

**WELLINGTON COLLEGE ACADEMY TRUST**

**(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT AND AUDITED ACCOUNTS**

**FOR THE YEAR ENDED 31 AUGUST 2015**

TUESDAY



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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 T Bunting (WCAT Board Chairman)  
Mr D Cowley (Trustee)  
Sir A Salz  
Sir Dr A Seldon (Resigned 31 August 2015)  
Mr S Crouch  
Dr M Milner (Principal)  
Mr N C Lunnnon (Appointed 1 October 2014)  
Mr J Thomas (Appointed 1 September 2015)

### Members

Sir M Rake  
Mr T Bunting  
Wellington College

### Senior management team

- Executive Principal
- Senior Vice Principal (TWA)
- Vice Principal (Inclusion)
- Vice Principal (Systems)
- Head Teacher (WPA)
- Finance Director
- Finance Director
- Head of Governance

Dr M Milner  
Mr A Phillip  
Mr B Bond  
Mr K Still  
Ms J Andrews  
Ms S Richardson (resigned 8 April 15)  
Mrs S Weeks (appointed 8 April 15)  
Mr M Kelly

### Company secretary

Mr M Kelly

### Company registration number

06457394 (England and Wales)

### Registered office

Ludgershall  
Andover  
Hampshire  
SP11 9RR

### Academies operated

The Wellington Academy  
Wellington Primary Academy

### Location

Ludgershall  
Tidworth

Dr. Mike Milner  
Mrs Jo Andrews

### 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 2015**

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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 2014 to 31 August 2015. 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 with a capacity of 420. The secondary academy has a pupil capacity of 1250 and had a roll of 1023 in the school census of May 2015.

#### **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).

##### 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
- The Executive Principal
- The Master of Wellington College
- Up to 3 Academy Trustees
- 2 Parent Trustees (unless serving on the Local Governing Bodies)

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

Except for the Master of Wellington College, Academy directors and the Executive Principal, 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.

# **WELLINGTON COLLEGE ACADEMY TRUST**

## **TRUSTEES' REPORT (CONTINUED)**

### **FOR THE YEAR ENDED 31 AUGUST 2015**

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#### 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 Multi Academy Trust is managed according to a structure at 5 primary levels:

- The Board of Trustees responsible for setting the strategic direction and vision for the Trust, adopting the annual plan and budget, monitoring the Trust's academies by the use of budgets and making major decisions about the direction of the Trust, capital expenditure and senior staff appointments.
- An Audit and Risk Committee responsible for monitoring and assessing internal controls, overseeing and reviewing audits, and ensuring risk is identified, managed and scrutinised. It reports its finding and recommendations to the Trust Board
- An Executive Management Team, led by the Executive Principal, is responsible for implementing the policy of the Trustees at a Trust level, ensuring Trust wide development in accordance with the strategic direction and vision and effective use of the Trust's financial assets and resources.
- A Local Governing Body for each academy, responsible to the Board for monitoring the performance of the academy, holding the executive staff to account for the educational performance of the school, the management of staff, progress of the academy's development plan and compliance with statutory and regulatory requirements.
- A Senior Leadership Team controlling each Academy at an executive level, implementing strategy and policies laid down by Trustees and the Local Governing Body and reporting 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 Audit and Risk Committee and the highest level requires full Governing Body approval).

#### Related parties and other connected charities and organisations

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.

#### **Objectives and activities**

##### Objects and aims

The principal object and activity of the charitable company is summarised as: to advance public benefit education in the United Kingdom by establishing, maintaining, carrying on and developing schools offering a broad and balanced curriculum.

# **WELLINGTON COLLEGE ACADEMY TRUST**

## **TRUSTEES' REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 AUGUST 2015***

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### Objectives, strategies and activities

The vision and strategy of both Wellington College (The Sponsor) and the Trust are:

- Provision of outstanding all-round education in the state sector, evidenced by but not limited to Ofsted criteria.
- Raising aspiration of all children and, by extension, adults in the area surrounding the sponsored academies.
- Providing clear pathways of support for all students' progression through its academies and onwards, leaving them successfully equipped for a broad range of further educational, training or employment opportunities.
- Strengthening the local community as a result of its successful academy operations.

The Trusts principal activity is the operation of The Wellington Academy (secondary academy with sixth form and boarding house) in Ludgershall, and Wellington Primary Academy in Tidworth.

### 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 2015***

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### **Strategic report**

#### **Achievements and performance**

The Wellington College Academy opened in 2009 with 550 students, inheriting Wiltshire's lowest performing comprehensive school, Castledown. It opened a 6th form in 2009. The academy moved into new premises in 2011. A boarding facility was opened in September 2011: marketing for the boarding house is well structured and focused on key areas such as military families.

In September 2014 the Trust became a multi academy Trust and opened Wellington Primary Academy in Tidworth which 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 was opened in 2015. In September 2015 a new classroom block funded by Wiltshire Council was opened at Wellington College Academy increasing the capacity of the secondary academy by 300 students.

At The Wellington Academy in 2015, 50% of students gained 5 A\*-C GCSE grades including English and Maths, 58% gained 5 + A\*-C GCSE grades, and a Progress 8 Score of 0.8 was achieved (new measure for this year). 46 (2014 – 44) students from Yr. 13 took up their first choice places at university after receiving their A-Level results in August. 11(2014- 6) students entered Russell Group Universities. Exclusions, which were very high in the predecessor school continue to be very low.

The Ludgershall 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.

# WELLINGTON COLLEGE ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2015**

### 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.

The following KPIs have been used by the Trustees to measure performance during the year:

Key Performance Indicators	Target	Actual
<b>Student Numbers on Roll</b>		
<ul style="list-style-type: none"><li>The Wellington Academy</li></ul>	1000 students at October 2015	969 students at October 2015
<ul style="list-style-type: none"><li>Wellington Primary Academy (Opened September 2014)</li></ul>	120 students at July 2015	113 Students at July 2015
<b>GCSE Results at The Wellington Academy 5 x A* - C grades</b>	50%	50%
<b>A level Results at The Wellington Academy</b>		
<ul style="list-style-type: none"><li>A* - B</li></ul>	25%	47%
<ul style="list-style-type: none"><li>A* - E</li></ul>	100%	98%
<b>Staff Costs to revenue income ratio</b>		
<ul style="list-style-type: none"><li>The Wellington Academy</li></ul>	82.58%	81.19%
<ul style="list-style-type: none"><li>Wellington Primary Academy (Opened September 2014)</li></ul>	73.1%	74.8%
<b>Staff Costs per Student</b>		
<ul style="list-style-type: none"><li>The Wellington Academy</li></ul>	£5,566	£5,547
<ul style="list-style-type: none"><li>Wellington Primary Academy (Opened September 2014)</li></ul>	£4,848	£4,557

### 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 2015

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#### Financial review

During the period Wellington College Academy Trust received income of £6,727,310 (2014: £6,483,971) from EFA in respect of the general annual grant and specific grants.

In addition £1,068 (2014: £1,005) was received in respect of bank interest, and investment income of £22,671 (2014: £27,113) was received in relation to the endowment fund.

Total income received totalled £14,406,713 (2014: £8,500,620) – current year includes the addition of Wellington Primary Academy and the new classroom block at the Ludgershall campus as assets.

Expenditure amounted to £9,885,826 (2014: £9,639,570) in respect of operating Wellington College Academy Trust. The main expenditure of the year for the Academy is staff costs which amounted to £6,685,306 (2014: £6,238,617). Other main expenditure included £449,874 for educational supplies.

#### Reserves policy

The Trustees review the reserve levels of the Trust 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 Trust'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 Trust's share of the Local Government Pension Scheme, this would generally result in a cash flow effect for the Trust 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 2015**

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

The Wellington College 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 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**

Immediate plans are focussed on continuing to raise the standards of educational achievement from the standards set in the summer of 2015 and to achieve successful outcomes from forthcoming inspections.

Longer term plans for the Trust are focussed on ensuring growth 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 improve further the education on offer across the Tidworth Area Partnership by working more closely with our partner Primary, Junior and Infant schools.
3. 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.

# WELLINGTON COLLEGE ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2015**

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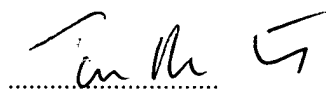
### **Auditor**

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 8 December 2015 and signed on its behalf by:



Mr T Bunting  
**WCAT Board Chairman**

# WELLINGTON COLLEGE ACADEMY TRUST

## GOVERNANCE STATEMENT

**FOR THE YEAR ENDED 31 AUGUST 2015**

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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 and the audit and risk committee was as follows:

Trustees	Meetings attended	Out of possible
Mr T Bunting (WCAT Board Chairman)	5	5
Mr D Cowley (Trustee)	7	8
Sir A Salz	4	5
Sir Dr A Seldon (Resigned 31 August 2015)	5	5
Mr S Crouch	7	8
Dr M Milner (Principal)	8	8
Mr N C Lunnon (Appointed 1 October 2014)	3	4
Mr J Thomas (Appointed 1 September 2015)	0	0

On commencing to operate as a Multi Academy Trust, the Trust established a Local Governing Body for each academy, additionally a trust Audit and Risk Committee was constituted.

The Trust had carried out an external review of governance by a National Leader of Governance in 2013/14 who was retained during the first year of the trust to carry out ongoing advice to the Trust Board and the LGBs on their operation. This culminated in a self-assessment review in 2015 conducted by the NLG concentrating on the Secondary Academy. This indicated a greatly improved standard of Governance as was evidenced by a re-visit by an HMI in January 2015. The outcomes from this work are continuing to have an impact on standards of Governance and the work has been strengthened by the recruitment of a permanent Head of Governance. The Trust has agreed to a further self-evaluation all governance at the end of 2015/16 and to consider the development programme following the outcomes of that.

### Review of value for money

I accept that as Accounting Officer of The Wellington Academy Trust I am responsible and accountable for ensuring the Academy Trust delivers good value in the use of public resources. I am aware of the guide to academy value for money refers to the educational and wider social outcomes achieved in return for the taxpayers resources received.

I set out below how I have ensured that the Academy Trust's use of its resources has provided good value for money during the academic year.

# **WELLINGTON COLLEGE ACADEMY TRUST**

## **GOVERNANCE STATEMENT**

**FOR THE YEAR ENDED 31 AUGUST 2015**

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**The Academy Trust is committed to:-**

### **1. Raising student attainment**

Outcomes for students were significantly improved in the 2014-15 academic year. We met our target of 50% 5A\*-C (including English and maths), which is significantly above previous years. The Academy and its predecessor school have never been above 40% using current criteria for recognition of qualifications. In addition, progress in maths and English were improved with 76% and 69% of students making three levels of progress (versus 53 and 49% in 2013-14).

Attainment of Free School Meals students was good, with only a 12% gap when compared to the school figure of 50% 5 A\*-C (including English and maths). This attainment gap is now one of the best in the county.

For Key Stage 5, the proportion of students making and exceeding expected progress at the end of Year 13 again compare favourably with national figures. Attainment was excellent for A Levels with the percentage of A\*-A grades going up from 11% to 26%, and A\*-B grades jumping from 27% last year to 44%. Our students achieved, on average, the equivalent of BCC

Significant investment was made during the 2014-15 year to maintain small class sizes to more rapidly improve academic performance throughout the Academy. In addition, new appointments to the Senior Leadership team have further helped strengthen performance management and systems around teaching and learning.

### **2. Robust governance and oversight of Academy Trust Finances**

The Academy continues to benefit from the services of Moore Stephens who report termly to the Responsible Office on key financial policies, systems and procedures including the use of tenders and presents reports on compliance to the Finance, Premises and Personnel Committee.

The Academy receives support throughout the year from its External Auditors on compliance and accounting practices.

The Trust's Audit and Risk Committee receive termly monitoring reports and report detailing compliance with the Scheme of Delegation. The Trustees approve the budget each year and is mindful of the need to balance expenditure against income to ensure the Academy Trust remains a 'going concern'. The Trust also receive and approve the Annual Accounts and the External Auditors Management Report.

### **3. Ensuring the operation of the Trust demonstrates good value for money and efficient and effective use of resources.**

The Academy regularly benchmarks financial performance against other academy trusts to demonstrate that the Trust provides good value for money.

Tender exercises are regularly undertaken to ensure that high value contracts are assessed against the marketplace on a regular basis to ensure that long term contracts (3-5 years) remain competitive.

For purchases above £5,000 but below the tender limit, 3 quotes are required.

### **4. Maximising income generation**

The Academy explores every opportunity to generate income through hire of Academy facilities. Income is also generated from small grant applications which help to support the wider curriculum.

### **5. Reviewing controls and managing risks**

The Academy review expenditure within each budget heading annually and make adjustments based on the effectiveness of strategies introduced in previous years, curriculum offer and any new strategies identified in the Academy Development Plan.

The Academy maximises its resources by its environmental policies, these include energy consumption, recycling and reducing waste and procurement.

# **WELLINGTON COLLEGE ACADEMY TRUST**

## **GOVERNANCE STATEMENT (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2015**

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### **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 2014 to 31 August 2015 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 2014 to 31 August 2015 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, Trustee as "Responsible Officer" ("RO"). No material shortcomings have been identified as a result of the internal controls checks.

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.

# WELLINGTON COLLEGE ACADEMY TRUST

## GOVERNANCE STATEMENT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2015**

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### **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 8 December 2015 and signed on its behalf by:



Mr T Bunting  
**WCAT Board Chairman**

# **WELLINGTON COLLEGE ACADEMY TRUST**

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

***FOR THE YEAR ENDED 31 AUGUST 2015***

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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 the Secretary of State for Education. 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 8 December 2015 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 2005;
- 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 8 December 2015 and signed on its behalf by:



Mr T Bunting  
**WCAT Board Chairman**

# **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 2015 set out on pages 19 to 46. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2014 to 2015 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 2015 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2014 to 2015 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: 21<sup>st</sup> December 2015

# **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 2014 to 2015, 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 2014 to 31 August 2015 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to 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 2014, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2014 to 2015. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2014 to 31 August 2015 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

### **Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2014 to 2015 issued by 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 2014 to 31 August 2015 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Moore Stephens (South) LLP

### Reporting Accountant

Moore Stephens (South) LLP

Dated: 26<sup>th</sup> December 2015

# WELLINGTON COLLEGE ACADEMY TRUST

## CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2015

		Unrestricted funds £	Restricted funds £	Fixed Asset funds £	Endowment funds £	Total 2015 £	Total 2014 £
<b>Incoming resources</b>	<b>Notes</b>						
<i>Resources from generated funds</i>							
- Voluntary income	2	5,586	-	5,395,475	22,671	5,423,732	57,493
- Activities for generating funds	3	290,344	468,319	-	-	758,663	514,826
- Investment income	4	1,109	-	-	-	1,109	1,031
<i>Resources from charitable activities</i>							
- Funding for educational operations	5	-	7,696,888	22,764	-	7,719,652	7,207,036
- Funding for Boarding activities	24	-	763,930	-	-	763,930	802,042
<b>Total incoming resources</b>		<u>297,039</u>	<u>8,929,137</u>	<u>5,418,239</u>	<u>22,671</u>	<u>14,667,086</u>	<u>8,628,590</u>
<b>Resources expended</b>							
<i>Costs of generating funds</i>							
<i>Charitable activities</i>							
- Educational operations	7	258,657	8,284,702	843,396	-	9,386,755	8,951,267
- Boarding activities	24	-	726,132	-	-	726,132	713,850
Governance costs	8	1,597	31,713	-	-	33,310	102,423
<b>Total resources expended</b>	6	<u>260,254</u>	<u>9,042,547</u>	<u>843,396</u>	<u>-</u>	<u>10,146,197</u>	<u>9,767,540</u>
<b>Net incoming/(outgoing) resources before</b>		36,785	(113,410)	4,574,843	22,671	4,520,889	(1,138,950)
Gross transfers between funds		-	(6,158)	160,326	(154,168)	-	-
<b>Net income/(expenditure) for the year</b>		36,785	(119,568)	4,735,169	(131,497)	4,520,889	(1,138,950)

# WELLINGTON COLLEGE ACADEMY TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2015

### Other recognised gains and losses

Actuarial gains/(losses)  
on defined benefit  
pension scheme

19

- (17,000)

-

- (17,000)

(276,000)

Gains on endowment  
investments

-

-

-

-

-

73,201

### **Net movement in funds**

36,785

(136,568)

4,735,169

(131,497)

4,503,889

(1,341,749)

Fund balances at 1  
September 2014

57,669

(557,122)

28,518,742

906,448

28,925,737

30,267,484

### **Fund balances at 31 August 2015**

94,454

(693,690)

33,253,911

774,951

33,429,626

28,925,737

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

## CONSOLIDATED BALANCE SHEET

AS AT 31 AUGUST 2015

	Notes	2015 £	2014 £
<b>Fixed assets</b>			
Tangible assets	11	33,255,324	28,518,742
Investments	12	885,757	906,448
		<u>34,141,081</u>	<u>29,425,190</u>
<b>Current assets</b>			
Stocks	13	19,870	34,008
Debtors	14	489,892	490,743
Cash at bank and in hand		710,794	726,489
		<u>1,220,566</u>	<u>1,251,240</u>
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	15	(1,315,011)	(1,311,693)
<b>Net current liabilities</b>		<u>(94,455)</u>	<u>(60,453)</u>
<b>Net assets excluding pension liability</b>		<u>34,046,626</u>	<u>29,364,737</u>
Defined benefit pension liability	19	(617,000)	(439,000)
<b>Net assets</b>		<u>33,429,626</u>	<u>28,925,737</u>
<b>Funds of the academy trust:</b>			
<b>Restricted funds</b>	17		
- Fixed asset funds		33,253,911	28,518,742
- General funds		(76,690)	(118,122)
- Pension reserve		(617,000)	(439,000)
- Endowment funds		774,951	906,448
<b>Total restricted funds</b>		<u>33,335,172</u>	<u>28,868,068</u>
<b>Unrestricted income funds</b>	17	<u>94,454</u>	<u>57,669</u>
<b>Total funds</b>		<u>33,429,626</u>	<u>28,925,737</u>

The accounts were approved by order of the board of trustees and authorised for issue on 8 December 2015

  
 Mr T Bunting  
 WCAT Board Chairman

Company Number 06457394



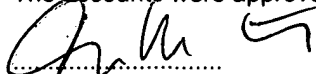
# WELLINGTON COLLEGE ACADEMY TRUST

## BALANCE SHEET

AS AT 31 AUGUST 2015

	Notes	£	2015 £	£	2014 £
<b>Fixed assets</b>					
Tangible assets	11		33,254,029		28,518,742
Investments	12		885,757		906,448
			<u>34,139,786</u>		<u>29,425,190</u>
<b>Current assets</b>					
Stocks	13	19,367		32,443	
Debtors	14	495,616		523,846	
Cash at bank and in hand		662,986		673,111	
		<u>1,177,969</u>		<u>1,229,400</u>	
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	15	(1,272,245)		(1,290,969)	
<b>Net current liabilities</b>			<u>(94,276)</u>		<u>(61,569)</u>
<b>Net assets excluding pension liability</b>			34,045,510		29,363,621
Defined benefit pension liability	19		<u>(617,000)</u>		<u>(439,000)</u>
<b>Net assets</b>			<u>33,428,510</u>		<u>28,924,621</u>
<b>Funds of the academy trust:</b>					
<b>Restricted funds</b>	17				
- Fixed asset funds			33,254,029		28,518,742
- General funds			(76,690)		(118,122)
- Pension reserve			(617,000)		(439,000)
- Endowment funds			774,951		906,448
<b>Total restricted funds</b>			<u>33,335,290</u>		<u>28,868,068</u>
<b>Unrestricted income funds</b>	17		<u>93,220</u>		<u>56,553</u>
<b>Total funds</b>			<u>33,428,510</u>		<u>28,924,621</u>

The accounts were approved by order of the board of trustees and authorised for issue on 8 December 2015



Mr T Bunting  
WCAT Board Chairman

Company Number 06457394

# WELLINGTON COLLEGE ACADEMY TRUST

## CASHFLOW STATEMENT

AS AT 31 AUGUST 2015

	Notes	2015 £	2014 £
Net cash inflow/(outflow) from operating activities	20	101,571	(320,037)
<b>Returns on investments and servicing of finance</b>			
Investment income	1,109	1,005	
<b>Net cash inflow/(outflow) from returns on investments and servicing of finance</b>		1,109	1,005
		102,680	(319,032)
<b>Capital expenditure and financial investments</b>			
Capital grants received	51,153	55,893	
Payments to acquire tangible fixed assets	(273,876)	(124,837)	
Payments to acquire investments	(75,279)	278,278	
Receipts from sales of investments	156,956		
Receipts from sales of tangible fixed assets	-	3,285	
<b>Net cash flow from capital activities</b>		(141,046)	212,619
<b>Net cash inflow/(outflow) before financing</b>		(38,366)	(106,413)
<b>Financing</b>			
Endowment fund income	22,671	27,113	
<b>Net cash inflow/(outflow) from funding</b>		22,671	27,113
<b>Increase/(decrease) in cash</b>	21	(15,695)	(79,300)

# WELLINGTON COLLEGE ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2015

---

### 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 2014 to 2015 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 2015

---

### 1 Accounting policies

#### 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 2015**

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### **1 Accounting policies**

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 2015

### 1 Accounting policies

#### 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 2015 £	Total 2014 £
Donated fixed assets	-	5,395,475	-	5,395,475	-
Other donations	5,586	-	-	5,586	30,380
Endowments	-	-	22,671	22,671	27,113
	<u>5,586</u>	<u>5,395,475</u>	<u>22,671</u>	<u>5,423,732</u>	<u>57,493</u>

### 3 Activities for generating funds

	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
Catering income	-	205,333	205,333	196,732
Music tuition	-	5,025	5,025	7,795
Other income	290,344	257,961	548,305	310,299
	<u>290,344</u>	<u>468,319</u>	<u>758,663</u>	<u>514,826</u>

### 4 Investment income

	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
Other investment income	<u>1,109</u>	<u>-</u>	<u>1,109</u>	<u>1,031</u>

**WELLINGTON COLLEGE ACADEMY TRUST**

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

**FOR THE YEAR ENDED 31 AUGUST 2015**

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

	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
<b>DfE / EFA grants</b>				
General annual grant (GAG)	-	6,727,311	6,727,311	6,483,971
Start up grants	-	35,636	35,636	98,307
Capital grants	-	22,764	22,764	55,893
Other DfE / EFA grants	-	304,374	304,374	325,071
	-	7,090,085	7,090,085	6,963,242
<b>Other government grants</b>				
Other grants	-	629,567	629,567	273,299
<b>Total funding</b>	-	7,719,652	7,719,652	7,236,541

**6 Resources expended**

	Staff costs £	Premises & equipment £	Other costs £	Total 2015 £	Total 2014 £
<b>Academy's educational operations</b>					
- Direct costs	4,779,430	843,396	967,581	6,590,407	6,585,151
- Allocated support costs	1,600,589	133,457	1,062,302	2,796,348	2,366,116
	6,380,019	976,853	2,029,883	9,386,755	8,951,267
<b>Boarding activities</b>					
- Direct costs	3,161	-	34,510	37,671	38,282
- Allocated support costs	338,523	29,528	320,410	688,461	675,568
	341,684	29,528	354,920	726,132	713,850
<b>Other expenditure</b>					
Governance costs	-	-	33,310	33,310	102,423
<b>Total expenditure</b>	6,721,703	1,006,381	2,418,113	10,146,197	9,767,540

**WELLINGTON COLLEGE ACADEMY TRUST**

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

**FOR THE YEAR ENDED 31 AUGUST 2015**

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**6 Resources expended**

<b>Incoming/outgoing resources for the year include:</b>	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Operating leases		
- Plant and machinery	100,326	-
- Other	37,040	40,087
Loss/(profit) on disposal of fixed assets	-	(3,284)
Fees payable to auditor		
- Audit	6,400	5,535
- Other services	6,142	5,272
- RO services	1,645	675

**Central services**

The academy trust has provided the following central services to its academies during the year:

- Human resources;
- Premises management;
- Financial support;
- Educational support;
- Governance support

The academy trust charges for these services based on a pre-agreed service level agreement for a flat monthly fee to cover shared service salaries of premises manager, caretakers, HR, IT, finance, chaplaincy and executive principal.

The amounts charged during the year were as follows:

	<b>Total</b>
	<b>£</b>
The Wellington Academy	604,671
Wellington Primary Academy	81,221
	<u>685,892</u>



# WELLINGTON COLLEGE ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

### 7 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
<b>Direct costs</b>				
Teaching and educational support staff costs	-	4,746,192	4,746,192	4,484,650
Depreciation	-	843,396	843,396	963,952
Technology costs	-	81,638	81,638	173,388
Educational supplies and services	-	449,875	449,875	447,540
Examination fees	-	101,846	101,846	129,264
Staff development	-	36,399	36,399	24,935
Educational consultancy	-	992	992	133,934
Other direct costs	133,830	233,910	367,740	205,211
	133,830	6,494,248	6,628,078	6,562,874
Boarding activities costs included above	-	(37,671)	(37,671)	(38,282)
Costs excluding Boarding activities	133,830	6,456,577	6,590,407	6,524,592
<b>Allocated support costs</b>				
Support staff costs	68,464	1,939,112	2,007,576	1,791,318
Technology costs	19,542	140,581	160,123	49,533
Recruitment and support	-	45,775	45,775	77,489
Maintenance of premises and equipment	6,025	162,985	169,010	179,662
Cleaning	2,324	24,025	26,349	18,371
Energy costs	1,200	241,056	242,256	203,551
Rent and rates	1,000	148,478	149,478	139,427
Insurance	-	63,031	63,031	60,202
Security and transport	-	78,888	78,888	86,231
Catering	-	497,122	497,122	462,073
Interest and finance costs	-	(22,000)	(22,000)	(16,000)
Other support costs	26,272	40,929	67,201	50,386
	124,827	3,359,982	3,484,809	3,102,243
Boarding activities costs included above	-	(688,461)	(688,461)	(675,568)
Costs excluding Boarding activities	124,827	2,671,521	2,796,348	2,426,675
<b>Total costs</b>	258,657	9,854,230	10,112,887	9,665,117
Boarding activities costs included above	-	(726,132)	(726,132)	(713,850)
Costs excluding Boarding activities	258,657	9,128,098	9,386,755	8,951,267

# WELLINGTON COLLEGE ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

### 8 Governance costs

	Unrestricted funds £	Restricted funds £	Total 2015 £	Total 2014 £
Legal and professional fees	312	20,326	20,638	90,444
Auditor's remuneration				
- Audit of financial statements	1,285	6,400	7,685	8,582
- Other audit costs	-	4,987	4,987	3,397
	<u>1,597</u>	<u>31,713</u>	<u>33,310</u>	<u>102,423</u>

### 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:

	2015 Number	2014 Number
Teachers	81	77
Administration and support	86	69
Management	13	10
	<u>180</u>	<u>156</u>

#### Costs included within the accounts:

	2015 £	2014 £
Wages and salaries	5,290,273	4,862,810
Social security costs	391,502	358,955
Other pension costs	853,441	653,472
	<u>6,535,216</u>	<u>5,875,237</u>
Supply teacher costs	150,089	165,036
Staff restructuring costs	-	198,344
	<u>150,089</u>	<u>198,344</u>
Total staff costs	<u>6,685,305</u>	<u>6,238,617</u>

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

	2015 Number	2014 Number
£60,001 - £70,000	4	3
£70,001 - £80,000	1	1
£90,001 - £100,000	-	1
£140,001 - £150,000	1	-
	<u>6</u>	<u>5</u>

# WELLINGTON COLLEGE ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

### 9 Staff costs

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

		2015	2014
Teachers' Pension Scheme	Numbers	6	4
	£	52,250	40,518
Local Government Pension Scheme	Numbers	-	1
	£	-	10,239

### 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 £2,725 (2014: £2,600) were reimbursed to two trustees (2014: one trustees).

The value of trustees' remuneration was as follows:

Mike Milner (Principal) ) £140,001 - £145,000 (2014: £95,001 - £100,000)

Employers pension costs £10,001 - £15,000 (2014: £20,001 - £25,000)

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 2015 was £1,002 (2014: £911).

# WELLINGTON COLLEGE ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

### 11 Tangible fixed assets

	Long leasehold buildings	Improvements to leasehold buildings	Computer equipment	Fixtures, fittings & equipment	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 September 2014	30,316,790	91,082	2,062,884	375,015	32,845,771
Additions	5,395,475	1,619	140,956	131,301	5,669,351
At 31 August 2015	35,712,265	92,701	2,203,840	506,316	38,515,122
<b>Depreciation</b>					
At 1 September 2014	2,164,516	39,000	1,950,651	172,862	4,327,029
Charge for the year	691,929	19,545	147,093	74,202	932,769
At 31 August 2015	2,856,445	58,545	2,097,744	247,064	5,259,798
<b>Net book value</b>					
At 31 August 2015	32,855,820	34,156	106,096	259,252	33,255,324
At 31 August 2014	28,152,274	52,082	112,233	202,153	28,518,742

#### 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

	Academy		Group	
	2015 £	2014 £	2015 £	2014 £
Investments in Cazenove	885,756	906,448	885,756	906,448
Wellington Academy Enterprises Limited	1	1	1	1
	<u>885,757</u>	<u>906,449</u>	<u>885,757</u>	<u>906,449</u>
	Investments in Cazenove	Cash	Investment in subsidiary	Total
	£	£	£	£
<b>Market value</b>				
At 1 September 2014	903,175	3,273	1	906,449
Disposals at opening book value	(86,956)	(70,000)	-	(156,956)
Acquisitions at cost	-	75,279	-	75,279
Change in value in the year	39,766	21,219	-	60,985
At 31 August 2015	<u>855,985</u>	<u>29,771</u>	<u>1</u>	<u>885,757</u>
<b>Historical cost:</b>				
At 31 August 2015	<u>2,000,000</u>	<u>-</u>	<u>1</u>	<u>2,000,001</u>
At 31 August 2014	<u>2,000,000</u>	<u>-</u>	<u>1</u>	<u>2,000,001</u>

# WELLINGTON COLLEGE ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

13	Stocks	Academy		Group	
		2015	2014	2015	2014
		£	£	£	£
	School uniform	11,386	27,634	11,889	29,199
	Catering stock	7,981	4,809	7,981	4,809
		<u>19,637</u>	<u>32,443</u>	<u>19,870</u>	<u>34,008</u>
14	Debtors	Academy		Group	
		2015	2014	2015	2014
		£	£	£	£
	Trade debtors	248,622	194,528	272,638	203,526
	VAT recoverable	15,605	65,029	21,511	67,794
	Other debtors	68,337	73,512	68,338	73,513
	Prepayments and accrued income	119,790	139,122	127,405	145,910
		<u>452,354</u>	<u>472,191</u>	<u>489,892</u>	<u>490,743</u>
15	Creditors: amounts falling due within one	Academy		Group	
		2015	2014	2015	2014
		£	£	£	£
	Trade creditors	176,749	210,049	192,239	223,947
	Taxes and social security costs	118,793	-	118,793	-
	Other creditors	95,540	172,941	95,540	172,941
	Accruals	214,297	368,967	241,666	376,795
	Deferred income	666,773	538,010	666,773	538,010
		<u>1,272,152</u>	<u>1,289,967</u>	<u>1,315,011</u>	<u>1,311,693</u>

# WELLINGTON COLLEGE ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

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16	Deferred income	2015 £	2014 £
	Deferred income is included within:		
	Creditors due within one year	666,773	538,010
		<u>666,773</u>	<u>538,010</u>
	Total deferred income at 1 September 2014	538,010	452,630
	Amounts credited to the statement of financial activities	(538,010)	(452,630)
	Amounts deferred in the year	666,773	538,010
		<u>666,773</u>	<u>538,010</u>
	<b>Total deferred income at 31 August 2015</b>	<b>666,773</b>	<b>538,010</b>

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

Boarding	£235,990
MOD	£56,000
YPSS	£23,947
Rates	£40,096
Devolved formula capital	£14,184
Friends	£16,581
WPA	£55,783
Yr 7 Catch up	£21,504
DFE sponsor capacity grant	£75,000
WCC FF&E and ICT grant	£72,734
Other	£54,954

# WELLINGTON COLLEGE ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

### 17 Funds

	Balance at 1 September 2014 £	Incoming resources £	Resources expended £	Gains, losses & transfers £	Balance at 31 August 2015 £
<b>Restricted general funds</b>					
General Annual Grant	(295,763)	6,727,311	(6,716,032)	207,794	(76,690)
Start up grants	-	35,636	(35,636)	-	-
Other DfE / EFA grants	-	304,374	(304,374)	-	-
Other government grants	-	629,567	(629,567)	-	-
Boarding activities	177,641	763,930	(727,619)	(213,952)	-
Other restricted funds	-	468,319	(468,319)	-	-
	<u>(118,122)</u>	<u>8,929,137</u>	<u>(8,881,548)</u>	<u>(6,158)</u>	<u>(76,690)</u>
Funds excluding pensions	(118,122)	8,929,137	(8,881,548)	(6,158)	(76,690)
Pension reserve	(439,000)	-	(161,000)	(17,000)	(617,000)
	<u>(557,122)</u>	<u>8,929,137</u>	<u>(9,042,548)</u>	<u>(23,158)</u>	<u>(693,690)</u>
<b>Restricted fixed asset funds</b>					
DfE / EFA capital grants	28,518,742	22,764	(773,576)	160,326	27,928,256
Donated fixed assets	-	5,395,475	(69,820)	-	5,325,655
	<u>28,518,742</u>	<u>5,418,239</u>	<u>(843,396)</u>	<u>160,326</u>	<u>33,253,911</u>
Restricted endowment fund	<u>906,448</u>	<u>22,671</u>	<u>-</u>	<u>(154,168)</u>	<u>774,951</u>
<b>Total restricted funds</b>	<u>28,868,068</u>	<u>14,370,047</u>	<u>(9,885,943)</u>	<u>(17,000)</u>	<u>33,335,170</u>
<b>Unrestricted funds</b>					
General funds	<u>57,669</u>	<u>297,039</u>	<u>(260,254)</u>	<u>-</u>	<u>94,454</u>
<b>Total funds</b>	<u>28,925,737</u>	<u>14,667,086</u>	<u>(10,146,197)</u>	<u>(17,000)</u>	<u>33,429,626</u>

**WELLINGTON COLLEGE ACADEMY TRUST**

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

**FOR THE YEAR ENDED 31 AUGUST 2015**

**17 Funds**

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.

**Analysis of academies by fund balance**

	<b>Total £</b>
Fund balances at 31 August 2015 were allocated as follows:	
The Wellington Academy	786,743
Wellington Primary Academy	4,738
	<hr/>
Funds excluding fixed asset fund and pensions reserve	791,481
Restricted fixed asset fund	33,254,029
Pension reserve	(617,000)
	<hr/>
Total funds	<u>33,428,510</u>

Expenditure incurred by each academy during the year was as follows:

	<b>Teaching and educational support staff costs £</b>	<b>Other support staff costs £</b>	<b>Educational supplies £</b>	<b>Other costs excluding depreciation £</b>	<b>Total £</b>
The Wellington Academy	4,334,689	1,818,482	416,078	1,610,805	8,180,054
Wellington Primary Academy	401,482	130,653	33,796	264,850	830,781
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	4,736,171	1,949,135	449,874	1,875,655	9,010,835
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>



# WELLINGTON COLLEGE ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

### 18 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Fixed asset funds £	Endowment funds £	Total funds £
<b>Fund balances at 31 August 2015 are represented by:</b>					
Tangible fixed assets	-	-	33,253,911	-	33,253,911
Fixed asset investments	-	-	-	774,951	774,951
Current assets	94,454	1,195,555	-	-	1,290,009
Creditors falling due within one year	-	(1,272,245)	-	-	(1,272,245)
Defined benefit pension liability	-	(617,000)	-	-	(617,000)
	<u>94,454</u>	<u>(693,690)</u>	<u>33,253,911</u>	<u>774,951</u>	<u>33,429,626</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.

#### 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.

# WELLINGTON COLLEGE ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2015

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#### 19 Pensions and similar obligations

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

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

The pension costs paid to the TPS in the period amounted to £465,764 (2014: £381,262).

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

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The 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 £205,000

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	14.80%
2016/17	15.40%

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.

Contributions made	2015 £	2014 £
Employer's contributions	195,000	160,000
Employees' contributions	85,000	73,000
Total contributions	<u>280,000</u>	<u>233,000</u>

# WELLINGTON COLLEGE ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

### 19 Pensions and similar obligations

Principal actuarial assumptions	2015 %	2014 %
Rate of increase in salaries	4.6	4.5
Rate of increase for pensions in payment	2.7	2.7
Discount rate for scheme liabilities	3.8	3.7
Commutation to lump sums	50%	50%

#### Sensitivity Analysis

Change in assumptions at 31st August 2015

	Approximate % increase in employer liability	Approximate monetary amount (£000)
0.5% decrease in Real Discount Rate	12%	370
1 year increase in member life expectancy	3%	90
0.5% increase in the Salary Increase Rate	5%	165
0.5% increase in the Pension Increase Rate	7%	196

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

	2015 Years	2014 Years
Retiring today		
- Males	22.3	22.3
- Females	24.5	24.5
Retiring in 20 years		
- Males	24.5	24.1
- Females	26.9	26.9

**WELLINGTON COLLEGE ACADEMY TRUST**

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

**FOR THE YEAR ENDED 31 AUGUST 2015**

**19 Pensions and similar obligations**

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

	<b>2015</b>	<b>2015</b>	<b>2014</b>	<b>2014</b>
	<b>Expected</b>	<b>Fair value</b>	<b>Expected</b>	<b>Fair value</b>
	<b>return</b>		<b>return</b>	
	<b>%</b>	<b>£</b>	<b>%</b>	<b>£</b>
Equities	3.8	1,695,000	6.3	1,464,000
Bonds	3.8	358,000	3.4	350,000
Cash	3.8	48,000	3.3	41,000
Property	3.8	287,000	4.5	206,000
Total market value of assets		2,388,000		2,061,000
Present value of scheme liabilities - funded		(3,005,000)		(2,500,000)
Net pension asset / (liability)		(617,000)		(439,000)

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 2014 for the year to 31 August 2015). 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 £90,000 (2014: £267,000).

**Amounts recognised in the statement of financial activities**

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
<b>Operating costs/(income)</b>		
Current service cost (net of employee contributions)	183,000	106,000
Past service cost	-	-
Total operating charge	183,000	106,000
<b>Finance costs/(income)</b>		
Expected return on pension scheme assets	(123,000)	(100,000)
Interest on pension liabilities	101,000	84,000
Net finance costs/(income)	(22,000)	(16,000)
<b>Total charge/(income)</b>	161,000	90,000

**WELLINGTON COLLEGE ACADEMY TRUST**

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

**FOR THE YEAR ENDED 31 AUGUST 2015**

**19 Pensions and similar obligations**

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

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Actuarial (gains)/losses on assets: actual return less expected	67,000	276,000
Experience (gains)/losses on liabilities	(50,000)	-
(Gains)/losses arising from changes in assumptions	-	-
<b>Total (gains)/losses</b>	<b>17,000</b>	<b>276,000</b>
<b>Cumulative (gains)/losses to date</b>	<b>382,000</b>	<b>365,000</b>

**Movements in the present value of defined benefit obligations**

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Obligations at 1 September 2014	(2,500,000)	(1,659,000)
Current service cost	(378,000)	(266,000)
Interest cost	(101,000)	(84,000)
Contributions by employees	(85,000)	(73,000)
Actuarial gains/(losses)	50,000	(421,000)
Benefits paid	9,000	3,000
<b>At 31 August 2015</b>	<b>(3,005,000)</b>	<b>(2,500,000)</b>

**Movements in the fair value of scheme assets**

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Assets at 1 September 2014	2,061,000	1,586,000
Expected return on assets	123,000	100,000
Actuarial gains/(losses)	(67,000)	145,000
Contributions by employers	195,000	160,000
Contributions by employees	85,000	73,000
Benefits paid	(9,000)	(3,000)
<b>At 31 August 2015</b>	<b>2,388,000</b>	<b>2,061,000</b>

**WELLINGTON COLLEGE ACADEMY TRUST**

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

**FOR THE YEAR ENDED 31 AUGUST 2015**

**19 Pensions and similar obligations**

**History of experience gains and losses**

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Present value of defined benefit obligations	(3,005,000)	(2,500,000)
Fair value of share of scheme assets	2,388,000	2,061,000
Surplus / (deficit)	<u>(617,000)</u>	<u>(439,000)</u>
Experience adjustment on scheme assets	(67,000)	145,000
Experience adjustment on scheme liabilities	<u>50,000</u>	<u>(421,000)</u>

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

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Net income	(874,629)	(1,138,950)
Capital grants and similar income	(22,764)	(55,893)
Net deficit/(surplus) transferred on conversion	-	-
Net endowment income	(22,671)	(27,113)
Investment income	(1,068)	(1,005)
Defined benefit pension costs less contributions payable	183,000	106,000
Defined benefit pension finance costs/(income)	(22,000)	(16,000)
Depreciation of tangible fixed assets	843,396	966,822
Losses/(profits) on disposals of fixed assets	-	(3,284)
(Increase)/decrease in stocks	14,138	(10,858)
(Increase)/decrease in debtors	53,415	(172,643)
Increase/(decrease) in creditors	<u>(49,246)</u>	<u>32,887</u>
Net cash inflow/(outflow) from operating activities	<u>101,571</u>	<u>(320,037)</u>

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

	<b>2015</b>	<b>2014</b>
	<b>£</b>	<b>£</b>
Increase/(decrease) in cash	(15,695)	(28,078)
Net funds at 1 September 2014	<u>726,489</u>	<u>701,189</u>
Net funds at 31 August 2015	<u>710,794</u>	<u>673,111</u>

# WELLINGTON COLLEGE ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

### 22 Analysis of net funds

	At 1 September 2014 £	Cash flows £	Non-cash changes £	At 31 August 2015 £
Cash at bank and in hand	726,489	(15,695)	-	710,794

### 23 Commitments under operating leases

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

	Land and buildings		Other	
	2015 £	2014 £	2015 £	2014 £
Expiry date:				
- Within one year	17,040	17,040	223	223
- Between two and five years	-	-	131,805	131,805
	17,040	17,040	132,028	132,028

# WELLINGTON COLLEGE ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

24	Boarding activities trading account	2015	2014
		£	£
	<b>Direct income</b>		
	Fee income	729,701	747,036
	Government grants	-	29,505
	Other income	34,229	25,501
		<u>763,930</u>	<u>802,042</u>
	<b>Direct costs</b>		
	Direct staff costs	-	3,475
	Technology costs	-	2,150
	Educational supplies and services	11,862	12,904
	Staff development	3,161	-
	Bad debt write offs	2,926	(1,283)
	Other direct costs	19,722	21,036
		<u>37,671</u>	<u>38,282</u>
	<b>Other costs</b>		
	Support staff costs	338,523	315,545
	Technology costs	3,681	4,801
	Maintenance of premises and equipment	29,528	33,076
	Cleaning	7,942	7,750
	Energy costs	31,549	41,646
	Rent and rates	22,350	16,724
	Insurance	-	2,953
	Security and transport	37,457	36,556
	Catering	211,325	213,800
	Other support costs	6,106	2,717
	Share of governance costs	1,487	-
		<u>689,948</u>	<u>675,568</u>
	Total expenditure	(727,619)	(713,850)
	Transfers between funds excluding depreciation	(36,311)	-
	<b>Surplus/(Deficit) from all sources</b>	-	88,192
	Boarding activities balances at 1 September 2014	177,641	89,449
	<b>Boarding activities balances at 31 August 2015</b>	<u>177,641</u>	<u>177,641</u>



# WELLINGTON COLLEGE ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

### 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 £4,810 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 £14,110 in sales and £7,718 in purchases.

### 26 Conversion to an academy

On 1 September 2014 the Wellington Primary Academy converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Wellington College Academy Trust from the Wiltshire Local Authority for £nil consideration.

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as net incoming resources/resources expended in the statement of financial activities as voluntary income/other resources expended.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the statement of financial activities.

Academy	Location	Date of conversion		
Wellington Primary Academy	Tidworth	1 September 2014		
Funds surplus/(deficit) transferred:	Unrestricted funds	Restricted funds	Fixed asset funds	Total 2015
	£	£	£	£
Fixed assets funds	-	-	3,491,000	3,491,000
	-	-	3,491,000	3,491,000
Net assets transferred:				£
Freehold land and buildings				3,491,000
				3,491,000

### 27 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.

# **WELLINGTON COLLEGE ACADEMY TRUST**

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

***FOR THE YEAR ENDED 31 AUGUST 2015***

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### **28 Agency arrangements**

The academy distributes 16-19 bursary funds to students as an agent for EFA. In accounting period ending 31 August 2015 the trust brought forward funds of £1,181, received £19,634 and distributed £11,525 from the fund. An amount of £9,290 has been included in other creditors relating to undistributed funds that are already committed to be spent in 2015/16.