

Registered number: 07662701 (England and Wales)

WROTHAM SCHOOL
(A company limited by guarantee)

Annual Report and Financial Statements

For the year ended 31 August 2016

WROTHAM SCHOOL
(A company limited by guarantee)

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Reference and Administrative Details of the Academy, its Trustees and Advisers
For the year ended 31 August 2016

Members	P B Broszek M C Reeve D J Lewis (resigned 10 June 2016)
Trustees	S Smith, Chair ¹
Trustees	P B Broszek ¹
	M Cater (appointed 1 September 2016)
	J S Finney
	D J Lewis (resigned 10 June 2016)
	Dr R E Mather (resigned 31 October 2016)
	H Miles (appointed 1 May 2016) ¹
	E K Moe
	N Newman, Responsible Officer (appointed 1 September 2015) ¹
	Dr D Price
	M C Reeve ¹
	K E Skinner (resigned 10 July 2016)
	S G Toher (resigned 1 March 2016)
	K B Williams
	M Wright, Head Teacher ¹

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

Senior Leadership team	M Wright, Executive Head Teacher M Cater, Head Teacher T Kelvie, Deputy Head Teacher K Ward, Deputy Head Teacher K James, Assistant Head Teacher K Williams, Assistant Head Teacher R Mingo, Director of Finance
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Independent auditors	Williams Giles Limited Chartered Accountants Registered Auditors 12 Conqueror Court Sittingbourne Kent ME10 5BH
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WROTHAM SCHOOL
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Reference and Administrative Details of the Academy, its Trustees and Advisers
For the year ended 31 August 2016

Advisers (continued)

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

Website www.wrothamschool.com

WROTHAM SCHOOL
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Trustees' Report
For the year ended 31 August 2016

The Trustees (who are also the directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements for the year ended 31 August 2016. The Annual report serves the purposes of both a Trustees' report, and a Directors' report under company law. 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" issue in 2015.

The trust operates an Academy for pupils aged 11 to 19 serving a catchment area in Tonbridge & Malling, Sevenoaks and Gravesham in Kent. It has a pupil capacity of 716 based on official 'net capacity' calculations, and had a roll of 747 (2015 - 745) in the census on 6 October 2016.

OBJECTIVES AND ACTIVITIES

Objects and aims

The principle 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.

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
- 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
- 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 Charity Commission's general guidance on the public benefit.

The Academy 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 Academy's work and is a fundamental aspect of the ethos of the Academy. 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 Academy.

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Trustees' Report (continued)
For the year ended 31 August 2016

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.

ACHIEVEMENTS AND PERFORMANCE

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.

Key performance indicators

The Academy Development Plan drives improvement and along with the Academy'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 academy 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.

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Trustees' Report (continued)
For the year ended 31 August 2016

Achievements and performance

The Academy was judged as good with outstanding features where staff, students and Trustees strive to continually improve all aspects of academic provision.

Ofsted inspected the Academy 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.

Key performance measures

	2012	2013	2014	2015	2016 unvalidated
5 or more Grades A*-C inc E and M	61%	69%	66%	57%	62% (best entry)
At Key Stage 5 A*-C is on rising trend	64%	75%	75%	76%	83%
At A2 and AS APS are on a rising trend (including equivalent level 3 qualifications)	A2=201 AS=91	A2=214 AS=93	A2=223 AS=82	A2=215 AS=111	A2=236 AS=169

Principal risks and uncertainties

Financial and Risk Management Objectives and Policies

The Trustees have assessed the major risks to which the Academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academy, and its finances. The Trustees have implemented a number of systems to assess risks that the Academy faces, especially in the operational area (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision on academy grounds) and internal financial controls in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover. The Academy has an effective system of internal financial controls and this is explained in more detail in the statement of internal financial controls.

The Trustees have considered the risks presented to the Academy and have implemented policies and systems to mitigate these risks. The Academy will continue to manage these risks, through a series of performance reviews, monitoring and efficiency evaluation, to ensure that any future annual deficit can be met by reserves. The Trustees have deemed the following risks to be of most serious consequence to the Academy:

- ✱ Failure to successfully recruit and retain pupils;
- Changes to Government policy on Education;
- Changes to Education priorities by the Government;
- Pressure on funding as a result of Government Fiscal Policy;
- Loss of a key member of the Senior Leadership Team;
- Impact of an uncontrollable event e.g. fire or flood;
- Major injury or a health & safety issue or environmental incident;
- Changes to Pension policy or funding for the TPS and LGPS.

The plans and strategies employed to manage the above risks are explained in the Governance Statement on page 12.

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Trustees' Report (continued)
For the year ended 31 August 2016

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 Academy. 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.

Material investments policy

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

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy 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 purpose 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 24th November 2016 and served throughout the year except where shown.

Trustees	Appointed	Resigned
S Smith (Chairman)		
P B Broszek		
M Cater	1 September 2016	
J S Finney		
D J Lewis		10 June 2016
Dr R E Mather		31 October 2016
H Miles	1 May 2016	
E K Moe		
N Newman (Vice Chairman)		
D Price		
M C Reeve		
K E Skinner		10 July 2016
S G Toher		1 March 2016
K B Williams		
M Wright (Headteacher)		

During the year four Trustees resigned, S G Toher on 1 March 2016, D J Lewis on 10 June 2016, K E Skinner on 10 July 2016 and Dr R E Mather on 31 October 2016. H Miles was appointed on 1 May 2016 and M Cater on 1 September 2016.

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Trustees' Report (continued)
For the year ended 31 August 2016

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 £1, for the debts and liabilities contracted before they ceased to be a member.

Method of recruitment and appointment or election of Trustees

The Board is currently comprised of 11 Trustees, of whom 1 is a 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.

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 programmed is available to all new Trustees, and this includes a meeting with the Headteacher and Chair of Trustees, a tour of the Academy, 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 Academy 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.

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Trustees' Report (continued)
For the year ended 31 August 2016

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 comprised of the Headteacher (who is also the Accounting Officer), the Deputy Headteacher, and four Assistant Headteachers. They controlled 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 includes a Trustee. Spending control is devolved to the Headteacher and Finance Director. A scheme of delegation is in operation with limits above which cheques/approvals are countersigned by a Trustee.

From 1st September 2016 the structure of the Leadership Team changed to an Executive Headteacher, a Headteacher, two Deputy Headteachers and 2 Assistant Headteachers.

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.

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.

PLANS FOR FUTURE PERIODS

Future developments

An unsuccessful Condition Improvement Fund (CIF) bid was submitted in December 2015. Further CIF bids will be submitted for the renovation of the façade of the main building, as well as 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 Academy. The policy of the Academy 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.

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Trustees' Report (continued)
For the year ended 31 August 2016

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 and general open days where staff can meet and talk to Trustees.

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.

This report was approved by order of the Board of Trustees as the company directors, on _____ and signed on its behalf by:



S Smith
Chair of Trustees



M Wright
Trustee

WROTHAM SCHOOL
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Governance Statement

Scope of Responsibility

As trustees, 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 Executive 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 Statement of Trustees' responsibilities. The board of Trustees has formally met 4 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	4	4
P B Broszek	4	4
M Cater	0	0
J S Finney	4	4
D J Lewis	3	4
Dr R E Mather	4	4
H Miles	1	1
E K Moe	3	4
N Newman, Responsible Officer	4	4
Dr D Price	1	4
M C Reeve	3	4
K E Skinner	4	4
S G Toher	2	2
K B Williams	4	4
M Wright, Head Teacher	4	4

During the year a full review of the Governance arrangements, including skills audit, was undertaken and a Governing Body development plan is in place.

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

The governance of the Academy:

- The governing body is skilled and knowledgeable. It holds Academy leaders to account to secure good teaching and achievement and strives to raise standards further. Trustees check how well the Academy is doing in comparison to other schools and academies nationally. They visit the Academy regularly to look at the quality of teaching and the standard of work done by students. Trustees know how well the Academy 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 Academy. 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.
- The Academy's finances are well managed and available resources are employed effectively.

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Governance Statement (continued)

- 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	3	4
Dr R E Mather	3	4
H Miles	1	1
N Newman	4	4
M C Reeve	4	4
S Smith	3	4
M Wright	4	4

Review of Value for money

As Accounting Officer, the Executive Headteacher has responsibility for ensuring that the academy 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 academy'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 appropriate. The Accounting Officer for the academy has delivered improved value for money during the year by:

- Improving the quality of teaching so that the results of the Academy 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 2015 to 31 August 2016 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 2015 to 31 August 2016 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.

- 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.

Review of Effectiveness

As Accounting Officer, the Executive Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

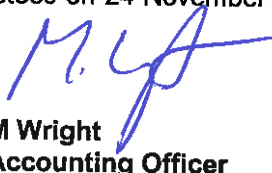
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy who have responsibility for the development and maintenance of the internal control framework.

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 24 November 2016 and signed on their 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 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 for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2015.

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 2015.

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.



Matthew Wright
Accounting Officer

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Statement of Trustees' Responsibilities
For the year ended 31 August 2016

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 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 2015 and the Academies' Accounts Direction 2015 to 2016;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 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:



S Smith
Chair of Trustees

WROTHAM SCHOOL
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Independent Auditors' Report on the Financial Statements to the Members of Wrotham School

We have audited the financial statements of Wrotham School for the year ended 31 August 2016 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows 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) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an 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 charitable company 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 Statement of Trustees' responsibilities, 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 charitable company's affairs as at 31 August 2016 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, the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016 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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Independent Auditors' Report on the Financial Statements 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 DChA CF (Senior statutory auditor)

for and on behalf of

Williams Giles Limited

Chartered Accountants
Registered Auditors

12 Conqueror Court
Sittingbourne
Kent

ME10 5BH

Date:

14 December 2016

WROTHAM SCHOOL
(A company limited by guarantee)

**Independent Reporting Auditors' Assurance Report on Regularity to Wrotham School and the
Education Funding Agency**

In accordance with the terms of our engagement letter dated 21 March 2016 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, 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 2015 to 31 August 2016 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 the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Wrotham School and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Wrotham School and the 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 auditors

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 2015, 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 2015 to 2016. 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 2015 to 31 August 2016 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 2015 to 2016 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's income and expenditure.

Independent Reporting Auditors' 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 2015 to 31 August 2016 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Williams Giles Limited

Chartered Accountants
Registered Auditors

12 Conqueror Court
Sittingbourne
Kent
ME10 5BH

Date: 14 December 2016

WROTHAM SCHOOL
(A company limited by guarantee)

Statement of Financial Activities Incorporating Income and Expenditure Account
For the year ended 31 August 2016

	Note	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	As restated Total funds 2015 £
Income from:						
Donations and capital grants	2	1,875	-	17,399	19,274	95,276
Charitable activities	3	-	3,644,033	-	3,644,033	3,718,310
Other trading activities	4	219,800	175,935	-	395,735	342,632
Total income		<u>221,675</u>	<u>3,819,968</u>	<u>17,399</u>	<u>4,059,042</u>	<u>4,156,218</u>
Expenditure on:						
Raising funds	5	174,761	-	-	174,761	99,211
Charitable activities		-	3,871,201	220,652	4,091,853	4,162,475
Total expenditure	8	<u>174,761</u>	<u>3,871,201</u>	<u>220,652</u>	<u>4,266,614</u>	<u>4,261,686</u>
Net income / (expenditure) before transfers		<u>46,914</u>	<u>(51,233)</u>	<u>(203,253)</u>	<u>(207,572)</u>	<u>(105,468)</u>
Transfers between Funds	19	(27,910)	(15,784)	43,694	-	-
Net income / (expenditure) before other recognised gains and losses		<u>19,004</u>	<u>(67,017)</u>	<u>(159,559)</u>	<u>(207,572)</u>	<u>(105,468)</u>
Actuarial gains/(losses) on defined benefit pension schemes	24	-	(788,000)	-	(788,000)	36,000
Net movement in funds		<u>19,004</u>	<u>(855,017)</u>	<u>(159,559)</u>	<u>(995,572)</u>	<u>(69,468)</u>
Reconciliation of funds:						
Total funds brought forward		<u>42,441</u>	<u>(978,000)</u>	<u>9,932,007</u>	<u>8,996,448</u>	<u>9,065,916</u>
Total funds carried forward		<u><u>61,445</u></u>	<u><u>(1,833,017)</u></u>	<u><u>9,772,448</u></u>	<u><u>8,000,876</u></u>	<u><u>8,996,448</u></u>

WROTHAM SCHOOL
(A company limited by guarantee)
Registered number: 07662701

Balance Sheet
As at 31 August 2016

	Note	£	2016	£	2015	£
Fixed assets						
Tangible assets	15		9,743,775			9,934,017
Current assets						
Debtors	16	58,535			37,682	
Cash at bank and in hand		388,824			239,705	
		<u>447,359</u>			<u>277,387</u>	
Creditors: amounts falling due within one year	17	<u>(328,451)</u>			<u>(208,323)</u>	
Net current assets			<u>118,908</u>			<u>69,064</u>
Total assets less current liabilities			<u>9,862,683</u>			<u>10,003,081</u>
Creditors: amounts falling due after more than one year	18		<u>(15,807)</u>			<u>(28,633)</u>
Net assets excluding pension scheme liabilities			<u>9,846,876</u>			<u>9,974,448</u>
Defined benefit pension scheme liability	24		<u>(1,846,000)</u>			<u>(978,000)</u>
Net assets including pension scheme liabilities			<u>8,000,876</u>			<u>8,996,448</u>
Funds of the academy						
Restricted income funds:						
Restricted income funds	19	12,983			-	
Restricted fixed asset funds	19	9,772,448			9,932,007	
Restricted income funds excluding pension liability		9,785,431			9,932,007	
Pension reserve		<u>(1,846,000)</u>			<u>(978,000)</u>	
Total restricted income funds			<u>7,939,431</u>			<u>8,954,007</u>
Unrestricted income funds	19		61,445			42,441
Total funds			<u>8,000,876</u>			<u>8,996,448</u>

The financial statements were approved by the Trustees, and authorised for issue, on Complete 'ACCOUNTS COMPLETION' section and are signed on their behalf, by:



S Smith
Chair of Trustees



M Wright
Trustee

The notes on pages 22 to 41 form part of these financial statements.

WROTHAM SCHOOL
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Statement of Cash Flows
For the year ended 31 August 2016

	Note	2016 £	2015 £
Cash flows from operating activities			
Net cash provided by operating activities	21	<u>146,346</u>	<u>231,591</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		(30,410)	(98,895)
Capital grants from DfE/EFA		17,399	88,406
Net cash used in investing activities		<u>(13,011)</u>	<u>(10,489)</u>
Cash flows from financing activities:			
Repayments of borrowings		15,784	16,754
Net cash provided by financing activities		<u>15,784</u>	<u>16,754</u>
Change in cash and cash equivalents in the year		149,119	237,856
Cash and cash equivalents brought forward		239,705	1,849
Cash and cash equivalents carried forward	22	<u><u>388,824</u></u>	<u><u>239,705</u></u>

WROTHAM SCHOOL
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Notes to the Financial Statements
For the year ended 31 August 2016

1. Accounting Policies

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgements and key sources of estimation uncertainty, is set out below.

1.1 Basis of preparation of financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

Wrotham School constitutes a public benefit entity as defined by FRS 102.

First time adoption of FRS 102

These financial statements are the first financial statements of Wrotham School prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Charities SORP 2015 (SORP 2015). The financial statements of Wrotham School for the year ended 31 August 2015 were prepared in accordance with previous Generally Accepted Accounting Practice ('UK GAAP') and SORP 2005.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the Trustees have amended certain accounting policies to comply with FRS 102 and SORP 2015. The Trustees have also taken advantage of certain exemptions from the requirements of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'

Reconciliations to previous UK GAAP for the comparative figures are included in note 29.

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 the Department for Education where the asset acquired or created is held for a specific purpose.

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

WROTHAM SCHOOL
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Notes to the Financial Statements
For the year ended 31 August 2016

1. Accounting Policies (continued)

1.3 Income

All income is recognised once the Academy has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of financial activities incorporating income and expenditure account 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 Statement of financial activities incorporating income and expenditure account in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability. Capital grants are recognised when there is entitlement 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 incorporating income and expenditure account in the period in which it is receivable, where there is certainty of receipt and it is measurable.

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

Other income, including the hire of facilities, is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on raising funds includes all expenditure incurred by the academy trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Charitable activities are costs incurred on the academy trust's educational operations, including support costs and costs relating to the governance of the academy trust apportioned to charitable activities.

All resources expended are inclusive of irrecoverable VAT.

WROTHAM SCHOOL
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Notes to the Financial Statements
For the year ended 31 August 2016

1. Accounting Policies (continued)

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 at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing 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. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of financial activities incorporating income and expenditure account and carried forward in the Balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of financial activities incorporating income and expenditure account. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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 incorporating income and expenditure account.

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 carried at cost, net of depreciation and any provision for impairment. Depreciation is not charged on freehold land. Depreciation is provided at rates calculated to write off the cost of fixed 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 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the academy; this is normally upon notification of the interest paid or payable by the Bank.

1.8 Operating leases

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

WROTHAM SCHOOL
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Notes to the Financial Statements
For the year ended 31 August 2016

1. Accounting Policies (continued)

1.9 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.10 Cash at Bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.11 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.12 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.

1.13 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 quadrennial valuations using a prospective unit credit method. As stated in note 24, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

WROTHAM SCHOOL
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Notes to the Financial Statements
For the year ended 31 August 2016

1. Accounting Policies (continued)

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit 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 the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of financial activities incorporating income and expenditure account and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

1.14 Agency arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from EFA. Payments received from EFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid and any balances held are disclosed in note 30.

1.15 Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The academy trust makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

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Notes to the Financial Statements
For the year ended 31 August 2016

1. Accounting Policies (continued)

1.16 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.

2. Income from donations and capital grants

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Donations	1,875	-	-	1,875	6,870
Devolved Capital Funding	-	-	17,399	17,399	17,483
Capital Grants	-	-	-	-	70,923
Total donations and capital grants	1,875	-	17,399	19,274	95,276

In 2015, of the total income from donations and capital grants, £6,870 was to unrestricted funds and £88,406 was to restricted funds

3. Funding for Academy's educational operations

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
DfE/EFA grants				
General Annual Grant (GAG)	-	2,955,813	2,955,813	3,036,959
Pupil premium	-	120,040	120,040	144,033
6th Form Grant	-	535,055	535,055	530,842
	-	3,610,908	3,610,908	3,711,834
Other government grants				
Other Government Grants	-	33,125	33,125	6,476
	-	33,125	33,125	6,476
	-	3,644,033	3,644,033	3,718,310

In 2015, of the total income from charitable activities, £ NIL was to unrestricted funds and £3,718,310 was to restricted funds.

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Notes to the Financial Statements
For the year ended 31 August 2016

4. Other trading activities

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
3G income	78,462	-	78,462	33,161
Catering income	-	175,935	175,935	177,622
Other income	12,718	-	12,718	38,067
Sales of educational materials	5,044	-	5,044	196
School trips	123,576	-	123,576	93,586
	<u>219,800</u>	<u>175,935</u>	<u>395,735</u>	<u>342,632</u>

In 2015, of the total income from other trading activities, £165,010 was to unrestricted funds and £177,622 was to restricted funds.

5. Expenditure on raising voluntary income

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
School trips	122,828	-	122,828	73,975
Other expenditure	1,381	-	1,381	-
3G facility expenditure	50,552	-	50,552	25,236
	<u>174,761</u>	<u>-</u>	<u>174,761</u>	<u>99,211</u>

In 2015, of the total voluntary income, £99,211 was to unrestricted funds and £ NIL was to restricted funds.

6. Direct costs

	Educational operations £	Total 2016 £	Total 2015 £
Educational supplies	133,664	133,664	182,551
Examination fees	77,445	77,445	63,602
Staff development	9,931	9,931	32,781
Educational consultancy	48,513	48,513	150
Interest and charges	-	-	187
Agency Supply	31,028	31,028	6,757
Staff restructuring	-	-	12,000
Wages and salaries	2,069,360	2,069,360	2,129,488
National insurance	179,923	179,923	157,896
Pension cost	293,719	293,719	285,777
	<u>2,843,583</u>	<u>2,843,583</u>	<u>2,871,189</u>

In 2015, all Direct costs were incurred in respect of Educational operations.

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Notes to the Financial Statements
For the year ended 31 August 2016

7. Support costs

	Educational operations	Total 2016	As restated Total 2015
	£	£	£
LGPS costs	37,000	37,000	37,000
Recruitment and support	28,929	28,929	-
Maintenance of premises and equipment	87,505	87,505	170,859
Cleaning	80,357	80,357	70,558
Rent, rates & water	44,664	44,664	19,719
Light & heat	36,565	36,565	53,743
Insurance	16,851	16,851	-
Security & transport	5,103	5,103	20,160
Catering	99,688	99,688	111,034
Interest and finance charges	4,348	4,348	-
Computer costs	87,082	87,082	110,432
Printing, postage and stationery	28,308	28,308	-
Other support costs	29,877	29,877	10,335
Legal and professional	16,094	16,094	27,501
Governance costs	16,658	16,658	25,257
Wages and salaries	304,673	304,673	296,743
National insurance	16,626	16,626	22,145
Pension cost	87,290	87,290	95,574
Depreciation	220,652	220,652	220,226
	<u>1,248,270</u>	<u>1,248,270</u>	<u>1,291,286</u>

During the year ended 31 August 2016, the academy incurred the following Governance costs: £16,094 (2015 - £25,257) included within the table above in respect of Educational operations.

In 2015, all Support costs were incurred in respect of Educational operations.

8. Expenditure

	Staff costs 2016	Premises 2016	Other costs 2016	Total 2016	Total 2015
	£	£	£	£	£
Expenditure on raising voluntary income	-	21,152	153,609	174,761	99,211
Educational operations:					
Direct costs	2,617,030	469,743	(243,190)	2,843,583	2,871,189
Support costs	365,589	220,652	662,029	1,248,270	1,291,286
	<u>2,982,619</u>	<u>711,547</u>	<u>572,448</u>	<u>4,266,614</u>	<u>4,261,686</u>

In 2016, of the total expenditure £174,761 (2015 - £99,211) was to unrestricted funds and £4,013,234 (2015 - £4,162,475) was to restricted funds.

WROTHAM SCHOOL
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Notes to the Financial Statements
For the year ended 31 August 2016

9. Net incoming resources/(resources expended)

This is stated after charging:

	2016	2015
	£	£
Depreciation of tangible fixed assets:		
- owned by the charity	220,652	220,226
Operating lease rentals	24,505	24,742
Governance internal audit costs	1,500	1,800
	246,657	250,774

10. Auditors' remuneration

	2016	2015
	£	£
Fees payable to the academy's auditor for the audit of the academy's annual accounts	6,750	7,500
Fees payable to the academy's auditor in respect of:		
All other non-audit services not included above	7,825	17,757
	14,575	25,257

WROTHAM SCHOOL
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Notes to the Financial Statements
For the year ended 31 August 2016

11. Staff costs

Staff costs were as follows:

	2016 £	2015 £
Wages and salaries	2,374,033	2,426,231
Social security costs	196,549	180,041
Operating costs of defined benefit pension schemes	381,009	381,351
	<u>2,951,591</u>	<u>2,987,623</u>
Supply teacher costs	31,028	6,757
Staff restructuring costs	-	12,000
	<u><u>2,982,619</u></u>	<u><u>3,006,380</u></u>

The average number of persons employed by the academy during the year was as follows:

	2016 No.	2015 No.
Teachers	44	47
Support staff	43	52
Senior Leadership team	6	6
	<u>93</u>	<u>105</u>

Average headcount expressed as a full time equivalent:

	2016 No.	2015 No.
Teachers	41	43
Support staff	29	35
Senior leadership team	6	6
	<u>76</u>	<u>84</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2016 No.	2015 No.
In the band £60,001 - £70,000	1	1
In the band £100,001 - £200,000	1	1

The above employees participated in the Teachers' Pension Scheme.

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £446,771 (2015: £421,294).

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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:

		2016	2015
		£	£
M Wright	Remuneration	100,000-105,000	95,000-100,000
	Pension contributions paid	15,000-20,000	10,000-15,000
K Williams	Remuneration	50,000-55,000	50,000-55,000
	Pension contributions paid	5,000-10,000	5,000-10,000
S Toher	Remuneration	45,000-50,000	45,000-50,000
	Pension contributions paid	5,000-10,000	5,000-10,000

During the year, no Trustees received any benefits in kind (2015 - £NIL).

During the year, no Trustees received any reimbursement of expenses (2015 - £NIL).

13. Trustees' and Officers' Insurance

The academy trust has opted into the Department for 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. Net pension interest

	2016	As restated 2015
	£	£
Interest income on pension scheme assets	29,000	24,000
Interest on pension scheme liabilities	(66,000)	(61,000)
	<u>(37,000)</u>	<u>(37,000)</u>

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15. Tangible fixed assets

	Freehold property £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
Cost					
At 1 September 2015	10,113,791	13,000	89,150	243,668	10,459,609
Additions	-	-	-	30,410	30,410
At 31 August 2016	<u>10,113,791</u>	<u>13,000</u>	<u>89,150</u>	<u>274,078</u>	<u>10,490,019</u>
Depreciation					
At 1 September 2015	382,761	6,449	20,007	116,375	525,592
Charge for the year	162,276	1,638	6,914	49,824	220,652
At 31 August 2016	<u>545,037</u>	<u>8,087</u>	<u>26,921</u>	<u>166,199</u>	<u>746,244</u>
Net book value					
At 31 August 2016	<u>9,568,754</u>	<u>4,913</u>	<u>62,229</u>	<u>107,879</u>	<u>9,743,775</u>
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>

Freehold buildings included within freehold property have been valued at 60% of insurance value as no EFA valuation has been provided.

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. Debtors

	2016 £	2015 £
VAT debtor	11,714	5,222
Prepayments and accrued income	46,821	32,460
	<u>58,535</u>	<u>37,682</u>

17. Creditors: Amounts falling due within one year

	2016 £	2015 £
Other loans	12,826	15,784
Trade creditors	96,328	4,425
Other taxation and social security	100,237	89,561
Other creditors	9,640	2,057
Accruals and deferred income	109,420	96,496
	<u>328,451</u>	<u>208,323</u>

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17. Creditors: Amounts falling due within one year (continued)

	2016 £	2015 £
Deferred income		
Deferred income at 1 September 2015	63,453	14,500
Resources deferred during the year	95,211	63,453
Amounts released from previous years	(61,019)	(14,500)
Deferred income at 31 August 2016	97,645	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.

**18. Creditors:
Amounts falling due after more than one year**

	2016 £	2015 £
Other loans	15,807	28,633
	15,807	28,633

Included within the above are amounts falling due as follows:

	2016 £	2015 £
Between one and two years		
Other loans	3,952	16,777
Between two and five years		
Other loans	11,855	11,856

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19. Statement of funds

	Brought Forward £	Income £	Expenditure £	Transfers in/(out) £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds						
Unrestricted funds	42,441	221,675	(174,761)	(27,910)	-	61,445
Restricted funds						
Restricted Funds - all funds	-	3,819,968	(3,791,201)	(15,784)	-	12,983
Pension reserve	(978,000)	-	(80,000)	-	(788,000)	(1,846,000)
	(978,000)	3,819,968	(3,871,201)	(15,784)	(788,000)	(1,833,017)
Restricted fixed asset funds						
Assets held for depreciation	9,934,017	-	(220,652)	30,410	-	9,743,775
Capital Funding	17,483	17,399	-	(30,410)	-	4,472
Sinking Fund	24,924	-	-	27,910	-	52,834
Salix loan	(23,711)	-	-	3,952	-	(19,759)
KCC Loan	(20,706)	-	-	11,832	-	(8,874)
	9,932,007	17,399	(220,652)	43,694	-	9,772,448
Total restricted funds	8,954,007	3,837,367	(4,091,853)	27,910	(788,000)	7,939,431
Total of funds	8,996,448	4,059,042	(4,266,614)	-	(788,000)	8,000,876

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.

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20. Analysis of net assets between funds

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Tangible fixed assets	-	-	9,743,775	9,743,775	9,934,017
Current assets	61,445	328,608	57,306	447,359	277,387
Creditors due within one year	-	(315,625)	(12,826)	(328,451)	(208,323)
Creditors due in more than one year	-	-	(15,807)	(15,807)	(28,633)
Provisions for liabilities and charges	-	(1,846,000)	-	(1,846,000)	(978,000)
	<u>61,445</u>	<u>(1,833,017)</u>	<u>9,772,448</u>	<u>8,000,876</u>	<u>8,996,448</u>

21. Reconciliation of net movement in funds to net cash flow from operating activities

	2016 £	2015 £
Net expenditure for the year (as per Statement of financial activities)	(207,572)	(105,468)
Adjustment for:		
Depreciation charges	220,652	220,226
Decrease in stocks	-	1,779
(Increase)/decrease in debtors	(20,853)	121,196
Increase/(decrease) in creditors	91,518	(8,736)
Capital grants from DfE and other capital income	(17,399)	(88,406)
Defined benefit pension scheme	80,000	91,000
Net cash provided by operating activities	<u>146,346</u>	<u>231,591</u>

22. Analysis of cash and cash equivalents

	2016 £	2015 £
Cash in hand	388,824	239,705
Total	<u>388,824</u>	<u>239,705</u>

23. 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.

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24. 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 Multi-employer defined benefit pension schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

Contributions amounting to £35,382 were payable to the schemes at 31 August 2016 (2015 - £31,169) and are included within creditors.

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:

- employer contribution rates set at 16.48% (2015 - 14.1%) of pensionable pay, including a 0.08% (2015 - 0.00%) employer administration charge
- 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 previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS will be as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £265,000 (2015 - £144,000).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx).

Under the definitions set out in FRS 102, the TPS is a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has

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24. Pension commitments (continued)

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 2016 was £102,000 (2015 - £118,000), of which employer's contributions totalled £79,000 (2015 - £90,000) and employees' contributions totalled £23,000 (2015 - £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.

Principal actuarial assumptions:

	2016	2015
Discount rate for scheme liabilities	2.20 %	4.00 %
Expected return on scheme assets at 31 August	2.20 %	6.00 %
Rate of increase in salaries	4.10 %	4.50 %
Rate of increase for pensions in payment / inflation	2.30 %	2.70 %
Inflation assumption (CPI)	2.30 %	2.70 %
Commutation of pensions to lump sums	50.00 %	- %
RPI increases	3.20 %	3.60 %

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

	2016	2015
Retiring today		
Males	22.9	22.8
Females	25.3	25.2
Retiring in 20 years		
Males	25.2	25.1
Females	27.7	27.6

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

	Fair value at 31 August 2016 £	Fair value at 31 August 2015 £
Equities	583,000	460,000
Gilts	8,000	7,000
Other Bonds	92,000	74,000
Property	121,000	91,000
Cash	21,000	18,000
Target Return Portfolio	38,000	29,000
Total market value of assets	<u>863,000</u>	<u>679,000</u>

The actual return on scheme assets was £101,000 (2015 - £14,000).

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24. Pension commitments (continued)

The amounts recognised in the Statement of financial activities incorporating income and expenditure account are as follows:

	2016 £	As restated 2015 £
Current service cost (net of employee contributions)	(123,000)	(144,000)
Net interest cost	(37,000)	(37,000)
Total	(160,000)	(181,000)
Actual return on scheme assets	101,000	14,000

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

	2016 £	As restated 2015 £
Opening defined benefit obligation	1,657,000	1,478,000
Current service cost	123,000	144,000
Interest cost	66,000	61,000
Change in financial assumptions	860,000	(46,000)
Estimated benefits paid net of transfers	(21,000)	(8,000)
Contributions by scheme participants	24,000	28,000
	-	-
Closing defined benefit obligation	2,709,000	1,657,000

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

	2016 £	As restated 2015 £
Opening fair value of scheme assets	679,000	555,000
Return on plan assets (excluding net interest on the net defined pension liability)	29,000	24,000
Actuarial gains and (losses)	72,000	(10,000)
Contributions by employer	80,000	90,000
Contributions by scheme participants	24,000	28,000
Estimated benefits paid plus unfunded net of transfers in	(21,000)	(8,000)
Closing fair value of scheme assets	863,000	679,000

The adoption of FRS 102 has not had an effect on the closing pension deficit in the comparative year. However the analysis between support costs and actuarial gains and losses has changed.

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25. Operating lease commitments

At 31 August 2016 the total of the Academy trust's future minimum lease payments under non-cancellable operating leases was:

	2016 £	2015 £
Amounts payable:		
Within 1 year	22,149	24,505
Between 1 and 5 years	1,770	23,919
Total	23,919	48,424

26. Members' liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £ 1 for the debts and liabilities contracted before he/she ceases to be a member.

27. Related party transactions

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

28. Agency Arrangements

The academy trust distributes 16-19 bursary funds to students as an agent for EFA. In the accounting period ending 31 August 2016 the trust received £12,455 and disbursed £9,940 from the fund. An amount of £2,515 is included in other creditors relating to undistributed funds that is repayable to EFA.

29. First time adoption of FRS 102

It is the first year that the Academy Trust has presented its financial statements under SORP 2015 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 31 August 2015 and the date of transition to FRS 102 and SORP 2015 was therefore 1 September 2014. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

Comparative figures have been restated to reflect the adjustments made, except to the extent that the Trustees have taken advantage of exemptions to retrospective application of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.

The policies applied under the academy's previous accounting framework are not materially different to FRS 102 and have not impacted on funds or net income/expenditure.