

Company Registration No. 06457394 (England and Wales)

**WELLINGTON COLLEGE ACADEMY TRUST**  
**(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT AND AUDITED ACCOUNTS**  
**FOR THE YEAR ENDED 31 AUGUST 2014**



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# WELLINGTON COLLEGE ACADEMY TRUST

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# WELLINGTON COLLEGE ACADEMY TRUST

## REFERENCE AND ADMINISTRATIVE DETAILS

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### Trustees

Mr D Cowley (Trustee) \*  
Sir A Salz  
Sir Dr A Seldon  
Mr B Parry (Resigned 28 February 2014)  
Mr C Howard \*  
Mrs S Evans  
Mr T Bunting  
Mr P Hucklesby (Resigned 10 July 2014)  
Mr M Collins (Resigned 29 November 2013) \*  
Mrs A Botha-Jones (Resigned 29 November 2014)  
Mr S Crouch \*  
Dr M Milner (Principal) \*  
Ms C Perry MP (Resigned 2 July 2014)  
Ms S Clare (Staff trustee) (Resigned 10 July 2014)  
Col J Denny (Appointed 1 September 2013)  
Mr R Edwards (Appointed 28 February 2014) \*  
Mr G Keith (Appointed 28 February 2014)

\* members of the Finance, premises and personnel committee

### Members

Sir M Rake  
Mr T Bunting  
Wellington College

### Senior management team

- Principal	Dr M Milner
- Vice Principal	Mr B Bond
- Vice Principal	Ms S Dew
- Vice Principal	Mr K Still
- Assistant Principal	Mr P Blake
- Assistant Principal	Mr D Maxwell
- Finance Director	Ms S Richardson

### Company secretary

Ms S Richardson

### Company registration number

06457394 (England and Wales)

### Registered office

The Wellington Academy  
Ludgershall  
Andover  
Hampshire  
SP11 9RR

# WELLINGTON COLLEGE ACADEMY TRUST

## REFERENCE AND ADMINISTRATIVE DETAILS

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**Independent auditor**

Moore Stephens (South) LLP  
33 The Clarendon Centre  
Salisbury Business Park  
Dairy Meadow Lane  
Salisbury  
Wiltshire  
SP1 2TJ

# WELLINGTON COLLEGE ACADEMY TRUST

## TRUSTEES' REPORT

### *FOR THE YEAR ENDED 31 AUGUST 2014*

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The Trustees present their fifth annual report together with the accounts and independent auditor's reports of the charitable company for the period 1 September 2013 to 31 August 2014. The company was incorporated on 19 December 2007. The report has been prepared in accordance with Part VI of the Charities Act 1993.

The financial statements have been prepared in accordance with the accounting policies on pages 26 to 28 of the attached financial statements, and comply with the charitable company's memorandum and articles of association, the Companies Act 2006, and the requirements of the Statement of Recommended Practice "Accounting and Reporting by Charities" as issued in March 2005 ('SORP 2005').

In April 2014 the trustees elected to become a multi academy trust incorporating the existing academy and Wellington Primary in Tidworth, which opened in September 2014.

During this financial year the Trust operated only a secondary academy for pupils aged 11-18 serving a catchment area in Tidworth and Ludgershall, however, the Trust's Principal Sponsor (Wellington College) was also awarded the sponsorship of a new build primary academy in Tidworth which opened on the 8th September 2014 serving a catchment area in Tidworth. The secondary academy has a pupil capacity of 1100 and had a roll of 1023 in the school census of May 2014.

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

##### Constitution

Wellington College Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the prime governing documents of Wellington College Academy Trust. The trustees of Wellington College Academy Trust are also the directors of the charitable company for the purposes of company law. From 1 September 2014 the charitable company is known as Wellington College Academy, it was formally known as The Wellington Academy. The articles of association require members of the charitable company to appoint no less than 3 Directors to be responsible for the statutory and constitutional affairs of the charitable company and the management of Wellington College Academy.

Details of the trustees who served during the year are included in the Reference and Administrative Detail on page 1.

##### Members' liability

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

##### Trustees' indemnities

The Academy Trust has purchased Trustees' Liability insurance of £2,000,000 and Fidelity Guarantee cover (£250,000 – Trustees and employees) at a cost of £911.29 + £54.68 ipt = £965.97 and £1016 + £60.96 ipt = £1076.96 respectively in 2012/13.

# WELLINGTON COLLEGE ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2014

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#### Method of recruitment and appointment or election of trustees

The Articles of Association states that the following trustees may be appointed:

- Up to 10 persons appointed by the Sponsor
- 1 LA trustee
- 2 Parent trustees
- 1 Staff trustee
- The Principal of the Academy
- The Master of Wellington College
- The Deputy Garrison Commander for Tidworth, Netheravon and Bulford

Additionally the Governing Body may appoint up to three co-opted trustees. The Secretary of State may also appoint additional trustees in certain circumstances.

The staff trustees whose position is approved by the Principal Sponsor. Their appointment is decided by a vote of the members of teaching staff of the Academy.

The appointment of the Parent Trustees is determined by means of an election.

On 1st September 2009, all Directors also became trustees of the Wellington Academy. Except for the Master of Wellington College, the Principal and the Deputy Garrison Commander, trustees are subject to retirement after 4 years of service but are eligible for re-appointment or re-election at the meeting at which they retire.

#### 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. Where necessary induction will provide training on charity and educational legal and financial matters. All new trustees will be given a tour of the academy and the chance to meet staff and students. All trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as trustees. As there are only normally 2 or 3 new trustees a year, induction tends to be done informally and is tailored specifically to the needs of the individual.

#### Organisational structure

The Academy is managed according to a structure at 3 primary levels:

- The Governing Body which is responsible for setting general policy, adopting the annual 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 Senior Leadership Team (SLT) consists of the Principal, Vice Principals, Assistant Vice Principals and Finance Director. The SLT controls the Academy at an executive level, implements policies laid down by trustees and reports back to them. Through a system of devolved spending controls, the SLT is responsible for the authorisation of spending within agreed budgets but with limits above which the Finance Director and Principal must countersign their approval. (Higher levels also require the signature of the Chair of the Finance, Premises and Personnel Committee and the highest level requires full Governing Body approval).
- A Middle Leadership Team (MLT) comprising Curriculum Leaders and Other Managers. The MLT is responsible for the day to day operation of the Academy, organising staff, facilities and students.

#### Connected organisations including related party relationships

Wellington College is the sponsor of Wellington College Academy and as part of the development agreement to build the new building agreed to donate £2 million to assist Wellington College Academy in achieving its objectives. This donation is subject to an agreed deed of gift between The Wellington College, Wellington College Academy and the Secretary of State.

# WELLINGTON COLLEGE ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2014**

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### **Objectives and activities**

#### Objects and aims

The principal object and activity of the charitable company is to advance public benefit education in the United Kingdom, in particular (but without prejudice to the generality of the foregoing) by establishing, maintaining and carrying on and developing a school offering a broad curriculum together with boarding for 100 students.

#### Objectives, strategies and activities

The characteristics of an academy are a school that:

- Has a broad curriculum with an emphasis on particular subject areas;
- And provides education for pupils of different abilities who are drawn wholly or mainly from the area where the school is situated.

The objectives of the Academy are:

- to promote the well-being of pupils at the Academy
- to promote community adhesion

In accordance with the articles of association the charitable company has adopted a "Scheme of Government" approved by the Secretary of State for Children, Schools and Families. The Scheme of Government specifies, amongst other things, the basis for admitting students to Wellington College Academy and the catchment area from which the students are drawn.

Our mission is to become, as part of the Wellington College family, one of the best and most exciting non-selective state schools in the UK.

By one of the best and most exciting, we mean being widely recognised for:

- excelling in education
- transforming life chances for our students
- playing a key role in community vitality

By Wellington family, we mean:

- the traditions and innovations of the Wellington College brand applied locally in a compelling manner
- epitomising how a state-independent school partnership breaks down barriers
- working in partnership for the mutual benefit of staff and students

Wellington College Academy opened as an academy on 1st September 2009.

#### Public benefit

Wellington College Academy exists for the educational benefit of those students in the communities of Tidworth, Ludgershall and adjacent villages. We also have a duty to promote community cohesion.

The campus incorporates Castledown Radio, Castledown Bowls Club and our Sports Centre.

The Directors, acting as Trustees, confirm that they have complied with the duty in Section 4 of the Charities Act 2011 to have due regard to the guidance issued by the Charity Commission on public benefit.

# WELLINGTON COLLEGE ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2014

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#### Strategic report

##### Achievements and performance

The Wellington College Academy currently has 967 students including 69 boarders. We opened in 2009 with 550, inheriting Wiltshire's lowest performing comprehensive school, Castledown. We also extended our age range to 17/18 by opening a 6th form in 2009, which currently has 218 students. The academy moved into new premises in 2011, a further classroom block is currently being built and will open in September 2015 to increase our capacity by 300 students.

In 2014 38% of students gained 5 A\*-C GCSE grades including English and Maths, 23% 8+ A\*-C GCSE grades and 43% 5 + A\*-C GCSE grades. 44 (2013 – 22) students from our Yr. 13 took up their first choice places at university after receiving their A-Level results in August. 6 (2013- 2) students entered Russell Group Universities. Exclusions, which were very high in the predecessor school continue to be low and there have been no permanent exclusions since opening.

Our boarding facility opened in September 2011. Marketing for the boarding house is well structured and focused on key areas such as military families.

The academy campus acts as a hub for the local community with a sports centre, bowling green and community radio station, Castledown Radio. We also rent premises in the adjacent Castledown Business park and have converted 2 units into an Applied Learning Centre with the assistance of a grant from Plain Action to teach construction trades to students and the local community. Within the campus we also have facilities for applied learning in professional catering and hairdressing.

##### Key performance indicators

The main financial performance indicator is the level of reserves held at the Balance Sheet date. In particular the management of spending against General Annual Grant (GAG) requires special attention as the amount of carry forward is restricted. In the period of review there was no breach.

As funding is based on student numbers this is also a key performance indicator. Student numbers for 2014 were 1048, however with over 40% of students from military families and the planned changes within the MOD 2020 project which includes the transformation of Salisbury Plain to a super garrison it is currently difficult to predict student number for the next 3 years.

Another key financial performance indicator is staffing costs as a percentage of total income. For 2014 this was 74% compared to 68% in 2013.

The following KPI's were set at the start of the year:

Student to teacher ratio: Target: 16.6 Actual: 15.3  
Ratio of teaching to non-teaching staff costs: Target: 64% Actual: 60%  
Student numbers: Target: 1,129 Actual: 1,048  
Total income per student: Target: £7,028 Actual: £7,754  
Total GAG per student: Target: £5,724 Actual: £5,918  
Ratio of GAG to total income: Target: 81.4% Actual: 78.7%  
Staff costs per student: Target: £5,184 Actual: £5,731  
Ratio of staff costs to income (including boarding): Target: 73.8% Actual: 73.9%  
Ratio of pension cost to staff costs: Target: 9.6% Actual: 8.8%  
Total learning resources costs per student Target: £267 Actual: £332  
Capital spend per student Target: £53 Actual: £90  
Property repair costs per student Target: £81 Actual: £99

##### Going concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason the board of trustees continues to adopt the going concern basis in preparing the accounts. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies.



# WELLINGTON COLLEGE ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2014

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#### Financial review

During the period Wellington College Academy received income of £6,483,971 (2013: £5,743,230) from EFA in respect of the general annual grant and specific grants.

In addition £1,005 (2013: £789) was received in respect of bank interest, and investment income of £27,113 (2013: £24,946) was received in relation to the endowment fund.

Total income received totalled £8,500,620 (2013: £7,437,439). Expenditure amounted to £9,639,570 (2013: £8,423,112) in respect of operating Wellington College Academy. The main expenditure of the year for the Academy is staff costs which amounted to £6,238,617 (2013: £5,224,807). Other main expenditure included £447,540 for educational supplies.

#### Reserves policy

The trustees review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The trustees have determined that the appropriate level of free reserves would be equivalent to 4 weeks expenditure, approximately £550K. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The Academy's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is currently below this level but the trustees have agreed necessary budget projections and identified other management actions in order to generate the required level of reserves.

In respect of any surplus or deficit recognised in relation to the Academy's share of the Local Government Pension Scheme, this would generally result in a cash flow effect for the Academy in the form of an increase or decrease in employer's pension contributions over a number of years. This year a deficit of £366,000 (2013: Deficit £1,000) has been recognised in the accounts; this does not represent an immediate liability.

#### Investment policy and powers

Wellington College Academy operates an investment policy that seeks to maximise returns, minimise risk and maintain flexibility and access to funds. Investments are made through the Wellington College's Investment Committee and are managed by Cazenove.

#### Principal risks and uncertainties

The major risks to which the Academy is exposed are as follows:

- Loss of (or reduction in) funding
- Loss of building or facilities preventing the delivery of education
- Loss of members of staff (either suddenly or gradually over time)
- Loss of reputation
- Lack of safeguarding of students
- Funding of pension deficits under the Local Government Pension Scheme (LGPS).

The Senior Leadership Team have considered the risks. Policies and procedures have been put into place to minimise these risks, including budget management and forecasting procedures, the procurement of adequate insurance cover, investing in staff training and continuing professional development, and continued local marketing and advertising highlighting the achievement of our students. We maintain a large number of policies and procedures which protect our staff, students and the Academy, also reducing the risk of safeguarding failures. The pension scheme is reviewed by qualified actuaries on behalf of the Academy. There is currently a deficit on this scheme as disclosed in note 29. The Trustees of the LGPS pension scheme arrange for appropriate contribution rates to be paid by the members and the employer to ensure that the pension scheme is properly funded over time.

# WELLINGTON COLLEGE ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2014

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#### Financial and risk management objectives and policies

As trustees, we acknowledge that we have overall responsibility for ensuring that The Wellington College Academy has an effective and appropriate system of control, financial and otherwise. We are also responsible for keeping proper accounting records which disclose with reasonable accuracy, at any time, the financial position of The Wellington College Academy and enable us to ensure that the financial statements comply with the Companies Act. We also acknowledge responsibility for safeguarding the assets of The Wellington College Academy and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities and to provide reasonable assurance that:-

- The Wellington College Academy is operating efficiently and effectively;
- The assets of The Wellington College Academy are safeguarded against unauthorised use or disposition;
- The proper records are maintained and financial information used within The Wellington College Academy or for publication is reliable;
- The Wellington College Academy complies with relevant laws and regulations.

The Wellington College 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 governing body;
- Regular reviews by the finance and general purposes committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- Setting targets to measure financial and other performance;
- Clearly defining purchasing (asset purchase or capital investment) guidelines;
- Delegation of authority and segregation of duties;
- Identification and management of risks.

#### **Plans for future periods**

From September 2014 the Trust became a multi academy trust and opened Wellington Primary Academy in Tidworth and will eventually grow to a 2 form entry – 420 students. The primary is located on the Riverbourne Estate and has been built and funded by Wiltshire Council to support the growing number of primary school children in Tidworth, a nursery based on the campus will open in 2015.

In September 2015 a new classroom block funded by Wiltshire Council will open at Wellington College Academy increasing the capacity of the Academy by 300 students.

Longer term plans for the Trust are focussed on ensuring that we can grow in a planned manner to cope with increased local housing development and the expansion of the 'super-garrison' in Tidworth and more widely across Salisbury Plain.

#### **Headline future aims**

1. To continue to serve the towns of Ludgershall and Tidworth as the sole secondary school catering for the full attainment range 11-19.
2. To set the standards of education for primary aged children in Tidworth with the opening of Wellington Primary Academy in September 2014.
3. To improve further the education on offer across the Tidworth Area Partnership by working more closely with our partner Primary, Junior and Infant schools.
4. To continue to develop the campus as a community hub, and in particular to plan coherently with Wiltshire LA in respect of their community campus strategy.
5. To strengthen and further develop our work with the Tidworth based Help 4 Heroes charity as their primary education and training partner.

# WELLINGTON COLLEGE ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2014**

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### Auditor

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

A resolution proposing that Moore Stephens (South) LLP be reappointed as auditor of the charitable company will be put to the members.

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 18 December 2014 and signed on its behalf by:



Mr D Cowley  
Trustee

# WELLINGTON COLLEGE ACADEMY TRUST

## GOVERNANCE STATEMENT

**FOR THE YEAR ENDED 31 AUGUST 2014**

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### Scope of responsibility

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

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

### Governance

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

Trustees	Meetings attended	Out of possible
Mr D Cowley (Trustee)	5	5
Sir A Salz	3	5
Sir Dr A Seldon	4	5
Mr B Parry (Resigned 28 February 2014)	1	3
Mr C Howard	5	5
Mrs S Evans	3	5
Mr T Bunting	3	5
Mr P Hucklesby (Resigned 10 July 2014)	2	5
Mr M Collins (Resigned 29 November 2013)	0	2
Mrs A Botha-Jones (Resigned 29 November 2014)	1	5
Mr S Crouch	3	5
Dr M Milner (Principal)	5	5
Ms C Perry MP (Resigned 2 July 2014)	4	5
Ms S Clare (Staff trustee) (Resigned 10 July 2014)	1	5
Col J Denny (Appointed 1 September 2013)	3	5
Mr R Edwards (Appointed 28 February 2014)	3	3
Mr G Keith (Appointed 28 February 2014)	1	3

In April 2014, the board of trustees approved new framework and constitution changes to move to a multi-academy trust (MAT) from 1st September 2014. The Shadow Board of Directors met twice during the period to set the governance framework for the MAT.

There are two other sub-committees:

Curriculum and Achievement Subcommittee – this subcommittee reviews the educational progress of the Academy towards its objectives, the content of its curriculum, timetabling, student activities and achievement.

Families and Community Subcommittee – Preceded by information gathering exercise at the Academy: Visiting lessons, meeting with staff & students, presentations from subject leaders. Key (Audit) Function: Safeguarding, information advice guidance, year system, boarding provision linked to Academy development plan and SEF

# WELLINGTON COLLEGE ACADEMY TRUST

## GOVERNANCE STATEMENT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2014**

The Finance, Premises and Personnel Committee is a sub-committee of the main board of trustees. Its purpose is to review the financial position of the academy, and has limited delegated powers to approve revenue and capital expenditure, disposal of assets and changes to the staffing structure of the Academy. This subcommittee also reviews issues relating to Human Resources, Health and Safety, Premises, and Administration.

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
Mr D Cowley (Trustee)	2	2
Mr C Howard	1	2
Mr M Collins (Resigned 29 November 2013)	0	1
Mr S Crouch	2	2
Dr M Milner (Principal)	2	2
Mr R Edwards (Appointed 28 February 2014)	0	1

### **The purpose of the system of internal control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Wellington College Academy Trust for the period 1 September 2013 to 31 August 2014 and up to the date of approval of the annual report and accounts.

### **Capacity to handle risk**

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2013 to 31 August 2014 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of trustees.

### **The risk and control framework**

The academy trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular it includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the Finance, premises and personnel 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 Moore Stephens (South) LLP to carry out procedures to check the soundness of internal controls within the Academy and to report to S Crouch, Governor as "Responsible Officer" ("RO").

# WELLINGTON COLLEGE ACADEMY TRUST

## GOVERNANCE STATEMENT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2014**

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The RO's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. On a Termly basis, the RO reports to the board of trustees on the operation of the systems of control and on the discharge of the financial responsibilities of the board of trustees. The work of the RO was carried out in accordance with the EFA's requirements during the year, and no material control issues were identified arising as a result of the RO's work.

### **Review of effectiveness**

As accounting officer the principal 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 responsible officer;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the finance, premises and personnel committee and no plan to address weaknesses and ensure continuous improvement of the system was considered necessary.

Approved by order of the board of trustees on 18 December 2014 and signed on its behalf by:



Mr D Cowley  
**Trustee**

# **WELLINGTON COLLEGE ACADEMY TRUST**

## **STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

***FOR THE YEAR ENDED 31 AUGUST 2014***

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As accounting officer of Wellington College Academy Trust 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 Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the board of trustees and EFA.

Approved on 18 December 2014 and signed by:



Dr M Milner  
**Accounting Officer**

# WELLINGTON COLLEGE ACADEMY TRUST

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

Company law requires the trustees to prepare accounts for each financial year. Under company law the trustees must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period.

In preparing these accounts, the trustees are required to:

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

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

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

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

Approved by order of the board of trustees on 18 December 2014 and signed on its behalf by:



Mr D Cowley  
Trustee



# **WELLINGTON COLLEGE ACADEMY TRUST**

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF WELLINGTON COLLEGE ACADEMY TRUST**

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We have audited the accounts of Wellington College Academy Trust for the year ended 31 August 2014 set out on pages 19 to 45. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2013 to 2014 issued by the EFA.

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

#### **Respective responsibilities of trustees and auditors**

As explained more fully in the Trustees' Responsibilities Statement set out on page 14, the trustees, who are also the directors of Wellington College Academy Trust for the purposes of company law, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view.

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

#### **Scope of the audit of the accounts**

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

#### **Opinion on accounts**

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2014 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2013 to 2014 issued by the EFA.

#### **Opinion on other matter prescribed by the Companies Act 2006**

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

# WELLINGTON COLLEGE ACADEMY TRUST

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF WELLINGTON COLLEGE ACADEMY TRUST

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#### Matters on which we are required to report by exception

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

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



**Andrew Williams (Senior Statutory Auditor)**  
**Moore Stephens (South) LLP**

#### Chartered Accountants

#### Statutory Auditor

33 The Clarendon Centre  
Salisbury Business Park  
Dairy Meadow Lane  
Salisbury  
Wiltshire  
SP1 2TJ

Dated: 19/12/2014

# **WELLINGTON COLLEGE ACADEMY TRUST**

## **INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO WELLINGTON COLLEGE ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY**

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In accordance with the terms of our engagement letter dated 07 March 2012 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013 to 2014, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Wellington College Academy Trust during the period 1 September 2013 to 31 August 2014 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

### **Respective responsibilities of Wellington College Academy Trust's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Wellington College Academy Trust's funding agreement with the Secretary of State for Education dated May 2008 and the Academies Financial Handbook, extant from 1 September 2013, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2013 to 2014. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2013 to 31 August 2014 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

### **Approach**

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

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

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

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

The work undertaken to draw to our conclusion includes:

- consideration of the evidence supporting the accounting officers statement on regularity, propriety and compliance;
- analytical procedures on the general activities of the academy trust;
- a review of minutes of committees and board meetings which may be relevant to regularity;
- consideration of discussions with key personnel including the accounting officer and governing body;
- tests of control have been carried out on a control activity which are relevant to regularity;
- substantive testing of individual transactions.

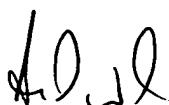
# WELLINGTON COLLEGE ACADEMY TRUST

## INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO WELLINGTON COLLEGE ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY (CONTINUED)

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### Conclusion

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



Andrew Williams

**Reporting Accountant**

Moore Stephens (South) LLP

Dated: 19/12/2014

# WELLINGTON COLLEGE ACADEMY TRUST

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2014

		Unrestricted funds £	Restricted funds £	Fixed Asset fund £	Endowment funds £	Total 2014 £	Total 2013 £
<b><u>Incoming resources</u></b>	<b>Notes</b>						
<i>Resources from generated funds</i>							
- Voluntary income	2	76,542	-	-	27,113	103,655	80,710
- Activities for generating funds	3	-	386,882	-	-	386,882	297,822
- Investment income	4	1,005	-	-	-	1,005	789
<i>Resources from charitable activities</i>							
- Funding for educational operations	5	-	7,151,143	55,893	-	7,207,036	6,339,157
- Funding for Boarding activities	24	-	802,042	-	-	802,042	718,961
<b>Total incoming resources</b>		<u>77,547</u>	<u>8,340,067</u>	<u>55,893</u>	<u>27,113</u>	<u>8,500,620</u>	<u>7,437,439</u>
<b><u>Resources expended</u></b>							
<i>Costs of generating funds</i>							
<i>Charitable activities</i>							
- Educational operations	7	-	7,862,806	963,538	-	8,826,344	7,736,759
- Boarding activities	24	-	713,850	-	-	713,850	638,111
Governance costs	8	-	99,376	-	-	99,376	48,242
<b>Total resources expended</b>	6	<u>-</u>	<u>8,676,032</u>	<u>963,538</u>	<u>-</u>	<u>9,639,570</u>	<u>8,423,112</u>
<b>Net incoming/ (outgoing) resources before transfers</b>		77,547	(335,965)	(907,645)	27,113	(1,138,950)	(985,673)
Gross transfers between funds		(77,547)	368,501	65,660	(356,614)	-	-
<b>Net income/(expenditure) for the year</b>		-	32,536	(841,985)	(329,501)	(1,138,950)	(985,673)

# WELLINGTON COLLEGE ACADEMY TRUST

## STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

**FOR THE YEAR ENDED 31 AUGUST 2014**

### Other recognised gains and losses

Actuarial gains/(losses) on defined benefit pension scheme	19	-	(276,000)	-	-	(276,000)	64,000
Gains on endowment investments		-	-	-	73,201	73,201	187,557
<b>Net movement in funds</b>		-	(243,464)	(841,985)	(256,300)	(1,341,749)	(734,116)
Fund balances at 1 September 2013		56,553	(313,658)	29,360,727	1,162,748	30,266,370	31,000,486
<b>Fund balances at 31 August 2014</b>		56,553	(557,122)	28,518,742	906,448	28,924,621	30,266,370

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

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

# WELLINGTON COLLEGE ACADEMY TRUST

## BALANCE SHEET

AS AT 31 AUGUST 2014

	Notes	2014		2013	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	11	28,518,742		29,360,727	
Investments	12	906,448		1,162,748	
		29,425,190		30,523,475	
<b>Current assets</b>					
Stocks	13	32,443		21,585	
Debtors	14	523,846		351,203	
Cash at bank and in hand		673,111		701,189	
		1,229,400		1,073,977	
<b>Creditors: amounts falling due within one year</b>	15	(1,290,969)		(1,258,082)	
<b>Net current liabilities</b>			(61,569)		(184,105)
<b>Total assets less current liabilities</b>		29,363,621		30,339,370	
Defined benefit pension liability	19	(439,000)		(73,000)	
<b>Net assets</b>		28,924,621		30,266,370	
<b>Funds of the academy trust:</b>					
<b>Restricted income funds</b>	17				
- Fixed asset funds		28,518,742		29,360,727	
- General funds		(118,122)		(240,658)	
- Pension reserve		(439,000)		(73,000)	
- Endowment funds		906,448		1,162,748	
<b>Total restricted funds</b>		28,868,068		30,209,817	
<b>Unrestricted funds</b>	17	56,553		56,553	
<b>Total funds</b>		28,924,621		30,266,370	

The accounts were approved by order of the board of trustees and authorised for issue on 18 December 2014. and are signed on their behalf by:



Mr D Cowley  
Trustee

Company Number 06457394

# WELLINGTON COLLEGE ACADEMY TRUST

## CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2014

	Notes	2014 £	2013 £
Net cash inflow/(outflow) from operating activities	20	(320,037)	332,910
<b>Returns on investments and servicing of finance</b>			
Investment income	1,005	789	
<b>Net cash inflow/(outflow) from returns on investments and servicing of finance</b>		1,005	789
		(319,032)	333,699
<b>Capital expenditure and financial investments</b>			
Capital grants received	55,893	15,230	
Payments to acquire tangible fixed assets	(124,837)	(358,285)	
Payments to acquire investments	278,278	371,500	
Receipts from sales of tangible fixed assets	3,284	26,000	
<b>Net cash flow from capital activities</b>		212,618	54,445
<b>Net cash inflow/(outflow) before financing</b>		(106,414)	388,144
<b>Financing</b>			
Endowment fund income	27,113	24,946	
<b>Net cash inflow/(outflow) from funding</b>		27,113	24,946
<b>Increase/(decrease) in cash</b>	21	(79,301)	413,090



# WELLINGTON COLLEGE ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE YEAR ENDED 31 AUGUST 2014**

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### **1 Accounting policies**

#### **1.1 Basis of preparation**

The accounts have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

#### **1.2 Going concern**

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

#### **1.3 Basis of consolidation**

The Academy Trust has taken advantage of the exemption criteria from Financial Reporting Standard 2: Accounting for Subsidiary Undertakings, on the grounds that the subsidiary is individually and collectively immaterial.

#### **1.4 Incoming resources**

All incoming resources are recognised when the academy trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

#### **Grants receivable**

Grants are included in the statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund.

Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

#### **Sponsorship income**

Sponsorship income provided to the academy trust 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 the value of the donation is measurable.

#### **Donations**

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

#### **Other income**

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

# WELLINGTON COLLEGE ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

### 1 Accounting policies

(Continued)

#### Donated services and gifts in kind

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

#### 1.5 Resources expended

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

#### Costs of generating funds

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

#### Charitable activities

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

#### Governance costs

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

All resources expended are inclusive of irrecoverable VAT.

#### 1.6 Tangible fixed assets and depreciation

Assets costing £ 500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy trust's depreciation policy.

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

Long leasehold buildings	50 years
Improvements to leasehold buildings	10 years
Computer equipment	3 years
Fixtures, fittings & equipment	10 years

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

# WELLINGTON COLLEGE ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2014**

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### **1 Accounting policies**

**(Continued)**

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.

#### **1.7 Leasing and hire purchase commitments**

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

#### **1.8 Stock**

Stock is valued at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less further costs to completion and disposal. Provision is made for obsolete and slow moving stock.

#### **1.9 Taxation**

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by chapter 3 part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

#### **1.10 Pensions benefits**

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes and the assets are held separately from those of the academy trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 19, the TPS is a multi-employer scheme and the academy trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions are recognised as they are paid each year.

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

# WELLINGTON COLLEGE ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

### 1 Accounting policies

(Continued)

#### 1.11 Fund accounting

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

Restricted fixed asset funds 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 Education Funding Agency and Department for Education.

### 2 Voluntary income

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2014 £	Total 2013 £
Other donations	76,542	-	-	76,542	55,764
Endowments	-	-	27,113	27,113	24,946
	<u>76,542</u>	<u>-</u>	<u>27,113</u>	<u>103,655</u>	<u>80,710</u>

### 3 Activities for generating funds

	Unrestricted funds £	Restricted funds £	Total 2014 £	Total 2013 £
Catering income	-	196,732	196,732	164,886
Music tuition	-	7,795	7,795	9,658
Other income	-	182,355	182,355	123,278
	<u>-</u>	<u>386,882</u>	<u>386,882</u>	<u>297,822</u>

### 4 Investment income

	Unrestricted funds £	Restricted funds £	Total 2014 £	Total 2013 £
Other investment income	<u>1,005</u>	<u>-</u>	<u>1,005</u>	<u>789</u>

# WELLINGTON COLLEGE ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

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

	Unrestricted funds £	Restricted funds £	Total 2014 £	Total 2013 £
<b>DfE / EFA grants</b>				
General annual grant (GAG)	-	6,483,971	6,483,971	5,743,230
Start up grants	-	98,307	98,307	164,556
Capital grants	-	55,893	55,893	15,230
Other DfE / EFA grants	-	295,566	295,566	266,718
	-	6,933,737	6,933,737	6,189,734
<b>Other government grants</b>				
Other grants	-	273,299	273,299	149,423
<b>Total funding</b>	-	7,207,036	7,207,036	6,339,157

### 6 Resources expended

	Staff costs £	Premises & equipment £	Other costs £	Total 2014 £	Total 2013 £
<b>Academy's educational operations</b>					
- Direct costs	4,506,110	963,538	990,580	6,460,228	5,668,262
- Allocated support costs	1,438,422	142,713	784,981	2,366,116	2,068,497
	5,944,532	1,106,251	1,775,561	8,826,344	7,736,759
<b>Boarding activities</b>					
- Direct costs	3,475	-	34,807	38,282	51,403
- Allocated support costs	315,545	33,076	326,947	675,568	586,708
	319,020	33,076	361,754	713,850	638,111
<b>Other expenditure</b>					
Governance costs	-	-	99,376	99,376	48,242
<b>Total expenditure</b>	6,263,552	1,139,327	2,236,691	9,639,570	8,423,112

# WELLINGTON COLLEGE ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

6 Resources expended	(Continued)	
Incoming/outgoing resources for the year include:	2014	2013
	£	£
Operating leases		
- Plant and machinery	-	144,581
- Other	40,087	42,719
Loss/(profit) on disposal of fixed assets	(3,284)	(18,362)
Fees payable to auditor		
- Audit	5,535	5,150
- Other services	5,272	8,922
- RO services	675	3,276

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

	2014
	£
Ex-gratia and compensation payments - total	60,000
- Items over £5,000: Non-contractual severance payment	30,000
Non-contractual severance payment	30,000

# WELLINGTON COLLEGE ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

### 7 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2014 £	Total 2013 £
<b>Direct costs</b>				
Teaching and educational support staff costs	-	4,484,650	4,484,650	3,750,689
Depreciation	-	963,538	963,538	1,205,415
Technology costs	-	173,388	173,388	80,040
Educational supplies and services	-	447,540	447,540	377,190
Examination fees	-	129,264	129,264	113,391
Staff development	-	24,935	24,935	27,458
Educational consultancy	-	133,934	133,934	50,971
Other direct costs	-	141,261	141,261	114,511
	-	6,498,510	6,498,510	5,719,665
Boarding activities costs included above	-	(38,282)	(38,282)	(51,403)
Costs excluding Boarding activities	-	6,460,228	6,460,228	5,668,262
<b>Allocated support costs</b>				
Support staff costs	-	1,753,967	1,753,967	1,474,118
Technology costs	-	31,406	31,406	26,935
Recruitment and support	-	77,489	77,489	40,389
Maintenance of premises and equipment	-	175,789	175,789	166,628
Cleaning	-	18,371	18,371	29,969
Energy costs	-	203,551	203,551	200,115
Rent and rates	-	139,427	139,427	134,264
Insurance	-	60,202	60,202	83,399
Security and transport	-	86,231	86,231	60,623
Catering	-	462,073	462,073	370,244
Interest and finance costs	-	(16,000)	(16,000)	(5,000)
Other support costs	-	49,178	49,178	73,521
	-	3,041,684	3,041,684	2,655,205
Boarding activities costs included above	-	(675,568)	(675,568)	(586,708)
Costs excluding Boarding activities	-	2,366,116	2,366,116	2,068,497
<b>Total costs</b>	-	9,540,194	9,540,194	8,374,870
Boarding activities costs included above	-	(713,850)	(713,850)	(638,111)
Costs excluding Boarding activities	-	8,826,344	8,826,344	7,736,759

# WELLINGTON COLLEGE ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

### 8 Governance costs

	Unrestricted funds £	Restricted funds £	Total 2014 £	Total 2013 £
Legal and professional fees	-	90,444	90,444	39,816
Auditor's remuneration				
- Audit of financial statements	-	5,535	5,535	5,150
- Other audit costs	-	3,397	3,397	3,276
	-	99,376	99,376	48,242

### 9 Staff costs

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

	2014 Number	2013 Number
Teachers	77	72
Administration and support	69	67
Management	10	8
	156	147

#### Costs included within the accounts:

	2014 £	2013 £
Wages and salaries	4,862,810	4,299,851
Social security costs	358,955	327,699
Other pension costs	653,472	536,334
	5,875,237	5,163,884
Supply teacher costs	165,036	52,481
Staff restructuring costs	198,344	8,442
Total staff costs	6,238,617	5,224,807

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

	2014 Number	2013 Number
£60,001 - £70,000	3	-
£70,001 - £80,000	1	1
£90,001 - £100,000	1	-
£120,001 - £130,000	-	1



# WELLINGTON COLLEGE ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

### 9 Staff costs

(Continued)

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

		2014	2013
Teachers' Pension Scheme	Numbers	4	1
	£	40,518	17,818
Local Government Pension Scheme	Numbers	1	1
	£	10,239	9,825

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £60,000] (2013: £nil). 2 of the non-statutory/non-contractual payments exceeded £5,000 individually, and these were for £30,000 and £30,000.

### 10 Trustees' remuneration and expenses

The and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of and staff, and not in respect of their services as trustees. Other trustees did not receive any payments, other than expenses, from the academy trust in respect of their role as trustees. During the year, travel and subsistence payments totalling £2,600 (2013: £2,622) were reimbursed to two trustees (2013: one trustees).

The value of trustees' remuneration was as follows:

Mike Milner (Principal) ) £95,000 - £100,000 (2013: £nil - £nil)  
Andrew Schofield (Former Principal) £nil- £nil (2013: £125,000 - £130,000)  
Suzanne Clare (Staff governor) £45,000 - £50,000 (2013: £45,000 - £50,000)

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

#### Trustees' and officers' insurance

In accordance with normal commercial practice, the academy trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2014 was £1,002 (2013: £911).

# WELLINGTON COLLEGE ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

### 11 Tangible fixed assets

	Long leasehold buildings	Improvements to leasehold buildings	Computer equipment	Fixtures, fittings & equipment	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 September 2013	30,313,445	87,452	2,083,185	324,551	32,808,633
Additions	3,345	3,630	69,054	48,808	124,837
Disposals	-	-	(89,355)	-	(89,355)
At 31 August 2014	30,316,790	91,082	2,062,884	373,359	32,844,115
<b>Depreciation</b>					
At 1 September 2013	1,543,033	20,105	1,759,572	125,196	3,447,906
On disposals	-	-	(89,355)	-	(89,355)
Charge for the year	621,483	18,895	280,434	46,010	966,822
At 31 August 2014	2,164,516	39,000	1,950,651	171,206	4,325,373
<b>Net book value</b>					
At 31 August 2014	28,152,274	52,082	112,233	202,153	28,518,742
At 31 August 2013	28,770,412	67,347	323,613	199,355	29,360,727

#### Finance leases and hire purchase contracts

Included within Long Term Leasehold is recognition of the value of the land and buildings leased from Wiltshire County Council. The site is being leased over 125 years at a peppercorn rent of £100 per annum. The site is being depreciated straight line over a period of 50 years.

### 12 Fixed asset investments

	Investments in Cazenove	Cash	Investment in subsidiary	Total
	£	£	£	£
<b>Market value</b>				
At 1 September 2013	1,101,589	61,157	1	1,162,747
Disposals at opening book value	(278,279)	(357,405)	-	(635,684)
Acquisitions at cost	-	278,278	-	278,278
Change in value in the year	79,864	21,243	-	101,107
At 31 August 2014	903,174	3,273	1	906,448
<b>Historical cost:</b>				
At 31 August 2014	2,000,000	-	1	2,000,001
At 31 August 2013	2,000,000	-	1	2,000,001

# WELLINGTON COLLEGE ACADEMY TRUST

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

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### 12 Fixed asset investments

(Continued)

13 Stocks	2014 £	2013 £
School uniform	27,634	16,453
Catering stock	4,809	5,132
	<u>32,443</u>	<u>21,585</u>
14 Debtors	2014 £	2013 £
Trade debtors	194,528	154,551
VAT recoverable	65,029	43,207
Other debtors	125,167	31,457
Prepayments and accrued income	139,122	121,988
	<u>523,846</u>	<u>351,203</u>
15 Creditors: amounts falling due within one year	2014 £	2013 £
Trade creditors	210,049	342,318
Other creditors	173,943	141,134
Accruals	368,967	322,000
Deferred income	538,010	452,630
	<u>1,290,969</u>	<u>1,258,082</u>

# WELLINGTON COLLEGE ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2014**

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<b>16</b>	<b>Deferred income</b>	<b>2014</b>	<b>2013</b>
		<b>£</b>	<b>£</b>
	Deferred income is included within:		
	Creditors due within one year	538,010	452,630
		<u>          </u>	<u>          </u>
	Total deferred income at 1 September 2013	452,630	402,193
	Amounts credited to the statement of financial activities	(538,010)	(402,193)
	Amounts deferred in the year	452,630	452,630
		<u>          </u>	<u>          </u>
	<b>Total deferred income at 31 August 2014</b>	<b>367,250</b>	<b>452,630</b>
		<u>          </u>	<u>          </u>

At the balance sheet date the academy trust was holding funds received in advance for the following:

Boarding	£258,176
MOD Cluster bid	£54,045
YPSS	£42,125
Rates	£41,580
Primary start-up grant	£41,411
Devolved formula capital	£12,630
Other	£88,043

# WELLINGTON COLLEGE ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

### 17 Funds

	Balance at 1 September 2013	Incoming resources	Resources expended	Gains, losses and transfers	Balance at 31 August 2014
	£	£	£	£	£
<b>Restricted general funds</b>					
General Annual Grant	(330,107)	6,483,971	(6,818,128)	368,501	(295,763)
Start up grants	-	98,307	(98,307)	-	-
Other DfE / EFA grants	-	295,566	(295,566)	-	-
Other government grants	-	273,299	(273,299)	-	-
Boarding activities	89,449	802,042	(713,850)	-	177,641
Other restricted funds	-	386,882	(386,882)	-	-
	<u>(240,658)</u>	<u>8,340,067</u>	<u>(8,586,032)</u>	<u>368,501</u>	<u>(118,122)</u>
Funds excluding pensions	(240,658)	8,340,067	(8,586,032)	368,501	(118,122)
Pension reserve	(73,000)	-	(90,000)	(276,000)	(439,000)
	<u>(313,658)</u>	<u>8,340,067</u>	<u>(8,676,032)</u>	<u>92,501</u>	<u>(557,122)</u>
<b>Restricted fixed asset funds</b>					
DfE / EFA capital grants	29,360,727	55,893	(963,538)	65,660	28,518,742
	<u>29,360,727</u>	<u>55,893</u>	<u>(963,538)</u>	<u>65,660</u>	<u>28,518,742</u>
Restricted endowment fund	1,162,748	27,113	-	(283,413)	906,448
	<u>1,162,748</u>	<u>27,113</u>	<u>-</u>	<u>(283,413)</u>	<u>906,448</u>
<b>Total restricted funds</b>	<u>30,209,817</u>	<u>8,423,073</u>	<u>(9,639,570)</u>	<u>(125,252)</u>	<u>28,868,068</u>
<b>Unrestricted funds</b>					
General funds	56,553	77,547	-	(77,547)	56,553
	<u>56,553</u>	<u>77,547</u>	<u>-</u>	<u>(77,547)</u>	<u>56,553</u>
<b>Total funds</b>	<u>30,266,370</u>	<u>8,500,620</u>	<u>(9,639,570)</u>	<u>(202,799)</u>	<u>28,924,621</u>

# WELLINGTON COLLEGE ACADEMY TRUST

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

### 17 Funds

(Continued)

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

The DfE grants must be used to meet the costs of running Wellington College Academy. Any unexpended balance of these grants beyond the stipulated thresholds must be surrendered to the DfE at 31 August 2014.

Permission was sought to use the endowment funds to cover funding shortfalls in 2011, 2012, 2013 and 2014 to match a clawback of a DfE grant and to construct a new professional catering block.

The fixed asset fund was created based on the build value of the new school buildings. Additional assets are added to the fund as they are required and they will be written down by depreciation each year.

The restricted general funds are made up of the General Annual Grant received, to be spent on education within the Academy, and other related DfE or LA grants.

Unrestricted funds are general donations and fund raising activities of the Academy and are used to support the provision of education within the Academy.

Under the funding agreement with the secretary of state the Academy is subject to restrictions on the amount of GAG that can be carried forward, as a deficit on the GAG funding is shown this has not been breached.

### 18 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Fixed asset funds £	Endowment funds £	Total funds £
<b>Fund balances at 31 August 2014 are represented by:</b>					
Tangible fixed assets	-	-	28,518,742	-	28,518,742
Fixed asset investments	-	-	-	906,448	906,448
Current assets	56,553	1,172,847	-	-	1,229,400
Creditors: amounts falling due within one year	-	(1,290,969)	-	-	(1,290,969)
Defined benefit pension liability	-	(439,000)	-	-	(439,000)
	<u>56,553</u>	<u>(557,122)</u>	<u>28,518,742</u>	<u>906,448</u>	<u>28,924,621</u>

### 19 Pensions and similar obligations

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Wiltshire 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 2014 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.

# WELLINGTON COLLEGE ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2014

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#### 19 Pensions and similar obligations

(Continued)

##### Teachers' Pension Scheme

###### Introduction

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

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis - these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

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

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

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% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%);
- total scheme liabilities for service to the effective date of £191,500 million, and notional assets of £176,600 million, giving a notional past service deficit of £14,900 million; and
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations.

The new employer contribution rate is applicable from 1 April 2015 and will be implemented for the TPS from September 2015. A copy of the valuation report and supporting information is on the Teachers' Pensions website.

###### Teachers' Pension Scheme changes

Lord Hutton made recommendations in 2011 about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation with trade unions and other representative bodies. In March 2012 the Department for Education published proposals for the design for a reformed TPS.

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

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

# WELLINGTON COLLEGE ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2014

#### 19 Pensions and similar obligations

(Continued)

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

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

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The academy trust is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the academy trust has taken advantage of the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy trust has set out above the information available on the scheme.

#### Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are per cent for employers and per cent for employees. The estimated value of employer contributions for the forthcoming year is £190000.

The Academy has agreed to pay the default contribution rates using contribution relief, these future rates are as follows:

Period	Employer Contribution Rate
2014/15	14.10%
2015/16	15.10%
2016/17	16.10%

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

	2014 £	2013 £
Employer's contributions	160,000	126,000
Employees' contributions	73,000	59,000
Total contributions	233,000	185,000



# WELLINGTON COLLEGE ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

### 19 Pensions and similar obligations

(Continued)

#### Principal actuarial assumptions

	2014 %	2013 %
Rate of increase in salaries	4.5	5.1
Rate of increase for pensions in payment	2.7	2.8
Discount rate for scheme liabilities	3.7	4.6
Commutation to lump sums	50%	50%

#### Sensitivity Analysis

Change in assumptions at 31st August 2014

	Approximate % increase in employer liability	Approximate monetary amount (£000)
0.5% decrease in Real Discount Rate	13%	317
1 year increase in member life expectancy	3%	75
0.5% increase in the Salary Increase Rate	5%	128
0.5% increase in the Pension Increase Rate	7%	181

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

	2014 Years	2013 Years
Retiring today		
- Males	22.3	21.3
- Females	24.5	23.6
Retiring in 20 years		
- Males	24.1	23.3
- Females	26.9	25.5

# WELLINGTON COLLEGE ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

### 19 Pensions and similar obligations

(Continued)

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

	2014 Expected return %	2014 Fair value £	2013 Expected return %	2013 Fair value £
Equities	6.3	1,464,000	6.6	1,141,000
Bonds	3.4	350,000	4.1	238,000
cash	3.3	41,000	3.6	48,000
Property	4.5	206,000	4.7	159,000
Total market value of assets		2,061,000		1,586,000
Present value of scheme liabilities - funded		(2,500,000)		(1,659,000)
Net pension asset / (liability)		(439,000)		(73,000)

The expected return on assets is based on the long term future expected investment return for each asset class as at the beginning of the period (i.e. As at 1 September 2013 for the year to 31 August 2014). The return on gilts and other bonds are assumed to be the gilt yield and corporate bond yield (with an adjustment to reflect the default risk) respectively at the relevant date. The returns on equities and property are then assumed to be a margin above gilt yields.

The actual return on scheme assets was £267,000 (2013: £164,000).

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

	2014 £	2013 £
<b>Financial expenditure/(income)</b>		
Expected return on pension scheme assets	(100,000)	(64,000)
Interest on pension liabilities	84,000	59,000
	(16,000)	(5,000)
<b>Other expenditure/(income)</b>		
Current service cost	106,000	5,000
Past service cost	-	-
	106,000	5,000
<b>Total operating charge/(income)</b>	90,000	-

# WELLINGTON COLLEGE ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

### 19 Pensions and similar obligations

(Continued)

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

	2014 £	2013 £
Actuarial (gains)/losses on assets: actual return less expected	276,000	(64,000)
Experience (gains)/losses on liabilities	-	-
(Gains)/losses arising from changes in assumptions	-	-
Total (gains)/losses	<u>276,000</u>	<u>(64,000)</u>
Cumulative (gains)/losses to date	<u>212,000</u>	<u>(64,000)</u>

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

	2014 £	2013 £
Opening defined benefit obligations	(1,659,000)	(1,305,000)
Current service cost	(266,000)	(196,000)
Interest cost	(84,000)	(59,000)
Contributions by employees	(73,000)	(59,000)
Actuarial gains/(losses)	(421,000)	(41,000)
Benefits paid	3,000	1,000
	<u>(2,500,000)</u>	<u>(1,659,000)</u>

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

	2014 £	2013 £
Opening fair value of scheme assets	1,586,000	1,233,000
Expected return on assets	100,000	64,000
Actuarial gains/(losses)	145,000	105,000
Contributions by employers	160,000	126,000
Contributions by employees	73,000	59,000
Benefits paid	(3,000)	(1,000)
	<u>2,061,000</u>	<u>1,586,000</u>

# WELLINGTON COLLEGE ACADEMY TRUST

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

### 19 Pensions and similar obligations

(Continued)

#### History of experience gains and losses:

	2014 £	2013 £
Present value of defined benefit obligations	(2,500,000)	(1,659,000)
Fair value of share of scheme assets	2,061,000	1,586,000
Surplus / (deficit)	<u>(439,000)</u>	<u>(73,000)</u>
Experience adjustment on scheme liabilities	(421,000)	(41,000)
Experience adjustment on scheme assets	<u>145,000</u>	<u>105,000</u>

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

	2014 £	2013 £
Net income	(1,138,950)	(985,673)
Capital grants and similar income	(55,893)	(15,230)
Net endowment income	(27,113)	(24,946)
Investment income	(1,005)	(789)
FRS17 pension costs less contributions payable	106,000	70,000
FRS17 pension finance income	(16,000)	(5,000)
Depreciation of tangible fixed assets	966,822	1,223,777
Losses/(profits) on disposals of fixed assets	(3,284)	(18,362)
(Increase)/decrease in stocks	(10,858)	11,442
(Increase)/decrease in debtors	(172,643)	(71,286)
Increase/(decrease) in creditors	32,887	148,977
Net cash inflow/(outflow) from operating activities	<u>(320,037)</u>	<u>332,910</u>

### 21 Reconciliation of net cash flow to movement in net funds

	2014 £	2013 £
Increase/(decrease) in cash	(28,078)	413,090
Net funds at 1 September 2013	701,189	349,256
Net funds at 31 August 2014	<u>673,111</u>	<u>762,346</u>

# WELLINGTON COLLEGE ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2014**

### 22 Analysis of net funds

	At 1 September 2013	Cash flows	Non-cash changes	At 31 August 2014
	£	£	£	£
Cash at bank and in hand	701,189	(28,078)	-	673,111
	<u>701,189</u>	<u>(28,078)</u>	<u>-</u>	<u>673,111</u>

### 23 Commitments under operating leases

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

	Land and buildings		Other	
	2014	2013	2014	2013
	£	£	£	£
Expiry date:				
- Within one year	17,040	8,333	223	-
- Between two and five years	-	43,855	131,805	394,907
	<u>17,040</u>	<u>52,188</u>	<u>132,028</u>	<u>394,907</u>

# WELLINGTON COLLEGE ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2014

24	Boarding activities trading account	2014		2013	
		£	£	£	£
	<b>Direct income</b>				
	Fee income		747,036		710,947
	Government grants		29,505		-
	Other income		25,501		8,014
			<u>802,042</u>		<u>718,961</u>
	<b>Direct costs</b>				
	Direct staff costs	3,475		-	
	Technology costs	2,150		389	
	Educational supplies and services	12,904		26,600	
	Staff development	-		1,865	
	Bad debt write offs	(1,283)		1,725	
	Other direct costs	21,036		20,824	
		<u>38,282</u>		<u>51,403</u>	
	<b>Other costs</b>				
	Support staff costs	315,545		259,115	
	Technology costs	4,801		4,223	
	Recruitment and support	-		1,339	
	Maintenance of premises and equipment	33,076		44,967	
	Cleaning	7,750		15,626	
	Energy costs	41,646		43,783	
	Rent and rates	16,724		11,470	
	Insurance	2,953		2,233	
	Security and transport	36,556		29,750	
	Catering	213,800		166,980	
	Other support costs	2,717		7,222	
		<u>675,568</u>		<u>586,708</u>	
	Total expenditure		<u>(713,850)</u>		<u>(638,111)</u>
	<b>Surplus/(Deficit) from all sources</b>		<u>88,192</u>		<u>80,850</u>
	Boarding activities balances at 1 September 2013		<u>89,449</u>		<u>8,599</u>
	<b>Boarding activities balances at 31 August 2014</b>		<u>177,641</u>		<u>89,449</u>

# **WELLINGTON COLLEGE ACADEMY TRUST**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

***FOR THE YEAR ENDED 31 AUGUST 2014***

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### **25 Related parties**

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

The Academy paid £11,502 to Momentum, a charity run by former Wellingtonians, to which one of the governors has a direct family link.

The Academy had transactions with the sponsor, Wellington College, relating to £14,555 in sales and £31,352 in purchases.

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