

**WEALD OF KENT GRAMMAR SCHOOL
ACADEMY TRUST**
(A company limited by guarantee)

**Governors' Report and Financial Statements
for the year ended 31 August 2012**

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WEALD OF KENT GRAMMAR SCHOOL ACADEMY TRUST
(A company limited by guarantee)

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The following pages do not form part of the statutory Financial Statements

WEALD OF KENT GRAMMAR SCHOOL ACADEMY TRUST
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**Reference and administrative details of the academy, its governors and advisers
for the year ended 31 August 2012**

Governors	David Bower, Chair ³ Timothy French ^{1 3} Mark Hewett ^{1,3} Maureen Johnson ² Paul Martin David Hacon Peter Holloway Anna Linley Claire Songhurst Malcolm Yates Brian Buck Rachel Davies Sue Fortune Ed Metcalf Amanda Cross (appointed 1 December 2011) ² Terry Norton (appointed 1 December 2011) ²
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¹ members of the Finance Committee

² Staff Governor not Director

³ Member

Company registered number	7451660
Registered office	Tudeley Lane Tonbridge Kent TN9 2JP
Company secretary	Clair Wilkins
Senior Management Team	Maureen Johnson, Headteacher Ralph Butcher, Deputy Headteacher Clair Wilkins, Director of Resources Sophie Clark, Deputy Headteacher Sarah Forde, Assistant Headteachers Ken MacSporran, Assistant Headteacher
Auditors	Williams Giles Limited Chartered Accountants Registered Auditors 12 Conqueror Court Sittingbourne Kent ME10 5BH
Bankers	Lloyds TSB PO Box 1000 BX1 1LT
Solicitors	Thomson, Snell and Passmore 3 Lonsdale Gardens Tunbridge Wells Kent TN1 1NX

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for the year ended 31 August 2012

Advisers (continued)

Surveyors (Land)

Howard Camfield
DVS
2 St Anne's Road
Eastbourne
BN21 3LG

Surveyors (Buildings)

Watts Group PLC
1 Great Tower Street
London
EC3R 5AA

WEALD OF KENT GRAMMAR SCHOOL ACADEMY TRUST
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Governors' report
for the year ended 31 August 2012

The Governors (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited Financial Statements of Weald of Kent Grammar School Academy Trust (the Academy) for the ended 31 August 2012. The Governors confirm that the Annual report and Financial Statements of the Academy comply with the current statutory requirements, the requirements of the Academy's Governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005.

Structure, Governance and Management

a Constitution

The Academy is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association are the primary Governing documents of the Academy Trust.

The Academy is constituted under a Memorandum of Association dated 01/02/11.

The Governors act as the trustees for the charitable activities of Weald of Kent Grammar School Academy Trust and are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Weald of Kent Grammar School.

Members' liability

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

Principal Activities

The principal object and activity of the charitable company is the operation of the Weald of Kent Grammar School Academy Trust to provide education for students of different abilities between the ages of 11 and 19.

b. Method of recruitment and appointment or election of Governors

The number of Governors shall be not less than three and not subject to any maximum. Members can appoint up to 15 Governors and make the necessary arrangements for the appointment of Governors. Parent Governors are elected by parents of registered students at Weald of Kent Grammar School. Staff Governors include the Headteacher, one teaching Governor and one support staff Governor. Governors can also be co-opted onto the Governing body. Full details of Governor appointments can be found in the Academy's Articles of Association.

Vacant places on the Governing Body are advertised to parents and staff via the Academy website, parent and staff bulletins and email. Each parent nominated must be proposed and seconded by parents/carers who have a child at the Academy. Each member of staff nominated must be proposed and seconded by another member of staff. Anyone standing for election is invited to provide, with his/her nomination, a short personal statement of no more than 120 words.

If the number of nominations received is equal, or less than, the number of vacancies, the nominees will automatically be elected as Parent or Staff Governors. If, however, there are more nominations than vacancies, an election will be held and copies of the personal statements will be sent to all parents or staff where relevant. Two weeks will be allowed for the return of ballot papers.

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Governors' report (continued)
for the year ended 31 August 2012

c. Policies and procedures adopted for the induction and training of Governors

An induction programme is available to all new Governors, this includes a meeting with the Headteacher and Chair of Governors, a tour of the Academy and a variety of Academy documents. Governors are registered with KCC Governor Services immediately and receive the relevant information and welcome packs. They are also provided with an annual training programme for both internal workshops/training and external specific Governor courses. In addition to the Governing Body meetings, two training and planning meetings are arranged each year.

d Organisational structure

The structure of the Academy consists of three levels: the Governors, the Senior Leadership Group and the Management Team. The aim of this structure is to devolve responsibility and encourage involvement in decision making at all levels.

The Governors are responsible for setting general policy, adopting an annual plan and budget, monitoring the Academy by the use of budgets and making major decisions about the direction of the Academy, capital expenditure and senior staff appointments. The full Governing Body meets three times a year. A Strategy Group, which includes the Headteacher and Chair of Governors, meets 6 times per year to consider and decide upon strategic direction. Decisions are subject to scrutiny by the full Governing Body. The Governing Body comprises Monitoring Pairs, who are linked to priority areas of the Academy and they work closely with the relevant staff to ensure that objectives are being met and report to the Strategy Group.

The Senior Leadership Group comprises the Headteacher (Accounting Officer), two Deputy Headteachers (one temp), the Director of Resources and two Assistant Headteachers (one temp). These leaders control the Academy at an executive level implementing the policies laid down by the Governors and reporting back to them. As a group the Senior Leaders are responsible for the authorisation of spending within agreed budgets and the appointment of staff. The appointment boards for posts in the Management Team always contain a Governor. Some spending control is devolved to members of the Management Team, with limits above which a Senior Manager must countersign.

The Management Team comprises the Senior Leadership Group, four Senior Directors of Standards, one Senior Director of Development, three Directors of Standards, three Directors of Development and twelve Assistant Directors of Standards. These managers are responsible for the day to day operation of the Academy, in particular organising the teaching staff, facilities and students.

e Risk management

The Governors have assessed the major risks to which the Academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academy, and its finances. The Governors have implemented a number of systems to assess the risks that the Academy faces, one of these systems is the completion of the AFH (Academies Financial Handbook) Risk Register. Operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and the control of finance are priority areas. One of the key financial risks is the uncertainty of future funding. Funding reforms are currently being worked on by the DfE/EFA and therefore, the Academy is anticipating a possible change in funding from 2013/14.

The Governors have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of Academy grounds) and internal financial controls in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover. The Academy has an effective system of internal financial controls. Further details are listed in Principal Risks and Uncertainties on page 9.

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Governors' report (continued)
for the year ended 31 August 2012

f Governors' indemnities

Trustees Insurance is in place through Chartis Insurance UK Limited (Policy 04948A11). This policy has a limit of indemnity of £2,000,000. The cover is for legal liability for claims arising from a breach of professional duty by reason of any neglect, error or omission. This includes loss of documents, libel and slander. Legal liability of individual past, present or future Governors, Managerial/Supervisory Employees or their spouses, heirs or legal representatives including reimbursement to the school, pollution defence costs and criminal prosecution if not due to fraud or dishonesty.

Objectives and Activities

a. Objects and aims

The main objectives of the Academy during the period from 1 September 2011 to 31 August 2012 are summarised below:

- to support every student to achieve academic excellence and personal success,
- to ensure that every student enjoys and receives high quality education in terms of resourcing, tuition and care,
- to raise the standard of educational achievement of all students,
- to promote a responsible attitude to the health and well-being of students,
- to improve the effectiveness of the Academy by keeping the curriculum and organisational structure under continual review,
- to invest in staff and student development through new initiatives and opportunities,
- to provide value for money for the funds expended,
- to comply with all appropriate statutory and curriculum requirements,
- to maintain close links with industry and commerce, and
- to conduct the Academy's business in accordance with the highest standards of integrity, probity and openness.

b Objectives, strategies and activities

The Academy's main strategy is encompassed in its mission statement which is for all students to achieve "Academic Excellence, Personal Success". Activities provided include:

- tuition and learning opportunities for all students to attain the best possible academic qualifications
- training and development opportunities for all staff (retaining Investors in People)
- a large variety of education visits for all subjects and in particular Modern Foreign Languages
- secondments and placing of students with commercial partners
- a varied programme of sporting and after school enrichment activities for all students

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Governors' report (continued)
for the year ended 31 August 2012

- work experience, work shadow days and a careers advisory service to help students move on to higher education, apprenticeships or employment
- targeted support for students through specific projects such as PIXL and Pupil Premium funded projects

c Public benefit

In setting the objectives listed above and planning activities the Governors have given careful consideration to the Charity Commission's general guidance on public benefit

We are an equal opportunity organisation and are committed to a working environment that is free from any form of discrimination on the grounds of colour, race, ethnicity, religion, sex, sexual orientation or disability. We will make reasonable adjustments to meet the needs of staff or students who are or become disabled.

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

Our Academy is committed to safeguarding and promoting the welfare of our students and expects all staff and volunteers to share this commitment.

Parents are given regular information about their children's social and academic progress through Parent Evenings, ePortal (secure online data), monthly bulletins and reports. Regular contact with parents throughout the year is maintained as and when required.

An Accessibility Policy is in place and was last reviewed by Governors in 2011. This includes sections on 'meeting the needs of the community', 'improving access to the physical environment, access to the curriculum and access to information'. A detailed action plan is in place to achieve these improvements.

Pupil Premium funding is received annually to support groups of students vulnerable to possible underachievement. This funding is spent on a number of strategic priorities to help raise the attainment and achievement of identified students. A hardship fund is also available to help students access enrichment opportunities such as education visits, revision workshops etc.

The Academy has extensive community involvement and raised £6,443 (Period ended 31 August 2011 £2,673) for various charities last year. Strong links with other schools are in place including a secondary school in Ghana. Through these opportunities to serve others the students also gain educationally through a meaningful interaction with those outside our School community.

A number of local organisations hire the Academy's facilities including netball, football, dance clubs, adult education groups and the local authority.

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Governors' report (continued)
for the year ended 31 August 2012

Achievements and performance

Examination results for the 2012 academic year were excellent. Our whole school target of 860 points per candidate was exceeded and we were extremely close to achieving our target of 100% pass rate for A2 and GCSE.

Whole school targets for 2012

At A2 100% pass rate with an average of 860 points per candidate. At GCSE 100% pass rate with 100% making the expected progress in English Language and Mathematics.

2012 Results

- At A2, candidates achieved an average of 896.2 points per candidate (2011 average 878)
- There was a 99.8% pass rate (2011 99.5%), with only one student not achieving 5 A*-C including English and Maths
- 72.1% of grades were A*-B (2011 71.5%)
- At AS level there was a 96% pass rate (2011 97.1%), with 25.2% Grade A (2011 32.9%)
- At GCSE 99.3% of grades were A*-C (2011 99.3%)
- 99.3% of our students made the expected progress in English Language. 96% of our students made the expected progress in Mathematics.

A full range of National Curriculum subjects at Key Stage Three are offered. The core curriculum consists of English Language and Literature, Double Mathematics, Double Science, RE, ICT and a Language at GCSE. The GCSE curriculum also offers Drama, Music, PE, Art, Resistant Materials, Graphics, Food, History, Geography, Business Studies, French, German, Spanish and Japanese as Option subjects. At AS and A2 level the curriculum choices comprise Art, Biology, Chemistry, Dance, Economics and Business, English Language, English Literature, French, Further Mathematics, Geography, German, History, ICT, Japanese, Mathematics, Media Studies, Music, Philosophy and Ethics, Physical Education, Physics, Product Design, Psychology, Sociology, Spanish and Theatre Studies. An Extended Project at Level 3 and the AQA Baccalaureate qualification are available to our Sixth Form students.

All Year 11 students undertake a week's work experience. Students in the Sixth Form who wish to study Veterinary Studies, Medicine or Law undertake relevant work experience.

To ensure that standards are continually raised the Academy

- operates a programme of observation of lessons,
- carries out routine, rigorous and robust monitoring of faculty areas and student cohorts,
- undertakes a comparison of results from entry to Key Stage 3 to GCSE and from GCSE to A level to assess the added value.

The Academy also structures its Performance Development and Staff Development programmes so that they specifically meet both the needs of staff and the organisation.

a. Going concern

After making appropriate enquiries, the Governing Body has a reasonable expectation that the Academy has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the Financial Statements. Further details regarding the adoption of the going concern basis can be found in the Accounting Policies.

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Governors' report (continued)
for the year ended 31 August 2012

b. Review of activities

Financial management, budget monitoring and forecasting has been very efficient and successful this year and the school is in strong position. The principle sources of income remain the General Annual Grant from the Education Funding Agency although the school does generate a reasonable amount of additional income through lettings and community donations. Budgets are linked to whole school priorities and expenditure is monitored through Senior Leadership Links with each department.

c. Investment policy and performance

Surplus Revenue funds are transferred to the Capital account to save for our new buildings. As quick/easy access may be required it is the school's current policy NOT to tie up large sums of money in fixed term savings accounts. However smaller sums of money, maximum £85,000, are transferred to higher interest accounts if it is felt they are surplus to requirements for a maximum of twelve months. Wherever possible these lump sums are limited to one banking/investment institution.

Financial review

a. Financial and risk management objectives and policies

The relevant Governors monitor and assess possible risks facing the organisation, including financial risks. As mentioned below an extensive risk management exercise/audit is carried out annually (an enhanced version of the EFA's Risk Register is used). In addition to this assessment the Responsible Officer carries out random spot checks and audits and our external accountants visit the school twice a year to audit the accounts.

b. Principal risks and uncertainties

The Risk Register is completed annually by two Finance Governors, the Responsible Officer, the Director of Resources and the Finance Manager at the beginning of each academic year. A RAG (red, amber, green) system is used to score risks. Medium and high risks are flagged up as concerns with relevant action notes made. These are monitored regularly by the Finance Committee and Responsible Officer.

All risks identified each year are assessed and a relevant action procedure implemented. These are discussed at future Monitoring Pairs meetings. High risks identified during the period were:

Risk Rated as 'High'	Action
Uncontrollable event risk	Review the Academy's disaster plan. To be completed by Term 4 2013.
Management – Key person loss / succession risk	Launch of Individual Staff Development Plans – September 2012. Introduction of Blue Sky February 2012. Training opportunities, job shadowing and secondments.
Low morale risk	Launch of Individual Development Plans, Bluesky and iE CPD workshops, feedback and recognition. Continue to follow iIP recommendations. Supportive Leadership Team. Move from Performance Management to Performance Development.

Financial risks identified since the completion of this register include the imminent funding reforms and the uncertainties surrounding a possible change in funding from 2013/14.

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Governors' report (continued)
for the year ended 31 August 2012

c Reserves policy

The Academy is currently saving for a new two storey building to respond to the popularity of the school and significant increase in student numbers. Therefore any revenue reserves are transferred to the capital account for future capital expenditure. With possible changes to the funding formula it is also essential that adequate revenue funds are available to support future staffing structures and curriculum initiatives. The Governors and Senior Leadership Group will respond to these funding changes as appropriate as soon as the details become available. A hardship fund is maintained to support students that may not have access to all the enrichment opportunities available. Reserves of approximately £450,000 are kept for these purposes each year.

d. Investments policy

From October 2012 any surplus funds, not required for the day to day operation of the Academy or known strategic priorities, will be transferred to high interest savings accounts. Wherever possible these funds should not exceed more than £85,000 in each account and they should be held in different banks to protect the savings.

Plans for the future

a Future developments

The Academy will continue to make a positive difference in the education we deliver, by successfully creating opportunities for our students across all Key Stages to achieve high academic results whilst still affording them a platform to extend their personal qualities, talents and interests. We believe both to be essential to enjoy a successful adult life and to open doors to the careers to which they aspire.

In 2012 our students achieved record results at both GCSE and A level, but we are not complacent. We insist that considered investment in training and pedagogical based initiatives plus our commitment to the Brook Teaching School Alliance is at the heart of our strategic planning to ensure the learning experience for our students moves with the times whilst maintaining the traditions of good manners, discipline and respect for others. Working supportively alongside parents and students we believe is essential to our aim of continuing to provide an outstanding education both for the students who join the Academy in Year 7 but also those that commence their education post 16 in our coeducational Sixth Form. We will continue to develop creative initiatives that help support students further such as PIXL, Thinking Schools and PX2.

Fundraising has started for a new two storey Maths and Exams building to address the increase in student numbers and high demand for places at Weald of Kent both in Year 7 and Year 12.

Members' liability

The Members of the Academy guarantee to contribute an amount not exceeding £10 to the assets of the charity in the event of winding up.

Provision of information to auditors

Each of the persons who are Governors at the time when this Governors' report is approved has confirmed that

- so far as that Governor is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Governor has taken all the steps that ought to have been taken as a Governor in order to be aware of any information needed by the charitable company's auditors in connection with preparing their report and to establish that the charitable company's auditors are aware of that information.

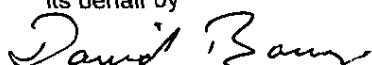
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Governors' report (continued)
for the year ended 31 August 2012

Auditors

The auditors, Williams Giles Limited, have indicated their willingness to continue in office. The Designated Governors will propose a motion re-appointing the auditors at a meeting of the Governors.

This report was approved by order of the members of the Governing Body on 20 December 2012 and signed on its behalf by



David Bower
Chairman



Maureen Johnson
Headteacher

WEALD OF KENT GRAMMAR SCHOOL ACADEMY TRUST
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Governance Statement

Scope of Responsibility

As Governors, we acknowledge we have overall responsibility for ensuring that Weald of Kent Grammar School 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 Governing Body has delegated the day-to-day responsibility to the Headteacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Weald of Kent Grammar School Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Governors' Report and in the Governors' responsibilities statement. The Governing Body has formally met 3 times during the year. Attendance during the year at meetings of the Governing Body was as follows:

Governor	Meetings attended	Out of a possible
David Bower, Chair	3	3
Timothy French	2	3
Mark Hewett	2	3
Maureen Johnson	3	3
Paul Martin	3	3
David Hacon	3	3
Peter Holloway	3	3
Anna Linley	3	3
Claire Songhurst	2	3
Malcolm Yates	3	3
Brian Buck	2	3
Rachel Davies	2	3
Sue Fortune	3	3
Ed Metcalf	3	3
Amanda Cross	2	2
Terry Norton	1	2

The **Resources (Finance) Committee** is a subcommittee of the main Governing Body. Its purpose is to assist the decision making of the Governing Body, by enabling more detailed consideration to be given to the best means of fulfilling the Governing Body's responsibility to ensure sound management of the academy's finances and resources including proper planning, monitoring and probity.

Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
Timothy French	4	4
Mark Hewett	4	4
Paul Martin	3	4

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy 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 Weald of Kent Grammar School

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Governance Statement (continued)

Academy Trust for the year ended 31 August 2012 and up to the date of approval of the annual report and Financial Statements

Capacity to Handle Risk

The Governing Body has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governing Body is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks that has been in place for the year ending 31 August 2012 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Governing Body,
- regular reviews by the Resources (Finance) 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 (as set purchase or capital investment) guidelines,
- delegation of authority and segregation of duties,
- identification and management of risks

The Governing Body has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Governors have appointed Paul Martin, a qualified accountant and Parent Governor, as Responsible Officer ('RO'). The RO's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. On a quarterly basis, the RO reports to the Governing Body on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities.

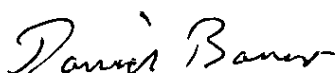
Review of Effectiveness

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

- the work of the 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 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 Resources (Finance) Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Governing Body on 20 December 2012 and signed on their behalf, by



David Bower
Chairman



Maureen Johnson
Headteacher

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Statement on Regularity, Propriety and Compliance

As Accounting Officer of Weald of Kent Grammar School Academy Trust I have considered my responsibility to notify the Academy Governing Body and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Academy and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

I confirm that I and the Academy Governing Body 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'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.


Maureen Johnson
Accounting Officer

Date 20 December 2012

WEALD OF KENT GRAMMAR SCHOOL ACADEMY TRUST
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Governors' responsibilities statement
for the year ended 31 August 2012

The Governors (who act as Trustees for charitable activities of Weald of Kent Grammar School Academy Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Governors' report and the Financial Statements in accordance with the Annual Accounts Requirements 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 Governors to prepare Financial Statements for each financial year. Under Company Law the Governors must not approve the Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these Financial Statements, the Governors are required to


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

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

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

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

Approved by order of the members of the Governing Body on 20 December 2012 and signed on its behalf by


Maureen Johnson
Headteacher

WEALD OF KENT GRAMMAR SCHOOL ACADEMY TRUST
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Independent auditors' report to the members of Weald of Kent Grammar School Academy Trust

We have audited the Financial Statements of Weald of Kent Grammar School Academy Trust for the year ended 31 August 2012 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Annual Accounts Direction 2011/12 issued by the Education Funding Agency.

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

Respective responsibilities of Governors and auditors

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

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

Scope of the audit of the Financial Statements

An audit involves obtaining evidence about the amounts and disclosures in the Financial Statements sufficient to give reasonable assurance that the Financial Statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the academy's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the Governors, and the overall presentation of the Financial Statements. In addition, we read all the financial and non-financial information in the Governors' report to identify material inconsistencies with the audited Financial Statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on Financial Statements

In our opinion the Financial Statements

- give a true and fair view of the state of the academy's affairs as at 31 August 2012 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Annual Accounts Direction 2011/12 issued by the Education Funding Agency.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Governors' report for the financial year for which the Financial Statements are prepared is consistent with the Financial Statements.

WEALD OF KENT GRAMMAR SCHOOL ACADEMY TRUST
(A company limited by guarantee)

Independent auditors' report to the members of Weald of Kent Grammar School Academy Trust

Matters on which we are required to report by exception

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

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



Alastair Crawford FCA (Senior statutory auditor)

for and on behalf of

Williams Giles Limited

Chartered Accountants
Registered Auditors

12 Conqueror Court
Sittingbourne
Kent

ME10 5BH

Date 21 December 2012

WEALD OF KENT GRAMMAR SCHOOL ACADEMY TRUST
(A company limited by guarantee)

**Independent Auditors' assurance report on regularity to Weald of Kent Grammar School Academy Trust
and the Education Funding Agency**

In accordance with the terms of our engagement letter dated 19 November 2012 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2011/12, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Weald of Kent Grammar School Academy Trust during the year 1 September 2011 to 31 August 2012 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 Weald of Kent Grammar School 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 Weald of Kent Grammar School 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 Weald of Kent Grammar School Academy Trust and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Weald of Kent Grammar School Academy Trust's Accounting Officer and the auditors

The Accounting Officer is responsible, under the requirements of Weald of Kent Grammar School Academy Trust's funding agreement with the Secretary of State for Education dated 28 January 2011, and the Academies Financial Handbook as published by DfES in 2012, 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 2011/12. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2011 to 31 August 2012 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 2011/12 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

WEALD OF KENT GRAMMAR SCHOOL ACADEMY TRUST
(A company limited by guarantee)

**Independent Auditors' assurance report on regularity to Weald of Kent Grammar School Academy Trust
and the Education Funding Agency (continued)**

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2011 to 31 August 2012 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them



Alastair Crawford FCA (Senior statutory auditor)

for and on behalf of

Williams Giles Limited

Chartered Accountants
Registered Auditors

12 Conqueror Court
Sittingbourne
Kent
ME10 5BH

Date *21 December 2012*

WEALD OF KENT GRAMMAR SCHOOL ACADEMY TRUST
(A company limited by guarantee)

Statement of financial activities
(incorporating income and expenditure account and statement of recognised gains and losses)
for the year ended 31 August 2012

	Note	Unrestricted funds 2012 £	Restricted funds 2012 £	Restricted fixed asset funds 2012 £	Total funds 2012 £	Total funds (7 month period) 2011 £
Incoming resources						
Incoming resources from generated funds						
Transfer from local authority on conversion	3	-	-	-	-	18,422,842
Other voluntary income	3	301,158	-	-	301,158	246,532
Activities for generating funds	4	62,569	-	-	62,569	30,305
Investment income	5	969	-	-	969	1,611
Incoming resources from charitable activities	6	-	4,892,722	20,340	4,913,062	3,001,167
Other incoming resources	7	-	7,907	-	7,907	-
Total incoming resources		364,696	4,900,629	20,340	5,285,665	21,702,457
Resources expended						
Costs of generating funds						
Costs of generating voluntary income	8	226,149	-	-	226,149	93,015
Charitable activities	10,11	-	4,573,599	398,417	4,972,016	3,248,873
Governance costs	9	-	31,394	-	31,394	28,392
Total resources expended	12	226,149	4,604,993	398,417	5,229,559	3,370,280
Net incoming resources before transfers		138,547	295,636	(378,077)	56,106	18,332,177
Transfers between Funds	23	-	(171,095)	171,095	-	-
Net income for the year		138,547	124,541	(206,982)	56,106	18,332,177
Actuarial gains and losses on defined benefit pension schemes	29	-	(205,000)	-	(205,000)	(585,000)
Net movement in funds for the year		138,547	(80,459)	(206,982)	(148,894)	17,747,177
Total funds at 1 September 2011		271,555	(381,204)	17,856,826	17,747,177	-
Total funds at 31 August 2012		410,102	(461,663)	17,649,844	17,598,283	17,747,177

All activities relate to continuing operations

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

The notes on pages 22 to 42 form part of these financial statements

WEALD OF KENT GRAMMAR SCHOOL ACADEMY TRUST

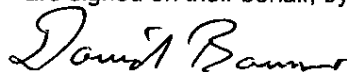
(A company limited by guarantee)

Registered number: 7451660

**Balance sheet
as at 31 August 2012**

	Note	2012		2011	
		£	£	£	£
Fixed assets					
Tangible assets	19		17,780,722		17,980,825
Current assets					
Debtors	20	119,065		268,763	
Cash at bank and in hand		1,003,638		611,425	
		<u>1,122,703</u>		<u>880,188</u>	
Creditors: amounts falling due within one year	21	<u>(393,930)</u>		<u>(354,471)</u>	
Net current assets			<u>728,773</u>		<u>525,717</u>
Total assets less current liabilities			<u>18,509,495</u>		<u>18,506,542</u>
Creditors amounts falling due after more than one year	22		<u>(115,212)</u>		<u>(171,365)</u>
Net assets excluding pension scheme liabilities			<u>18,394,283</u>		<u>18,335,177</u>
Defined benefit pension scheme liability	29		<u>(796,000)</u>		<u>(588,000)</u>
Net assets including pension scheme liabilities			<u><u>17,598,283</u></u>		<u><u>17,747,177</u></u>
Funds of the academy					
Restricted funds					
Restricted funds	23	334,337		206,796	
Restricted fixed asset funds	23	17,649,844		17,856,826	
Restricted funds excluding pension liability		<u>17,984,181</u>		<u>18,063,622</u>	
Pension reserve	29	<u>(796,000)</u>		<u>(588,000)</u>	
Total restricted funds			<u>17,188,181</u>		<u>17,475,622</u>
Unrestricted funds	23		<u>410,102</u>		<u>271,555</u>
Total funds			<u><u>17,598,283</u></u>		<u><u>17,747,177</u></u>

The financial statements were approved by the Governors, and authorised for issue, on 20 December 2012 and are signed on their behalf, by



David Bower



Maureen Johnson

The notes on pages 22 to 42 form part of these financial statements

WEALD OF KENT GRAMMAR SCHOOL ACADEMY TRUST
(A company limited by guarantee)

Cash Flow Statement
for the year ended 31 August 2012

	Note	31 August 2012 £	Period ended 31 August 2011 £
Net cash flow from operating activities	25	639,873	470,360
Returns on investments and servicing of finance	26	969	1,611
Capital expenditure and financial investment	26	(191,435)	(90,196)
Cash inflow before financing		449,407	381,775
Financing (outflow) / inflow	26	(57,194)	229,650
Increase in cash in the year		392,213	611,425

Reconciliation of net cash flow to movement in net funds
for the year ended 31 August 2012

	31 August 2012 £	Period ended 31 August 2011 £
Increase in cash in the year	392,213	611,425
Cash outflow / (inflow) from decrease / (increase) in debt	57,194	(229,650)
Movement in net funds in the year	449,407	381,775
Net funds at 1 September 2011	381,775	-
Net funds at 31 August 2012	831,182	381,775

The notes on pages 22 to 42 form part of these Financial Statements

WEALD OF KENT GRAMMAR SCHOOL ACADEMY TRUST
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 August 2012

1 Accounting policies

1.1 Basis of preparation of Financial Statements

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

1.2 Company status

The academy is a company limited by guarantee. The members of the company are the Governors named on page 1. In the event of the academy being wound up, the liability in respect of the guarantee is limited to £10 per member of the academy.

1.3 Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Department for Education where the asset acquired or created is held for a specific purpose.

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

Investment income, gains and losses are allocated to the appropriate fund.

WEALD OF KENT GRAMMAR SCHOOL ACADEMY TRUST
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 August 2012

1. Accounting policies (continued)

1.4 Incoming resources

All incoming resources are included in the Statement of financial activities when the academy is legally entitled to the income and the amount can be quantified with reasonable accuracy. For legacies, entitlement is the earlier of the academy being notified of an impending distribution or the legacy being received.

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 and included in debtors as accrued income.

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

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

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

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

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

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

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

All resources expended are inclusive of irrecoverable VAT.

1.6 Going concern

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

WEALD OF KENT GRAMMAR SCHOOL ACADEMY TRUST
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 August 2012

1. Accounting policies (continued)

1.7 Tangible fixed assets and depreciation

All assets costing more than £5,000 capitalised

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

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

Freehold property	-	2%
Motor vehicles	-	10%
Fixtures and fittings	-	10%
Computer equipment	-	20%

1.8 Operating leases

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

1.9 Taxation

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

1.10 Pensions

Retirement benefits to employees of the academy are provided by the Teachers' Pension Scheme ("TPS") and the Local Government Pension Scheme ("LGPS"). These are defined benefit schemes, are contracted out of the State Earnings-Related Pension Scheme ("SERPS"), and the assets are held separately from those of the academy.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 29, the TPS is a multi-employer scheme and the academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

WEALD OF KENT GRAMMAR SCHOOL ACADEMY TRUST
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 August 2012

1 Accounting policies (continued)

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

1.11 Donated services and gifts in kind

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

WEALD OF KENT GRAMMAR SCHOOL ACADEMY TRUST
(A company limited by guarantee)

**Notes to the financial statements
for the year ended 31 August 2012**

2. General Annual Grant (GAG)

	2012 £	2011 £
Result and Carry Forward for the Year		
GAG Brought forward from previous year	206,796	-
GAG Allocation for current year	4,358,206	2,961,223
Total GAG Available to spend	4,565,002	2,961,223
Recurrent expenditure from GAG	(4,059,570)	(2,754,427)
Fixed assets purchased from GAG	(171,095)	-
GAG Carried forward to next year	334,337	206,796
Maximum permitted GAG carried forward at end of current year (12% allocation for current year)	(522,985)	(355,347)
GAG to surrender to DfE	(188,648)	(148,551)
(12% rule breached if result is positive)	No breach	No breach
Use of GAG brought forward from previous year for recurrent purposes		
(Of the amount carried forward each year, a maximum of 2% of GAG can be used for recurrent purposes. Any balance, up to a maximum of 12%, can only be used for capital purposes)		
Recurrent expenditure from GAG in current year	4,059,570	2,754,427
GAG allocation for current year	(4,358,206)	(2,961,223)
GAG allocation for previous year x 2%	59,224	-
GAG b/fwd from previous year in excess of 2%, used on recurrent expenditure in current year	(239,412)	(206,796)
(2% rule breached if result is positive)	No breach	No breach

WEALD OF KENT GRAMMAR SCHOOL ACADEMY TRUST
(A company limited by guarantee)

**Notes to the financial statements
for the year ended 31 August 2012**

3. Voluntary income

	Unrestricted funds 2012 £	Restricted funds 2012 £	Total funds 2012 £	Total funds (7 month period) 2011 £
Exceptional Income				
Transfer from local authority on conversion	-	-	-	18,422,842
Donations	19,062	-	19,062	28,016
Donations - Capital	-	-	-	136,000
School trips	187,580	-	187,580	82,516
Other voluntary income	94,516	-	94,516	-
Subtotal	301,158	-	301,158	246,532
Voluntary income	301,158	-	301,158	18,669,374

4 Activities for generating funds

	Unrestricted funds 2012 £	Restricted funds 2012 £	Total funds 2012 £	Total funds (7 month period) 2011 £
Lettings	40,275	-	40,275	14,321
Catering	14,727	-	14,727	138
Other income	7,567	-	7,567	15,846
	62,569	-	62,569	30,305

5. Investment income

	Unrestricted funds 2012 £	Restricted funds 2012 £	Total funds 2012 £	Total funds (7 month period) 2011 £
Short term deposits	969	-	969	1,611

WEALD OF KENT GRAMMAR SCHOOL ACADEMY TRUST
(A company limited by guarantee)

**Notes to the financial statements
for the year ended 31 August 2012**

6. Incoming resource from charitable activities

	Unrestricted funds 2012 £	Restricted funds 2012 £	Total funds 2012 £	Total funds (7 month period) 2011 £
DfE/EFA revenue grant				
General Annual Grant (GAG)	-	4,358,206	4,358,206	2,845,707
Pupil premium	-	10,643	10,643	2,250
Other Grants	-	488,296	488,296	51,242
	-	4,857,145	4,857,145	2,899,199
Other government grants				
School standards funds	-	35,577	35,577	62,024
	-	35,577	35,577	62,024
DfE/EFA capital grants				
Devolved formula capital allocations	-	20,340	20,340	39,944
	-	20,340	20,340	39,944
	-	4,913,062	4,913,062	3,001,167

7. Other incoming resources

	Unrestricted funds 2012 £	Restricted funds 2012 £	Total funds 2012 £	Total funds (7 month period) 2011 £
Insurance claims	-	7,907	7,907	-

8. Costs of generating voluntary income

	Unrestricted funds 2012 £	Restricted funds 2012 £	Total funds 2012 £	Total funds (7 month period) 2011 £
School trips	150,347	-	150,347	58,138
Other costs	75,802	-	75,802	34,877
	226,149	-	226,149	93,015

WEALD OF KENT GRAMMAR SCHOOL ACADEMY TRUST
(A company limited by guarantee)

**Notes to the financial statements
for the year ended 31 August 2012**

9 Governance costs

	Unrestricted funds 2012 £	Restricted funds 2012 £	Total funds 2012 £	Total funds (7 month period) 2011 £
Auditors' fees	-	11,500	11,500	8,500
Legal and professional	-	19,894	19,894	19,892
	<u>-</u>	<u>31,394</u>	<u>31,394</u>	<u>28,392</u>

10 Direct costs

	Restricted funds £	Total 2012 £	Total 2011 £
Educational supplies	49,007	49,007	22,106
Examination fees	101,012	101,012	51,292
Staff development	21,012	21,012	9,780
Educational consultancy	35,052	35,052	24,392
Other direct costs	50,818	50,818	33,928
Wages and salaries	2,733,978	2,733,978	1,596,331
National insurance	152,828	152,828	89,692
Pension cost	337,750	337,750	210,506
Depreciation	81,020	81,020	32,957
	<u>3,562,477</u>	<u>3,562,477</u>	<u>2,070,984</u>

WEALD OF KENT GRAMMAR SCHOOL ACADEMY TRUST
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 August 2012

11 Support costs

	Restricted funds £	Total 2012 £	Total 2011 £
Pension charges (note 18)	28,000	28,000	16,000
Recruitment and support	16,377	16,377	39,060
Maintenance of premises and equipment	204,035	204,035	367,582
Cleaning	81,400	81,400	50,568
Rent & rates	37,534	37,534	20,630
Light & heat	94,698	94,698	57,467
Insurance	35,643	35,643	22,504
Security & transport	1,681	1,681	653
Catering	8,947	8,947	5,662
Interest and charges	2,558	2,558	1,341
Computer costs	37,966	37,966	93,124
Printing, postage and stationery	47,701	47,701	9,811
Other support costs	122,623	122,623	74,664
Wages and salaries	259,184	259,184	171,279
National insurance	34,674	34,674	20,041
Pension cost	86,000	86,000	46,367
Depreciation	310,518	310,518	181,136
	<u>1,409,539</u>	<u>1,409,539</u>	<u>1,177,889</u>

12 Analysis of resources expended by expenditure type

	Staff costs 2012 £	Depreciation 2012 £	Other costs 2012 £	Total 2012 £	Total 2011 £
Costs of generating voluntary income	-	-	226,149	226,149	93,015
Costs of generating funds	-	-	226,149	226,149	93,015
Educational operations	3,604,414	391,538	976,064	4,972,016	3,248,873
Governance	-	-	31,394	31,394	28,392
	<u>3,604,414</u>	<u>391,538</u>	<u>1,233,607</u>	<u>5,229,559</u>	<u>3,370,280</u>

WEALD OF KENT GRAMMAR SCHOOL ACADEMY TRUST
(A company limited by guarantee)

**Notes to the financial statements
for the year ended 31 August 2012**

13. Net incoming resources before transfers

This is stated after charging

	31 August 2012 £	Period ended 31 August 2011 £
Depreciation of tangible fixed assets - owned by the charity	391,538	214,093
Auditors' costs	11,500	8,500
	<u><u> </u></u>	<u><u> </u></u>

During the year, no Governors received any benefits in kind (period ended 31 August 2011 - £NIL)

14 Auditors' remuneration

	31 August 2012 £	Period ended 31 August 2011 £
Fees payable to the academy's auditor for the audit of the academy's annual accounts	7,250	7,250
Fees payable to the academy's auditor and its associates in respect of		
All other services	4,250	1,250
	<u><u> </u></u>	<u><u> </u></u>

WEALD OF KENT GRAMMAR SCHOOL ACADEMY TRUST
(A company limited by guarantee)

**Notes to the financial statements
for the year ended 31 August 2012**

15. Staff costs

Staff costs were as follows

	31 August 2012 £	Period ended 31 August 2011 £
Wages and salaries	2,993,162	1,767,610
Social security costs	187,502	109,733
Other pension costs (Note 29)	423,750	256,873
	<u>3,604,414</u>	<u>2,134,216</u>
Supply teacher costs	27,115	15,473
	<u><u>3,631,529</u></u>	<u><u>2,149,689</u></u>

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

	31 August 2012 No.	Period ended 31 August 2011 No
Teachers	71	79
Administration and support	35	38
Management	1	1
	<u>107</u>	<u>118</u>

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

	31 August 2012 No.	Period ended 31 August 2011 No
In the band £100,001 - £110,000	<u>1</u>	<u>1</u>

The above employee participated in the Teachers' Pension Scheme. During the year ended 31 August 2012, pension contribution for this member of staff amounted to £13,425 (2011 £7,650)

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**Notes to the financial statements
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16. Governors' remuneration

The Headteacher and staff governors only receive remuneration in respect of services they provide undertaking the roles of the Headteacher and staff and not in respect of their services as governors. Other governors did not receive any payments, other than expenses, from the academy in respect of their role as governors.

17. Governors' and Officers' Insurance

In accordance with normal commercial practice the academy has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2012 was £853 (period ended 31 August 2011 - £853).

The cost of this insurance is included in the total insurance cost.

18. Other finance income

	31 August 2012 £	Period ended 31 August 2011 £
Expected return on pension scheme assets	24,000	13,000
Interest on pension scheme liabilities	(52,000)	(29,000)
	<u>(28,000)</u>	<u>(16,000)</u>

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**Notes to the financial statements
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19 Tangible fixed assets

	Freehold property £	Fixtures and fittings £	Computer equipment £	Motor vehicles £	Total £
Cost					
At 1 September 2011	17,622,000	396,202	157,241	19,475	18,194,918
Additions	-	137,644	53,791	-	191,435
At 31 August 2012	<u>17,622,000</u>	<u>533,846</u>	<u>211,032</u>	<u>19,475</u>	<u>18,386,353</u>
Depreciation					
At 1 September 2011	171,500	23,112	18,345	1,136	214,093
Charge for the year	294,000	53,385	42,206	1,947	391,538
At 31 August 2012	<u>465,500</u>	<u>76,497</u>	<u>60,551</u>	<u>3,083</u>	<u>605,631</u>
Net book value					
At 31 August 2012	<u>17,156,500</u>	<u>457,349</u>	<u>150,481</u>	<u>16,392</u>	<u>17,780,722</u>
At 31 August 2011	<u>17,450,500</u>	<u>373,090</u>	<u>138,896</u>	<u>18,339</u>	<u>17,980,825</u>

Included in freehold property is freehold land at valuation on conversion of £2,922,000 which is not depreciated

20 Debtors

	2012 £	2011 £
Trade debtors	13,919	-
VAT recoverable	50,668	112,501
Other debtors	5,453	-
Prepayments and accrued income	49,025	156,262
	<u>119,065</u>	<u>268,763</u>

**21. Creditors
Amounts falling due within one year**

	2012 £	2011 £
Other loan	57,244	58,285
Trade creditors	138,824	216,317
Social security and other taxes	67,646	59,283
Other creditors	653	1,737
Accruals and deferred income	129,563	18,849
	<u>393,930</u>	<u>354,471</u>

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Notes to the financial statements
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22 Creditors'
Amounts falling due after more than one year

	2012	2011
	£	£
Other loan	115,212	171,365

Included within the above are amounts falling due as follows

	2012	2011
	£	£
Between one and two years		
Other loan	58,212	57,143
Between two and five years		
Other loan	57,000	114,222

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Notes to the financial statements
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23 Statement of funds

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds						
Unrestricted Funds	271,555	364,696	(226,149)	-	-	410,102
Restricted funds						
General Annual Grant (GAG)	206,796	4,358,206	(4,059,570)	(171,095)	-	334,337
Mainstream grant	-	469,396	(469,396)	-	-	-
Pupil premium	-	10,643	(10,643)	-	-	-
Other Grants	-	62,384	(62,384)	-	-	-
Pension reserve	(588,000)	-	(3,000)	-	(205,000)	(796,000)
	(381,204)	4,900,629	(4,604,993)	(171,095)	(205,000)	(461,663)
Restricted fixed asset funds						
DfE/EFA capital grants	-	20,340	-	(20,340)	-	-
Assets acquired on conversion	17,856,826	-	(398,417)	191,435	-	17,649,844
	17,856,826	20,340	(398,417)	171,095	-	17,649,844
Total restricted funds	17,475,622	4,920,969	(5,003,410)	-	(205,000)	17,188,181
Total of funds	17,747,177	5,285,665	(5,229,559)	-	(205,000)	17,598,283
Summary of funds						
	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
General funds	271,555	364,696	(226,149)	-	-	410,102
Restricted funds	(381,204)	4,900,629	(4,604,993)	(171,095)	(205,000)	(461,663)
Restricted fixed asset funds	17,856,826	20,340	(398,417)	171,095	-	17,649,844
	17,747,177	5,285,665	(5,229,559)	-	(205,000)	17,598,283

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**Notes to the financial statements
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24. Analysis of net assets between funds

	Unrestricted funds 2012 £	Restricted funds 2012 £	Restricted fixed asset funds 2012 £	Total funds 2012 £	Total funds (7 month period) 2011 £
Tangible fixed assets	-	-	17,780,722	17,780,722	17,980,825
Current assets	410,102	712,601	-	1,122,703	880,188
Creditors due within one year	-	(378,264)	(15,666)	(393,930)	(354,471)
Creditors due in more than one year	-	-	(115,212)	(115,212)	(171,365)
Provisions for liabilities and charges	-	(796,000)	-	(796,000)	(588,000)
	<u>410,102</u>	<u>(461,663)</u>	<u>17,649,844</u>	<u>17,598,283</u>	<u>17,747,177</u>

25. Net cash flow from operations

	31 August 2012 £	Period ended 31 August 2011 £
Net incoming resources before transfers	56,106	18,332,177
Returns on investments and servicing of finance	(969)	(1,611)
Exceptional donations	-	(18,104,722)
Depreciation of tangible fixed assets	391,538	214,093
Decrease/(increase) in debtors	149,697	(268,763)
Increase in creditors	40,501	296,186
FRS 17 adjustments	3,000	3,000
Net cash inflow from operations	<u>639,873</u>	<u>470,360</u>

26 Analysis of cash flows for headings netted in Cash Flow Statement

	31 August 2012 £	Period ended 31 August 2011 £
Returns on investments and servicing of finance		
Interest received	<u>969</u>	<u>1,611</u>
Capital expenditure and financial investment		
Purchase of tangible fixed assets	<u>(191,435)</u>	<u>(90,196)</u>

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**Notes to the financial statements
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26. Analysis of cash flows for headings netted in Cash Flow Statement (continued)

	31 August 2012 £	Period ended 31 August 2011 £
Financing		
Other new loan	-	229,650
Repayment of other loan	(57,194)	-
Net cash (outflow)/inflow from financing	<u>(57,194)</u>	<u>229,650</u>

27. Analysis of changes in net funds

	1 September 2011 £	Cash flow £	31 August 2012 £
Cash at bank and in hand	611,425	392,213	1,003,638
Debt:			
Debts due within one year	(58,285)	1,041	(57,244)
Debts falling due after more than one year	(171,365)	56,153	(115,212)
Net funds	<u>381,775</u>	<u>449,407</u>	<u>831,182</u>

28. Contingent liabilities

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

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

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29 Pension commitments

The academy's employees belong to two principal pension schemes the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff, and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Kent County Council Both are defined benefit schemes

The pension costs are assessed in accordance with the advice of independent qualified actuaries The latest actuarial valuation of the TPS was 31 March 2004 and of the LGPS 31 March 2010

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

Teachers' Pension Scheme

The Teachers' Pension Scheme ("TPS") is a statutory, contributory, defined benefit scheme The regulations under which the TPS operates are the Teachers' Pensions Regulations 2010

Although teachers and lecturers are employed by various bodies, their retirement and other pension benefits, including annual increases payable under the Pensions (Increase) Acts are, as provided for in the Superannuation Act 1972, paid out of monies provided by Parliament Under the unfunded TPS, teachers' contributions on a 'pay as you go' basis, and employers' contributions are credited to the Exchequer under arrangements governed by the above Act

The Teachers' Pensions Regulations require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pensions' increases) From 1 April 2001, the Account has been credited with a real rate of return (in excess of price increases and currently set at 3.5%), which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return

The Government Actuary ('GA'), using normal actuarial principles, conducts formal actuarial reviews of the TPS The aim of the reviews is to specify the level of future contributions

The contribution rate paid into the TPS is assessed in two parts First, a standard contribution rate ('SCR') is determined This is the contribution, expressed as a percentage of the salaries of teachers and lecturers in service or entering service during the period over which the contribution rate applies, which if it were paid over the entire active service of these teachers and lecturers would broadly defray the cost of benefits payable in respect of that service Secondly, a supplementary contribution is payable if, as a result of the actuarial investigation, it is found that accumulated liabilities of the Account for benefits to past and present teachers, are not fully covered by standard contributions to be paid in future and by the notional fund built up from past contributions The total contribution rate payable is the sum of the SCR and the supplementary contribution rate

The last valuation of the TPS related to the period 1 April 2001 - 31 March 2004 The GA's report of October 2006 revealed that the total liabilities of the Scheme (pensions currently in payment and the estimated cost of future benefits) amounted to £166,500 millions The value of the assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) was £163,240 millions The assumed real rate of return is 3.5% in excess of prices and 2% in excess of earnings The rate of real earnings growth is assumed to be 1.5% The assumed gross rate of return is 6.5%

As from 1 January 2007, and as part of the cost sharing agreement between employers' and teachers' representatives, the SCR was assessed at 19.75%, and the supplementary contribution rate was assessed to be 0.75% (to balance assets and liabilities as required by the regulations within 15 years) This resulted in a total contribution rate of 20.5%, which translated into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable The cost-sharing agreement also introduced - effective for the first time for the 2008 valuation - a 14% cap on employer contributions payable

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**Notes to the financial statements
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29. Pension commitments (continued)

From 1 April 2012 to 31 March 2013, the employee contribution rate will range between 6.4% and 8.8%, depending on a member's Full Time Equivalent salary. Further changes to the employee contribution rate will be applied in 2013-14 and 2014-15.

Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. Many of these are being discussed in the context of the design for a reformed TPS and scheme valuations are, therefore, currently suspended. The Government, however, has set out a future process for determining the employer contribution rate under the new scheme, and this process will involve a full actuarial valuation.

Under the definitions set out in Financial Reporting Standard (FRS17) Retirement Benefits, the TPS is a multi-employer pension scheme. The academy is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the academy has taken advantage of the exemption in FRS17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy has set out above the information available on the scheme and the implications for the academy in terms of the anticipated contribution rates.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2012 was £141,000, of which employer's contributions totalled £111,000. The agreed contribution rate for future years are 23.1% for employers and up to 6.5% for employees.

The amounts recognised in the Balance sheet are as follows:

	31 August 2012 £	Period ended 31 August 2011 £
Present value of funded obligations	(1,243,000)	(948,000)
Fair value of scheme assets	447,000	360,000
Net liability	<u>(796,000)</u>	<u>(588,000)</u>

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

	31 August 2012 £	Period ended 31 August 2011 £
Current service cost	(86,000)	(52,000)
Interest on obligation	(52,000)	(29,000)
Expected return on scheme assets	24,000	13,000
Total	<u>(114,000)</u>	<u>(68,000)</u>

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**Notes to the financial statements
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29 Pension commitments (continued)

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

	31 August 2012 £	Period ended 31 August 2011 £
Opening defined benefit obligation	948,000	872,000
Current service cost	86,000	52,000
Interest cost	52,000	29,000
Contributions by scheme participants	30,000	17,000
Actuarial Losses/(Gains)	223,000	(22,000)
Estimated benefits paid net of transfers in	(96,000)	-
	<hr/>	<hr/>
Closing defined benefit obligation	1,243,000	948,000
	<hr/>	<hr/>

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

	31 August 2012 £	Period ended 31 August 2011 £
Opening fair value of scheme assets	360,000	275,000
Expected return on assets	24,000	13,000
Actuarial gains and (losses)	18,000	(10,000)
Contributions by employer	111,000	65,000
Contributions by employees	30,000	17,000
Estimated benefits paid net of transfers in	(96,000)	-
	<hr/>	<hr/>
	447,000	360,000
	<hr/>	<hr/>

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

	2012	2011
Property	10.00 %	9 00 %
Equities	70 00 %	73 00 %
Gilts	1.00 %	1 00 %
Other bonds	13.00 %	14 00 %
Cash	3 00 %	3 00 %
Target Return Portfolio	3 00 %	- %

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

	2012	2011
Discount rate for scheme liabilities	3.90 %	5 40 %
Rate of increase in salaries	4 10 %	4 90 %
Rate of increase for pensions in payment / inflation	1 90 %	2 60 %
Inflation assumption (CPI)	1.90 %	2 60 %

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**Notes to the financial statements
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29. Pension commitments (continued)

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

	2012	2011
Retiring today		
Males	20.0	19.8
Females	24.0	23.9
Retiring in 20 years		
Males	22.0	21.9
Females	25.9	25.8

Amounts for the current and previous period are as follows

Defined benefit pension schemes

	2012 £	2011 £
Defined benefit obligation	(1,243,000)	(948,000)
Scheme assets	447,000	360,000
Deficit	(796,000)	(588,000)
Experience adjustments on scheme liabilities	(223,000)	(850,000)
Experience adjustments on scheme assets	18,000	265,000

30. Operating lease commitments

At 31 August 2012 the academy had annual commitments under non-cancellable operating leases as follows

	2012 £	2011 £
Expiry date		
Between 2 and 5 years	13,980	13,980

31 Related party transactions

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