vice Chair | 5 | 5 |
| E K Moe | 4 | 5 |
| Dr D Price | 3 | 5 |
| M C Reeve | 5 | 5 |
| K E Skinner | 4 | 5 |
| S G Toher | 5 | 5 |
| K B Williams | 5 | 5 |
| M Wright, Head Teacher | 5 | 5 |

Governance reviews:

The Trustees Mark material has been used to evaluate the workings of all aspects of the governing body. A draft strategic plan is now in place.

During the recent Ofsted inspection in May 2015 the Governance of the School was found to be 'Good' with the following comments:

The governance of the school:

- The governing body is skilled and knowledgeable. It holds school leaders to account to secure good teaching and achievement and strives to raise standards further. Trustees check how well the school is doing in comparison to other schools nationally. They visit the school regularly to look at the quality of teaching and the standard of work done by students. Trustees know how well the school is performing and what still needs improving.
- Trustees have a good knowledge and understanding of the national teaching standards. They use them effectively in setting targets for teachers and only good performance is rewarded. Trustees know where teaching is strong and how all staff are helped to improve. They support the Headteacher to act quickly to tackle successfully any underperformance.
- Trustees ensure that all monies are used well to meet the needs of the school. They track the range of the support given to students who are eligible for additional government funding and the good effect this has on their achievement.

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GOVERNANCE STATEMENT (continued)

- The school's finances are well managed and available resources are employed effectively.
- Trustees ensure that safeguarding procedures meet current requirements.

The Leadership and Management Committee is a sub-committee of the main board of Trustees. Its purpose is to assist the decision making of the main board of Trustees, by enabling more detailed consideration to be given to the best means of fulfilling the Trustee's responsibilities to ensure sound management of the academy's finances and resources, including proper planning and monitoring.

Attendance at meetings in the year was as follows:

| Trustee | Meetings attended | Out of a possible |
|---------------|-------------------|-------------------|
| P B Broszek | 5 | 5 |
| Dr R E Mather | 3 | 5 |
| N Newman | 0 | 0 |
| M C Reeve | 5 | 5 |
| S Smith | 5 | 5 |
| M Wright | 5 | 5 |

REVIEW OF VALUE FOR MONEY

As accounting officer, the Headteacher has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The accounting officer considers how the trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the academy trust has delivered improved value for money during the year by:

- Improving the quality of teaching so that the results of the School can be maintained in order to attract an increasing student roll year on year, as well as being known as a centre of excellence in education within its catchment area;
- Reviewing the structure of the senior management team to ensure the split of responsibilities is in line with experience and qualification of those senior managers and at the same time ensuring that all departments have the full backing of the senior management team in achieving the maximum efficiency and results within the departments;
- Transparency of spending within the senior leadership and middle management teams to create more awareness within the full management team of the importance in obtaining value for money;
- Ensuring the best value for money is obtained on purchases by obtaining quotes from multiple sources and negotiating for the best prices possible within the market;
- Ensuring that all expenditure is essential for the improvement of education within the Academy.

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy 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 Wrotham School for the year 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements.

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GOVERNANCE STATEMENT (continued)

CAPACITY TO HANDLE RISK

The board of Trustees has reviewed the key risks to which the academy 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's significant risks, that has been in place for the year 1 September 2014 to 31 August 2015 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 RISK AND CONTROL FRAMEWORK

The academy'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 Leadership and Management 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 Williams Giles Limited, the external auditors, to perform additional checks.

The auditors' role includes giving advice on financial matters and performing a range of checks on the academy's financial systems. In particular the checks carried out in the current period included:

- Testing of purchase systems
- Testing of control account /bank reconciliations
- Testing of payroll systems

On a termly basis, the auditors report to the board of Trustees on the operation of the systems of control and on the discharge of the board of Trustees' financial responsibilities.

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GOVERNANCE STATEMENT (continued)

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 auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy 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 Leadership and Management 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 26 November 2015 and signed on its behalf, by:



S Smith
Chair of Trustees



M Wright
Accounting Officer

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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Wrotham School I have considered my responsibility to notify the academy 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 and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook (2014).

I confirm that I and the academy board of Trustees are able to identify any material, irregular or improper use of funds by the academy, or material non-compliance with the terms and conditions of funding under the academy's funding agreement and the Academies Financial Handbook (2014).

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 EFA.

A handwritten signature in black ink, appearing to read 'M. Wright', with a stylized flourish at the end.

M Wright
Accounting Officer

Date: 26 November 2015

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TRUSTEES' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015

The Trustees (who act as governors of Wrotham School and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' report (including the Strategic 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 of the Charities SORP;
- make judgments 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of Trustees on 26 November 2015 and signed on its behalf by:



S Smith
Chair of Trustees

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WROTHAM SCHOOL

We have audited the financial statements of Wrotham School for the year ended 31 August 2015 which comprise the Statement of financial activities, the Balance sheet, the Cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

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

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

As explained more fully in the Trustees' responsibilities statement, the Trustees (who are also the directors of the academy 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 Trustees' report 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 academy's affairs as at 31 August 2015 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
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Trustees' report, incorporating the Strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

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(A company limited by guarantee)

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO WROTHAM SCHOOL AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 07 February 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Wrotham School during the year 1 September 2014 to 31 August 2015 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Wrotham School and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Wrotham School and 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 Wrotham School and EFA, for our work, for this report, or for the conclusion we have formed.

RESPECTIVE RESPONSIBILITIES OF WROTHAM SCHOOL'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The accounting officer is responsible, under the requirements of Wrotham School's funding agreement with the Secretary of State for Education dated 1 April 2013, and the Academies Financial Handbook extant from 1 September 2014, 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 to 2015. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2014 to 31 August 2015 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

We conducted our engagement in accordance with the Academies Accounts Direction 2014 to 2015 issued by 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's income and expenditure.

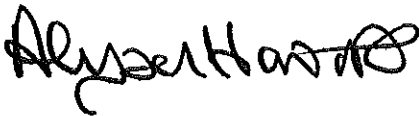
WROTHAM SCHOOL
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WROTHAM SCHOOL

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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



Alyson Howard FCCA CF (Senior statutory auditor)

for and on behalf of

Williams Giles Limited

Chartered Accountants
Registered Auditors

12 Conqueror Court
Sittingbourne
Kent
ME10 5BH

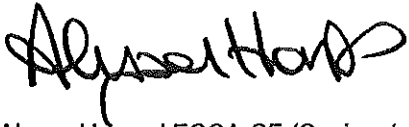
Date: 3 December 2015

WROTHAM SCHOOL
(A company limited by guarantee)

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO WROTHAM
SCHOOL 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 year 1 September 2014 to 31 August 2015 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Alyson Howard FCCA CF (Senior statutory auditor)

Williams Giles Limited

Chartered Accountants
Registered Auditors

12 Conqueror Court
Sittingbourne
Kent
ME10 5BH

5 December 2015

WROTHAM SCHOOL
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating Income and Expenditure Account and Statement of Total Recognised Gains and Losses)
FOR THE YEAR ENDED 31 AUGUST 2015

| | Note | Unrestricted funds 2015 £ | Restricted funds 2015 £ | Restricted fixed asset funds 2015 £ | Total funds 2015 £ | Total funds 2014 £ |
|---|------|------------------------------------|----------------------------------|---|-----------------------------|-----------------------------|
| INCOMING RESOURCES | | | | | | |
| Incoming resources from generated funds: | | | | | | |
| Voluntary income | 2 | 6,870 | - | - | 6,870 | 17,325 |
| Activities for generating funds | 3 | 165,010 | 177,622 | - | 342,632 | 385,622 |
| Incoming resources from charitable activities | 4 | - | 3,718,310 | 88,406 | 3,806,716 | 3,922,166 |
| TOTAL INCOMING RESOURCES | | 171,880 | 3,895,932 | 88,406 | 4,156,218 | 4,325,113 |
| RESOURCES EXPENDED | | | | | | |
| Costs of generating funds: | | | | | | |
| Costs of generating voluntary income | 5 | 99,211 | - | - | 99,211 | 149,722 |
| Charitable activities | | - | 3,904,992 | 220,226 | 4,125,218 | 4,273,174 |
| Governance costs | 6 | - | 25,257 | - | 25,257 | 12,375 |
| TOTAL RESOURCES EXPENDED | 9 | 99,211 | 3,930,249 | 220,226 | 4,249,686 | 4,435,271 |
| NET INCOMING / (OUTGOING) RESOURCES BEFORE TRANSFERS | | 72,669 | (34,317) | (131,820) | (93,468) | (110,158) |

WROTHAM SCHOOL
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (continued)
FOR THE YEAR ENDED 31 AUGUST 2015

| | Note | Unrestricted funds 2015 £ | Restricted funds 2015 £ | Restricted fixed asset funds 2015 £ | Total funds 2015 £ | Total funds 2014 £ |
|---|------|------------------------------------|----------------------------------|---|-----------------------------|-----------------------------|
| Transfers between Funds | 20 | (30,228) | 11,085 | 19,143 | - | - |
| NET EXPENDITURE FOR THE YEAR | | 42,441 | (23,232) | (112,677) | (93,468) | (110,158) |
| Actuarial gains and losses on defined benefit pension schemes | | - | 24,000 | - | 24,000 | (47,000) |
| NET MOVEMENT IN FUNDS FOR THE YEAR | | 42,441 | 768 | (112,677) | (69,468) | (157,158) |
| Total funds at 1 September 2014 | | - | (978,768) | 10,044,684 | 9,065,916 | 9,223,074 |
| TOTAL FUNDS AT 31 AUGUST 2015 | | 42,441 | (978,000) | 9,932,007 | 8,996,448 | 9,065,916 |

All activities relate to continuing operations.

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 22 to 40 form part of these financial statements.

WROTHAM SCHOOL
(A company limited by guarantee)
REGISTERED NUMBER: 07662701

BALANCE SHEET
AS AT 31 AUGUST 2015

| | Note | 2015 | | 2014 | |
|--|------|------------------|-------------------|------------------|-------------------|
| | | £ | £ | £ | £ |
| FIXED ASSETS | | | | | |
| Tangible assets | 15 | | 9,934,017 | | 10,055,348 |
| CURRENT ASSETS | | | | | |
| Stocks | 16 | - | | 1,779 | |
| Debtors | 17 | 37,682 | | 158,880 | |
| Cash at bank | | 239,705 | | 43,420 | |
| | | | <u>277,387</u> | | <u>204,079</u> |
| CREDITORS: amounts falling due within one year | 18 | <u>(208,323)</u> | | <u>(246,800)</u> | |
| NET CURRENT ASSETS/(LIABILITIES) | | | 69,064 | | (42,721) |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | <u>10,003,081</u> | | <u>10,012,627</u> |
| CREDITORS: amounts falling due after more than one year | 19 | | <u>(28,633)</u> | | <u>(23,711)</u> |
| NET ASSETS EXCLUDING PENSION SCHEME LIABILITY | | | 9,974,448 | | 9,988,916 |
| Defined benefit pension scheme liability | 27 | | <u>(978,000)</u> | | <u>(923,000)</u> |
| NET ASSETS INCLUDING PENSION SCHEME LIABILITY | | | <u>8,996,448</u> | | <u>9,065,916</u> |
| FUNDS OF THE ACADEMY | | | | | |
| Restricted funds: | | | | | |
| Restricted funds | 20 | - | | (55,768) | |
| Restricted fixed asset funds | 20 | 9,932,007 | | 10,044,684 | |
| Restricted funds excluding pension liability | | <u>9,932,007</u> | | 9,988,916 | |
| Pension reserve | | <u>(978,000)</u> | | <u>(923,000)</u> | |
| Total restricted funds | | | 8,954,007 | | 9,065,916 |
| Unrestricted funds | 20 | | <u>42,441</u> | | <u>-</u> |
| TOTAL FUNDS | | | <u>8,996,448</u> | | <u>9,065,916</u> |

The financial statements were approved by the Trustees, and authorised for issue, on 26 November 2015 and are signed on their behalf, by:


S Smith
Chair of Trustees


M Wright
Trustee

The notes on pages 22 to 40 form part of these financial statements.

WROTHAM SCHOOL
(A company limited by guarantee)

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015

| | Note | 2015 £ | 2014 £ |
|--|------|----------------|-----------------|
| Net cash flow from operating activities | 22 | 231,591 | 6,024 |
| Capital expenditure and financial investment | 23 | (10,489) | (51,250) |
| CASH INFLOW/(OUTFLOW) BEFORE FINANCING | | 221,102 | (45,226) |
| Financing | 23 | 16,754 | 27,663 |
| INCREASE/(DECREASE) IN CASH IN THE YEAR | | 237,856 | (17,563) |

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET (DEBT)/FUNDS
FOR THE YEAR ENDED 31 AUGUST 2015

| | 2015 £ | 2014 £ |
|--|----------------|-----------------|
| Increase/(Decrease) in cash in the year | 237,856 | (17,563) |
| Cash outflow from decrease in debt and lease financing | (16,754) | (27,663) |
| MOVEMENT IN NET (DEBT)/FUNDS IN THE YEAR | 221,102 | (45,226) |
| Net (debt)/funds at 1 September 2014 | (25,814) | 19,412 |
| NET FUNDS/(DEBT) AT 31 AUGUST 2015 | 195,288 | (25,814) |

The notes on pages 22 to 40 form part of these financial statements.

WROTHAM SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, the Academies Accounts Direction 2014 to 2015 issued by EFA, applicable accounting standards and the Companies Act 2006.

1.2 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 Trustees.

Restricted fixed asset funds are 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 comprise all other restricted funds received and include grants from the Department for Education.

1.3 Incoming resources

All incoming resources are included in the Statement of financial activities when the Academy has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

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.

Sponsorship income provided to the Academy which amounts to a donation is recognised in the Statement of financial activities in the period in which it is receivable, where there is certainty of receipt and it is measurable.

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 the Academy's policies.

Donations are recognised on a receivable basis where there is certainty of receipt and the amount can be reliably measured.

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

WROTHAM SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

1. ACCOUNTING POLICIES (continued)

1.4 Resources expended

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

Charitable activities are costs incurred in the Academy's educational operations.

Governance costs include the costs attributable to the Academy'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.

1.5 Going concern

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

1.6 Tangible fixed assets and depreciation

All assets costing more than £5,000 are capitalised.

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 are 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's depreciation policy.

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

Tangible fixed assets are stated at cost less depreciation. Depreciation is not charged on freehold land. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost of those assets, less their estimated residual value, over their expected useful lives on the following bases:

| | | |
|-----------------------|---|---|
| Freehold property | - | 2% Straight Line (Land element not depreciated) |
| Motor vehicles | - | 25% Reducing Balance |
| Fixtures and fittings | - | 10% Reducing Balance |
| Computer equipment | - | 20% Straight Line |

1.7 Operating leases

Rentals under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term.

WROTHAM SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

1. ACCOUNTING POLICIES (continued)

1.8 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.9 Taxation

The Academy 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 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.

1.10 Pensions

Retirement benefits to employees of the Academy 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.

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 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 27, the TPS is a multi-employer scheme and the Academy 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 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 the 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 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.

1.11 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.

WROTHAM SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

2. VOLUNTARY INCOME

| | Unrestricted funds 2015 £ | Restricted funds 2015 £ | Total funds 2015 £ | Total funds 2014 £ |
|-----------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Donations | 6,870 | - | 6,870 | 17,325 |

3. ACTIVITIES FOR GENERATING FUNDS

| | Unrestricted funds 2015 £ | Restricted funds 2015 £ | Total funds 2015 £ | Total funds 2014 £ |
|------------------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| 3G income | 33,161 | - | 33,161 | 36,884 |
| Catering income | - | 177,622 | 177,622 | 160,187 |
| Other income | 38,067 | - | 38,067 | 35,468 |
| Department sales | 196 | - | 196 | 222 |
| School trips | 93,586 | - | 93,586 | 152,861 |
| | <u>165,010</u> | <u>177,622</u> | <u>342,632</u> | <u>385,622</u> |

4. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

| | Unrestricted funds 2015 £ | Restricted funds 2015 £ | Total funds 2015 £ | Total funds 2014 £ |
|--------------------------------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| DfE/EFA revenue grants | | | | |
| General Annual Grant (GAG) | - | 3,036,959 | 3,036,959 | 2,946,810 |
| Other DfE/EFA grants | - | - | - | 67,358 |
| Pupil Premium | - | 144,033 | 144,033 | 124,661 |
| 6th Form grant | - | 530,842 | 530,842 | 496,667 |
| | <u>-</u> | <u>3,711,834</u> | <u>3,711,834</u> | <u>3,635,496</u> |
| Other government grants | | | | |
| Other government grants | - | 6,476 | 6,476 | 39,293 |
| | <u>-</u> | <u>6,476</u> | <u>6,476</u> | <u>39,293</u> |
| Other funding | | | | |
| Devolved Capital Funding | - | 17,483 | 17,483 | 16,690 |
| Capital grants | - | 70,923 | 70,923 | 230,687 |
| | <u>-</u> | <u>88,406</u> | <u>88,406</u> | <u>247,377</u> |
| | <u>-</u> | <u>3,806,716</u> | <u>3,806,716</u> | <u>3,922,166</u> |

WROTHAM SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

5. COSTS OF GENERATING VOLUNTARY INCOME

| | Unrestricted funds 2015 £ | Restricted funds 2015 £ | Total funds 2015 £ | Total funds 2014 £ |
|-------------------------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| School trips | 73,975 | - | 73,975 | 149,722 |
| 3G facility expenditure | 25,236 | - | 25,236 | - |
| | <u>99,211</u> | <u>-</u> | <u>99,211</u> | <u>149,722</u> |

6. GOVERNANCE COSTS

| | Unrestricted funds 2015 £ | Restricted funds 2015 £ | Total funds 2015 £ | Total funds 2014 £ |
|------------------------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Auditor's remuneration | - | 25,257 | 25,257 | 12,375 |
| | <u>-</u> | <u>25,257</u> | <u>25,257</u> | <u>12,375</u> |

7. DIRECT COSTS

| | Educational operations £ | Total 2015 £ | Total 2014 £ |
|-------------------------|--------------------------------|--------------------|--------------------|
| Educational supplies | 182,551 | 182,551 | 241,918 |
| Examination fees | 63,602 | 63,602 | 67,490 |
| Staff development | 32,781 | 32,781 | 32,373 |
| Educational consultancy | 150 | 150 | 475 |
| Interest and charges | 187 | 187 | 1,733 |
| Agency Supply | 6,757 | 6,757 | 85,463 |
| Staff restructuring | 12,000 | 12,000 | - |
| Wages and salaries | 2,129,488 | 2,129,488 | 2,134,140 |
| National insurance | 157,896 | 157,896 | 165,786 |
| Pension cost | 285,777 | 285,777 | 302,405 |
| Depreciation | 220,226 | 220,226 | 217,564 |
| | <u>3,091,415</u> | <u>3,091,415</u> | <u>3,249,347</u> |

WROTHAM SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

8. SUPPORT COSTS

| | Educational operations £ | Total 2015 £ | Total 2014 £ |
|---------------------------------------|--------------------------------|--------------------|--------------------|
| LGPS costs | 25,000 | 25,000 | 35,000 |
| Maintenance of premises and equipment | 170,859 | 170,859 | 145,900 |
| Cleaning | 70,558 | 70,558 | 83,737 |
| Rent & rates | 19,719 | 19,719 | 12,638 |
| Light & heat | 53,743 | 53,743 | 67,882 |
| Security & transport | 20,160 | 20,160 | 9,840 |
| Catering | 111,034 | 111,034 | 105,403 |
| Computer costs | 110,432 | 110,432 | 67,927 |
| Other support costs | 10,335 | 10,335 | 23,653 |
| Legal and professional | 27,501 | 27,501 | 29,148 |
| Wages and salaries | 296,743 | 296,743 | 351,498 |
| National insurance | 22,145 | 22,145 | 23,264 |
| Pension cost | 95,574 | 95,574 | 67,937 |
| | <u>1,033,803</u> | <u>1,033,803</u> | <u>1,023,827</u> |

9. RESOURCES EXPENDED

| | Staff costs | Non Pay Expenditure | | Total | Total |
|---|------------------|---------------------------|--------------------------|------------------|------------------|
| | 2015 £ | Depreciation 2015 £ | Other costs 2015 £ | 2015 £ | 2014 £ |
| Costs of generating voluntary income | - | - | 99,211 | 99,211 | 149,722 |
| Costs of generating funds | <u>-</u> | <u>-</u> | <u>99,211</u> | <u>99,211</u> | <u>149,722</u> |
| Direct costs | 2,591,918 | 220,226 | 279,271 | 3,091,415 | 3,249,347 |
| Support costs | 414,462 | - | 619,341 | 1,033,803 | 1,023,827 |
| Charitable activities | <u>3,006,380</u> | <u>220,226</u> | <u>898,612</u> | <u>4,125,218</u> | <u>4,273,174</u> |
| Governance | <u>-</u> | <u>-</u> | <u>25,257</u> | <u>25,257</u> | <u>12,375</u> |
| | <u>3,006,380</u> | <u>220,226</u> | <u>1,023,080</u> | <u>4,249,686</u> | <u>4,435,271</u> |

Included within resources expended are the following transactions. Individual transactions exceeding £5,000 are identified separately:

| | Total £ | Individual items above £5,000 | |
|---------------------------------|---------|-------------------------------|---|
| | | Amount £ | Reason |
| Ex-gratia/compensation payments | 12,000 | 12,000 | Compensation payment to member of staff |

WROTHAM SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

10. AUDITORS' REMUNERATION

| | 2015 £ | 2014 £ |
|---|-----------|-----------|
| Fees payable to the academy's auditor for the audit of the academy's annual accounts | 7,500 | 7,500 |
| Fees payable to the academy's auditor in respect of: All other non-audit services not included above | 17,757 | 4,875 |
| | 17,757 | 4,875 |

11. STAFF

a. Staff costs

Staff costs were as follows:

| | 2015 £ | 2014 £ |
|-------------------------------|-----------|-----------|
| Wages and salaries | 2,426,231 | 2,486,200 |
| Social security costs | 180,041 | 189,050 |
| Other pension costs (Note 27) | 381,351 | 370,342 |
| | 2,987,623 | 3,045,592 |
| Supply teacher costs | 6,757 | 85,463 |
| Compensation payments | 12,000 | - |
| | 3,006,380 | 3,131,055 |

b. Staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £12,000 (2014:£NIL) paid to one member of staff.

c. Staff numbers

The average number of persons employed by the academy during the year expressed as full time equivalents was as follows:

| | 2015 No. | 2014 No. |
|------------------------|-------------|-------------|
| Teachers | 43 | 45 |
| Support staff | 35 | 34 |
| Senior Leadership team | 6 | 3 |
| | 84 | 82 |
| | 84 | 82 |

WROTHAM SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

11. STAFF (continued)

d. Higher paid staff

The number of employees whose emoluments fell within the following bands was:

| | 2015 | 2014 |
|---------------------------------|-------------|-------------|
| | No. | No. |
| In the band £60,001 - £70,000 | 1 | 1 |
| In the band £90,001 - £100,000 | 0 | 1 |
| In the band £100,001 - £200,000 | 1 | 0 |
| | <u>1</u> | <u>0</u> |

The above employees participated in the Teachers' Pension Scheme.

WROTHAM SCHOOL
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

12. TRUSTEES' REMUNERATION AND EXPENSES

One or more Trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and other staff members under their contracts of employment, and not in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows:

| | 2015 £ | 2014 £ |
|---|----------------|---------------|
| M Wright | 95,000-100,000 | 90,000-95,000 |
| M Wright - Employer's pension contributions | 10,000-15,000 | 10,000-15,000 |
| K Williams | 50,000-55,000 | |
| K Williams - Employer's pension contributions | 5,000-10,000 | |
| S Toher | 45,000-50,000 | |
| S Toher - Employer's pension contributions | 5,000-10,000 | |

During the year, no Trustees received any benefits in kind (2014 - £NIL).

During the year, no Trustees received any reimbursement of expenses (2014 - £NIL).

13. TRUSTEES' AND OFFICERS' INSURANCE

The academy trust has opted into the Department of Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000. It is not possible to quantify the trustees and officers indemnity element from the overall cost of the RPA scheme

14. OTHER FINANCE INCOME

| | 2015 £ | 2014 £ |
|--|-----------------|-----------------|
| Expected return on pension scheme assets | 36,000 | 26,000 |
| Interest on pension scheme liabilities | (61,000) | (61,000) |
| | <u>(25,000)</u> | <u>(35,000)</u> |

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15. TANGIBLE FIXED ASSETS

| | Freehold property £ | Motor vehicles £ | Fixtures and fittings £ | Computer equipment £ | Total £ |
|-----------------------|---------------------------|------------------------|-------------------------------|----------------------------|-------------------|
| Cost | | | | | |
| At 1 September 2014 | 10,014,896 | 13,000 | 89,150 | 243,668 | 10,360,714 |
| Additions | 98,895 | - | - | - | 98,895 |
| At 31 August 2015 | <u>10,113,791</u> | <u>13,000</u> | <u>89,150</u> | <u>243,668</u> | <u>10,459,609</u> |
| Depreciation | | | | | |
| At 1 September 2014 | 221,136 | 4,265 | 12,324 | 67,641 | 305,366 |
| Charge for the year | 161,625 | 2,184 | 7,683 | 48,734 | 220,226 |
| At 31 August 2015 | <u>382,761</u> | <u>6,449</u> | <u>20,007</u> | <u>116,375</u> | <u>525,592</u> |
| Net book value | | | | | |
| At 31 August 2015 | <u>9,731,030</u> | <u>6,551</u> | <u>69,143</u> | <u>127,293</u> | <u>9,934,017</u> |
| At 31 August 2014 | <u>9,793,760</u> | <u>8,735</u> | <u>76,826</u> | <u>176,027</u> | <u>10,055,348</u> |

Freehold buildings included within freehold property have been valued at 60% of insurance value as no EFA valuation has yet been provided. The amount will be reviewed in the 31 August 2015 accounts by reference to the valuation when it is provided by the EFA.

Freehold land included within freehold property has been estimated at £2,000,000 in line with other similarly situated academies. It is not depreciated, and will also be reviewed when the EFA valuation becomes available.

16. STOCKS

| | 2015 £ | 2014 £ |
|-------------------------------------|-----------|-----------|
| Finished goods and goods for resale | - | 1,779 |

17. DEBTORS

| | 2015 £ | 2014 £ |
|--------------------------------|---------------|----------------|
| Trade debtors | - | 1,795 |
| VAT debtor | 5,222 | 56,976 |
| Prepayments and accrued income | 32,460 | 100,109 |
| | <u>37,682</u> | <u>158,880</u> |

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FOR THE YEAR ENDED 31 AUGUST 2015**

**18. CREDITORS:
Amounts falling due within one year**

| | 2015 | 2014 |
|--------------------------------------|----------------|----------------|
| | £ | £ |
| Bank loans and overdrafts | - | 41,571 |
| Other loans | 15,784 | 3,952 |
| Trade creditors | 4,425 | 17,173 |
| Other taxation and social security | 89,561 | 101,707 |
| Other creditors | 2,057 | 1,980 |
| Accruals and deferred income | 96,496 | 80,417 |
| | 208,323 | 246,800 |
| | | £ |
| Deferred income | | |
| Deferred income at 1 September 2014 | | 14,500 |
| Resources deferred during the year | | 63,453 |
| Amounts released from previous years | | (14,500) |
| | | 63,453 |

At the balance sheet date the Academy trust was holding funds received in respect of schools trips relating to the following financial year.

**19. CREDITORS:
Amounts falling due after more than one year**

| | 2015 | 2014 |
|---|---------------|---------------|
| | £ | £ |
| Other loans | 28,633 | 23,711 |
| Included within the above are amounts falling due as follows: | | |
| | 2015 | 2014 |
| | £ | £ |
| Between one and two years | | |
| Other loans | 16,777 | 7,904 |
| Between two and five years | | |
| Other loans | 11,856 | 15,807 |

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NOTES TO THE FINANCIAL STATEMENTS
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20. STATEMENT OF FUNDS

| | Brought Forward £ | Incoming resources £ | Resources Expended £ | Transfers in/(out) £ | Gains/ (Losses) £ | Carried Forward £ |
|-------------------------------------|-------------------------|-------------------------|---------------------------|-------------------------|-------------------------|-------------------------|
| Unrestricted funds | | | | | | |
| Unrestricted funds | - | 171,880 | (99,211) | (30,228) | - | 42,441 |
| Restricted funds | | | | | | |
| General Annual Grant (GAG) | (55,768) | 3,895,932 | (3,851,249) | 11,085 | - | - |
| Pension reserve | (923,000) | - | (79,000) | - | 24,000 | (978,000) |
| | <u>(978,768)</u> | <u>3,895,932</u> | <u>(3,930,249)</u> | <u>11,085</u> | <u>24,000</u> | <u>(978,000)</u> |
| Restricted fixed asset funds | | | | | | |
| Assets held for depreciation | 10,055,348 | - | (220,226) | 98,895 | - | 9,934,017 |
| Capital Funding | - | 88,406 | - | (70,923) | - | 17,483 |
| Sinking Fund | 16,999 | - | - | 7,925 | - | 24,924 |
| Salix loan | (27,663) | - | - | 3,952 | - | (23,711) |
| KCC Loan | - | - | - | (20,706) | - | (20,706) |
| | <u>10,044,684</u> | <u>88,406</u> | <u>(220,226)</u> | <u>19,143</u> | <u>-</u> | <u>9,932,007</u> |
| Total restricted funds | <u>9,065,916</u> | <u>3,984,338</u> | <u>(4,150,475)</u> | <u>30,228</u> | <u>24,000</u> | <u>8,954,007</u> |
| Total of funds | <u><u>9,065,916</u></u> | <u><u>4,156,218</u></u> | <u><u>(4,249,686)</u></u> | <u><u>-</u></u> | <u><u>24,000</u></u> | <u><u>8,996,448</u></u> |

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

20. STATEMENT OF FUNDS (continued)

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

Unrestricted funds are applied to the general work of the Academy to support activities inside and outside the curriculum.

Restricted funds are applied specifically in accordance with the rules of each grant and support the education provision delivered by the Academy.

Restricted fixed asset funds are applied to the maintenance and improvement of all the Academy's fixed assets, and include a sinking fund for the replacement of the 3G pitch.

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2015.

SUMMARY OF FUNDS

| | Brought Forward £ | Incoming resources £ | Resources Expended £ | Transfers in/(out) £ | Gains/ (Losses) £ | Carried Forward £ |
|------------------------------|----------------------|-------------------------|-------------------------|-------------------------|----------------------|----------------------|
| General funds | - | 171,880 | (99,211) | (30,228) | - | 42,441 |
| Restricted funds | (978,768) | 3,895,932 | (3,930,249) | 11,085 | 24,000 | (978,000) |
| Restricted fixed asset funds | 10,044,684 | 88,406 | (220,226) | 19,143 | - | 9,932,007 |
| | <u>9,065,916</u> | <u>4,156,218</u> | <u>(4,249,686)</u> | <u>-</u> | <u>24,000</u> | <u>8,996,448</u> |

21. ANALYSIS OF NET ASSETS BETWEEN FUNDS

| | Unrestricted funds 2015 £ | Restricted funds 2015 £ | Restricted fixed asset funds 2015 £ | Total funds 2015 £ | Total funds 2014 £ |
|--|---------------------------------|-------------------------------|---|--------------------------|--------------------------|
| Tangible fixed assets | - | - | 9,934,017 | 9,934,017 | 10,055,348 |
| Current assets | 42,441 | 192,539 | 42,407 | 277,387 | 204,079 |
| Creditors due within one year | - | (192,539) | (15,784) | (208,323) | (246,800) |
| Creditors due in more than one year | - | - | (28,633) | (28,633) | (23,711) |
| Provisions for liabilities and charges | - | (978,000) | - | (978,000) | (923,000) |
| | <u>42,441</u> | <u>(978,000)</u> | <u>9,932,007</u> | <u>8,996,448</u> | <u>9,065,916</u> |

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

22. NET CASH FLOW FROM OPERATING ACTIVITIES

| | 2015 £ | 2014 £ |
|--|----------------|--------------|
| Net incoming resources before revaluations | (93,468) | (110,158) |
| Depreciation of tangible fixed assets | 220,226 | 217,564 |
| Capital grants from DfE | (88,406) | (247,377) |
| Decrease/(increase) in stocks | 1,779 | (1,779) |
| Decrease/(increase) in debtors | 121,196 | (38,990) |
| (Decrease)/increase in creditors | (8,736) | 134,764 |
| FRS 17 adjustments | 79,000 | 52,000 |
| | <u>231,591</u> | <u>6,024</u> |
| Net cash inflow from operations | 231,591 | 6,024 |

23. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

| | 2015 £ | 2014 £ |
|---|-----------------|-----------------|
| Capital expenditure and financial investment | | |
| Purchase of tangible fixed assets | (98,895) | (298,627) |
| Capital grants from DfE | 88,406 | 247,377 |
| | <u>(10,489)</u> | <u>(51,250)</u> |
| Net cash outflow capital expenditure | (10,489) | (51,250) |
| | 2015 £ | 2014 £ |
| Financing | | |
| Repayment of loans | (15,783) | - |
| Other new loans | 32,537 | 27,663 |
| | <u>16,754</u> | <u>27,663</u> |
| Net cash inflow from financing | 16,754 | 27,663 |

24. ANALYSIS OF CHANGES IN NET (DEBT)/FUNDS

| | 1 September 2014 £ | Cash flow £ | Other non-cash changes £ | 31 August 2015 £ |
|--|--------------------------|----------------|-----------------------------------|------------------------|
| Cash at bank and in hand: | 43,420 | 196,285 | - | 239,705 |
| Bank overdraft | (41,571) | 41,571 | - | - |
| | <u>1,849</u> | <u>237,856</u> | <u>-</u> | <u>239,705</u> |
| Debt: | | | | |
| Finance leases | - | - | - | - |
| Debts due within one year | (3,952) | (11,832) | - | (15,784) |
| Debts falling due after more than one year | (23,711) | (4,922) | - | (28,633) |
| | <u>(25,814)</u> | <u>221,102</u> | <u>-</u> | <u>195,288</u> |
| Net (debt)/funds | (25,814) | 221,102 | - | 195,288 |

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015

25. CONTINGENT LIABILITIES

During the period of the funding agreement, should any asset for which a capital grant was received be sold or otherwise disposed of, in the event of the Academy not reinvesting the proceeds, it will be required to pay the grant related proportion of the proceeds to the EFA.

Should the funding agreement be terminated for any reason, the Academy shall repay to the EFA the current value of the academy's land and buildings and other assets, to the extent that such assets were funded by sums received from the EFA.

26. CAPITAL COMMITMENTS

At 31 August 2015 the academy had capital commitments as follows:

| | 2015 £ | 2014 £ |
|---|-----------|-----------|
| Contracted for but not provided in these financial statements | - | 64,377 |

27. PENSION COMMITMENTS

The academy's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Kent 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 2012 and of the LGPS 31 March 2013.

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

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) 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.

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

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27. PENSION COMMITMENTS (continued)

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%);
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%

During the year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4% from September 2015, which will be payable during the implementation period until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The pension costs paid to TPS in the period amounted to £144,000 (2014: £116,000).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The academy 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.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2015 was £118,000, of which employer's contributions totalled £90,000 and employees' contributions totalled £28,000. The agreed contribution rates for future years are 23.1% for employers and var% 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.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

27. PENSION COMMITMENTS (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 2015 % | Fair value at 31 August 2015 £ | Expected return at 31 August 2014 % | Fair value at 31 August 2014 £ |
|-------------------------------------|---|---|---|---|
| Equities | - | 460,000 | 6.70 | 379,000 |
| Gilts | - | 7,000 | 3.00 | 7,000 |
| Other Bonds | - | 74,000 | 3.60 | 65,000 |
| Property | - | 91,000 | 5.90 | 57,000 |
| Cash | - | 18,000 | 2.90 | 23,000 |
| Target Return Portfolio | - | 29,000 | 5.90 | 24,000 |
| Total market value of assets | | <u>679,000</u> | | <u>555,000</u> |
| Present value of scheme liabilities | | <u>(1,657,000)</u> | | <u>(1,478,000)</u> |
| Deficit in the scheme | | <u><u>(978,000)</u></u> | | <u><u>(923,000)</u></u> |

The amounts recognised in the Balance sheet are as follows:

| | 2015 £ | 2014 £ |
|-------------------------------------|-------------------------|-------------------------|
| Present value of funded obligations | (1,657,000) | (1,478,000) |
| Fair value of scheme assets | <u>679,000</u> | <u>555,000</u> |
| Net liability | <u><u>(978,000)</u></u> | <u><u>(923,000)</u></u> |

The amounts recognised in the Statement of financial activities are as follows:

| | 2015 £ | 2014 £ |
|----------------------------------|-------------------------|-------------------------|
| Current service cost | (144,000) | (116,000) |
| Interest on obligation | (61,000) | (61,000) |
| Expected return on scheme assets | <u>36,000</u> | <u>26,000</u> |
| Total | <u><u>(169,000)</u></u> | <u><u>(151,000)</u></u> |
| Actual return on scheme assets | <u><u>14,000</u></u> | <u><u>47,000</u></u> |

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27. PENSION COMMITMENTS (continued)

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

| | 2015 £ | 2014 £ |
|--------------------------------------|------------------|------------------|
| Opening defined benefit obligation | 1,478,000 | 1,214,000 |
| Current service cost | 144,000 | 116,000 |
| Interest cost | 61,000 | 61,000 |
| Contributions by scheme participants | 28,000 | 27,000 |
| Actuarial (Gains)/losses | (46,000) | 68,000 |
| Benefits paid | (8,000) | (8,000) |
| | - | - |
| | - | - |
| | <u>1,657,000</u> | <u>1,478,000</u> |

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

| | 2015 £ | 2014 £ |
|-------------------------------------|----------------|----------------|
| Opening fair value of scheme assets | 555,000 | 390,000 |
| Expected return on assets | 36,000 | 26,000 |
| Actuarial gains and (losses) | (22,000) | 21,000 |
| Contributions by employer | 90,000 | 99,000 |
| Contributions by employees | 28,000 | 27,000 |
| Benefits paid | (8,000) | (8,000) |
| | <u>679,000</u> | <u>555,000</u> |

The cumulative amount of actuarial gains and losses recognised in the Statement of total recognised gains and losses was £(67,000) (2014 £(91,000)).

The academy expects to contribute £92,000 to its Defined benefit pension scheme in 2016.

The major categories of scheme assets as a percentage of total scheme assets are as follows:

| | 2015 | 2014 |
|-------------------------|---------|---------|
| Equities | 68.00 % | 69.00 % |
| Gilts | 1.00 % | 1.00 % |
| Other Bonds | 11.00 % | 12.00 % |
| Property | 13.00 % | 10.00 % |
| Cash | 3.00 % | 4.00 % |
| Target Return Portfolio | 4.00 % | 4.00 % |

Principal actuarial assumptions at the Balance sheet date (expressed as weighted averages):

| | 2015 | 2014 |
|--|--------|--------|
| Discount rate for scheme liabilities | 4.00 % | 3.90 % |
| Expected return on scheme assets at 31 August | 6.00 % | 6.00 % |
| Rate of increase in salaries | 4.50 % | 4.50 % |
| Rate of increase for pensions in payment / inflation | 2.70 % | 2.70 % |
| Inflation assumption (CPI) | 2.70 % | 2.70 % |
| RPI increases | 3.60 % | 3.50 % |

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27. PENSION COMMITMENTS (continued)

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

| | 2015 | 2014 |
|----------------------|------|------|
| Retiring today | | |
| Males | 22.8 | 22.7 |
| Females | 25.2 | 25.1 |
| Retiring in 20 years | | |
| Males | 25.1 | 24.9 |
| Females | 27.6 | 27.4 |

Amounts for the current and previous period are as follows:

Defined benefit pension schemes

| | | |
|--|-------------|-------------|
| Defined benefit obligation | (1,657,000) | (1,478,000) |
| Scheme assets | 679,000 | 555,000 |
| | (978,000) | (923,000) |
| Experience adjustments on scheme liabilities | 46,000 | (68,000) |
| Experience adjustments on scheme assets | (22,000) | 21,000 |
| | (954,000) | (970,000) |

28. OPERATING LEASE COMMITMENTS

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

| | 2015 | 2014 |
|-----------------------|-------|-------|
| | £ | £ |
| Expiry date: | | |
| Within 1 year | 3,726 | - |
| Between 2 and 5 years | 4,854 | 8,580 |
| | 8,580 | 8,580 |

29. RELATED PARTY TRANSACTIONS

Owing to the nature of the Academy'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's financial regulations and normal procurement procedures.

No related party transactions took place in the period of account.