

Registered number: 07554117

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**WILDERN SCHOOL**  
(A company limited by guarantee)

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**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2014**

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**WILDERN SCHOOL**  
**(A company limited by guarantee)**

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS DIRECTORS AND ADVISERS  
FOR THE YEAR ENDED 31 AUGUST 2014**

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**Directors**

Mr D Blampied (deceased 10 November 2014)  
Mr C Bloom  
Captain T R Emtage  
Mr W J H Hatton  
Mr J Hall (resigned 19 September 2014)  
Mrs C J Hugan (appointed 14 October 2013)  
Mr A P Jardine  
Mrs G A Lane, Chair of Governors  
Miss M-L Litton, Accounting Officer  
Mrs N Luetchford (resigned 29 January 2014)  
Mrs H Mair (appointed 27 June 2014)  
Mrs H S Manton  
Mr S Martin, Chair of Resources Committee  
Mr K V S Mooney (resigned 1 April 2014)  
Mrs R E Saw  
Miss E Walsh  
Mrs K M Wigley, Chair of School Improvement Committee

**Members**

Mr W J H Hatton  
Mrs N Luetchford (resigned 29 January 2014)  
Mr S Martin (appointed 30 January 2014)  
Mrs K M Wigley

**Company registered number**

07554117

**Principal and registered office**

Wildern Lane  
Hedge End  
Southampton  
Hampshire  
SO30 4EJ

**Senior leadership team**

Miss M-L Litton, Headteacher  
Mrs C L Oakley, Deputy Headteacher  
Mr S Mann, Deputy Headteacher  
Mrs A Floyd, Assistant Headteacher  
Mrs D Johnson, Assistant Headteacher  
Mr M Jones, Assistant Headteacher  
Mrs M Wade, Assistant Headteacher

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS DIRECTORS AND ADVISERS  
FOR THE YEAR ENDED 31 AUGUST 2014**

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**Administrative details (continued)**

**Independent auditors**

Hopper Williams & Bell Limited  
Statutory Auditor  
Highland House  
Mayflower Close  
Chandlers Ford  
Eastleigh  
Hampshire  
SO53 4AR

**Bankers**

Lloyds TSB Bank plc  
PO BOX 1000  
Andover  
BX1 1LT

**Solicitors**

Veale Wasbrough Vizards  
Orchard Court  
Orchard Lane  
Bristol  
BS1 5WS

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**WILDERN SCHOOL**  
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**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

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The Directors present their annual report together with the financial statements and auditors' report of the Charitable Company for the year ended 31 August 2014.

The Trust operates an academy for pupils aged 11 to 16 serving a catchment area in Hedge End, Southampton. There were 1,856 pupils on roll as at 31.8.14.

**Structure, governance and management**

**a. CONSTITUTION**

Wildern School 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 Wildern School.

The Directors act as the Directors for the charitable activities of Wildern School and are also the Directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Wildern School.

Details of the Directors who served throughout the year except as noted are included in the Reference and Administrative Details on page 1.

**b. MEMBERS' LIABILITY**

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

**c. DIRECTORS' INDEMNITIES**

In accordance with normal commercial practice, Wildern School has insurance in place to protect governors and officers from claims arising against negligent acts, errors, or omissions occurring whilst on academy business.

**d. METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF DIRECTORS**

The members may appoint up to 8 members and appoint Staff Directors. The LA may appoint the LA Directors. The Head teacher shall be treated as an ex officio Director. Subject to Article 57, the Parent Directors shall be elected by parents of registered students at Wildern School. A Parent Director must be a parent of a pupil at Wildern School at the time they are elected. The Governing Body will make all necessary arrangements relating to the election of Parent Directors.

When there is a vacancy for a Parent Directors to be filled by election, the Governing Body shall take such steps as reasonably practical to ensure all parents are informed of the vacancy.

The Directors may appoint up to 3 co-opted Directors. The Secretary of State may appoint additional Directors as he sees fit.

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**WILDERN SCHOOL**  
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**DIRECTORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

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**e. POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF DIRECTORS**

The training and induction provided for new Directors will depend on their existing experience. Induction training will include training on charity, educational, legal and financial matters. All Directors will be given a tour of Wildern School and copies of all policies, procedures, minutes, budgets and other documents they need to undertake their roles. As there is normally only one or two new Directors per year induction is informal and tailored to the individuals.

There is a Directors Allowance policy and Directors Handbook available on Wildern School VLE and Directors are given a written guide before undertaking Curriculum visits. Directors training opportunities are shared with all Directors.

**f. ORGANISATIONAL STRUCTURE**

The Leadership Team within Wildern School consists of the Headteacher, who is the Accounting Officer, two deputies, four assistants and the School Business Manager. The Leadership Team is supported by five Senior Leaders of Learning.

The Head is responsible for maintaining an organisational structure which reflects the schools' values and enables efficient and effective operation. She also has responsibility for producing and implementing school's evidence based improvement plans and policies, managing the school's human, financial and physical resources effectively and monitoring the use of resources to ensure best value principles are upheld.

The Head is supported by all members of the Leadership Team in carrying out this role.

The Directors are responsible for agreeing policies, adopting an annual budget, monitoring the use of the budget and making decisions about the future development of Wildern School, capital projects and senior staff appointments.

**g. CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS**

There are no connected organisations or related party transactions.

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**DIRECTORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

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**Objectives and Activities**

**a. OBJECTS AND AIMS**

The principal activity of Wildern School is to provide education for students with a range of abilities between the ages of 11 and 16.

Wildern School's object is to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.

**b. OBJECTIVES, STRATEGIES AND ACTIVITIES**

The main objectives of Wildern School during the year are:

- to enhance opportunities and successes enjoyed by all students and staff
- to develop further the school's track record of contributing to school improvement, innovation and transformation both within the school, locally within our immediate family of schools and for the wider system as a whole.
- to develop further the school's wider community role and our contribution to opportunities for our stakeholders in our immediate community, particularly in the arts and sport.
- to provide value for money for funds expended- to comply with statutory and curriculum requirements
- to conduct Wildern School business in accordance with the highest standards of integrity, probity and openness
- to comply with all statutory and curriculum requirements

Wildern School has an excellent record of academic success and offers opportunities to students through the curriculum and extra curricular activities ranging from trips to the theatre locally and nationally, including visits to Ironbridge, ski-ing in Austria, visits to New York and the Grand Canyon. Wildern has continued to perform above the national average academically. GCSE results in August 2014 were 83% A\* to C overall and 76% for English and Maths which were excellent results for this year group.

Wildern Leisure Centre and the D@rt Centre provide a wide range of activities for members of the local community to participate in. The Leisure Centre offers gym facilities, two swimming pools, exercise classes and facilities to hire. In the D@rt Centre holiday activities for children are offered, the facilities are let to a variety of hirers for classes from ballet to Spanish. The D@rt also offers evening activities for adults such as a Book Club, Knit and Natter, Community Choir, Open Mic nights and a monthly Film Club.

To ensure standards are continually challenged Wildern School operates a programme of rigorous monitoring which includes lesson observations, visits from subject inspectors/advisors and undertakes continual analysis of data to ensure students achieve their potential.

**c. PUBLIC BENEFIT**

Directors have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers or duties

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**DIRECTORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

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**Strategic report**

**Achievements and performance**

**a. REVIEW OF ACTIVITIES**

Wildern became one of the first 100 Teaching Schools in the country in July 2011 and has formed a strong alliance with a range of schools, across all phases, to support this exciting initiative that, along with other teaching schools, is helping to shape the future of education. Partners work together to recruit, retain and develop a highly skilled and motivated workforce who will improve outcomes for students. The Teaching School facilitates research and enquiry based learning leading to innovative and sustained improvement, cross phase learning and leadership development.

The achievements of the school are extensive from individual student and staff success to whole school. Examples include Arts Mark Gold Award and students representing the county, region and nation at sport. As a Rights Respecting School Wildern is also committed to UNICEF Rights of the Child and has RRR Level 2 accreditation. The assessment highlighted that the principles of RRR permeates across the whole school's culture and ethos. Along with many other are examples that are closely linked to the two year School Development Plan priorities. These are where possible costed and linked to department priorities. All of these are reviewed through rigorous formal and informal monitoring, links, curriculum meetings, pastoral support and whole school meetings.

The school is high performing and has for the last 8 years consistently achieved significantly above national expectations. This applies to all subjects but specifically to English and Mathematics which is a key national indicator.

In August 2014 83% of students achieved 5+ A\* - C grades and 76% including English and Maths. Achievement at A -A\* is again significantly above expectations and has shown an upward trend in the last three years.

The school was graded as outstanding in 2012 (the school's last inspection)

We have taken charge of the former youth facility on the edge of the school site to form an Inclusion Facility to support some of our more vulnerable students. This facility has been operating successfully since opening in September 2012 and offers support across all subject areas for individual needs, as well as additional activities such as a Literacy Breakfast Club, cookery and gardening. Individual needs are supported with specific resources. Support is given to Year 11 students which ranges from 1 to 1 support to small group work enabling students to complete projects or undertake revision.

In August 2013 Wildern School gained accreditation as a School Centered Initial Teaching Training Provider (SCITT). A new, bespoke training facility has been created on site ready for the first cohort of trainees in September 2014. The Wildern Partnership SCITT has been developed through years of collaboration with our partnership schools, colleges and universities and offers a high quality, cross phase and coherent training programme which is adapted to individual needs.

Successful completion of the training results in the trainee being awarded QTS and PGCE (Professional Graduate Certificate in Education) with the option to upgrade to a Post Graduate Certificate of Education Masters Level in their NQT year. The trainees will have access to outstanding practitioners who demonstrate current and innovative practice in the classroom and will gain experience from within the ETC Teaching School Alliance which includes Primary, Secondary, Post 16 and Special Schools.

During the year to 31.8.14 extensive re-roofing and re-cladding work was undertaken with funding received from the DfE following successful bids for Academies Capital Maintenance Funds, improving the learning environment for staff and students.



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**DIRECTORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

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**b. KEY FINANCIAL PERFORMANCE INDICATORS**

Wildern School has established Key Financial Performance Indicators relating to the financial year ending 31st August 2014. Due to the nature of our core activity, indicators used by commercial companies are not deemed appropriate to our activity and our indicators are based on achieving value for money and ensuring that students receive the full benefit from the in-year funding allocation. In addition Directors discuss financial data benchmarking at Resources meetings where Wildern's expenditure is compared with other schools both locally and nationally. All areas of expenditure are looked at.

At all Resources meetings, the Budget for the year is compared with the actual for the period and any changes are explained. The Budget is reviewed during the year, in light of any changes that may have occurred.

Pupil numbers are crucial due to the funding attached to each pupil. Wildern is oversubscribed and numbers are constant:

2013/4 1,856

2012/3 1,860

2011/2 1,853

The School Improvement Committee monitors exam results, attendance and targets to ensure that all students achieve their potential. The use of data is embedded within all Departments and progress is continually tracked to identify students who require intervention in order to succeed.

Pupils achieving 5A\* to C

2013/4 83%

2012/3 88%

2011/2 88%

**c. GOING CONCERN**

After making appropriate enquiries, the Board of Directors 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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**DIRECTORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

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**Financial review**

**a. FINANCIAL AND RISK MANAGEMENT OBJECTIVES AND POLICIES**

The majority of Wildern School's income is obtained from the EFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the EFA during the year ended 31 August 2014 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

Other income is payment for school trips and income generated by staff at Wildern School undertaking outreach work supporting other schools and students.

Income is generated by the team of IT Developers, who offer support to other educational establishments in the area. The amount of income varies depending on the demand for their services.

The Community based activities generate income. Income comes from membership, courses and lettings of the facilities.

Income was received to support the Teaching School from National College and DfE for School Direct salaried trainees.

The principal source of funding for the year to 31.8.14 was EFA funding of £9,424,511, which was fully spent during the year.

This expenditure was used to support the key aims of Wildern School in providing education for students aged 11 to 16 and enhancing their opportunities. In all financial transactions best value was considered when making decisions.

**b. RESERVES POLICY**

The balance of unrestricted funds of approx. 2 million came from a transfer of funds from Hampshire County Council on Wildern's conversion to Academy status in 2011, as well as income earned during the period since conversion. These funds are being held to contribute to capital build projects at Wildern School to improve the facilities and further enhance teaching and learning opportunities for our students. A new building has been constructed for the SCITT which is due to open in 2014. Building work commenced on this in April 2014. Directors are fully aware of the plans and receive regular updates on the progress made via Full Governing Body Meetings. The funds that were transferred on conversion arose as a result of outreach work undertaken by Wildern School in supporting other schools to raise standards and opportunities for their students. This money has been invested in a Lloyds Bank Corporate Market deposit account which pays interest. The funds will continue to be held in interest bearing accounts pending commencement of the projects.

**c. INVESTMENT POLICY**

Lloyds Bank are the school's banker and hold three current accounts and two deposit accounts for the school. The current accounts are for School, Trips and Community. We have approximately £1.3 million invested in the deposit accounts. All accounts are interest bearing.

Alternative accounts are being researched for the deposits to ensure maximum return and a spread of funds.

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**DIRECTORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

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**d. PRINCIPAL RISKS AND UNCERTAINTIES**

The risks facing Wildern School are with falling budget allocations and loss of specialist funding. There is no risk at the moment from falling numbers and turbulence.

Wildern School is at risk from falling income due to reductions in budgets and loss of additional discretionary funding. This will be monitored carefully and amendments made to the budget in order to compensate for any changes. The level of reduction in budget income since conversion is a concern to Directors.

**e. RISK MANAGEMENT**

Wildern School has a risk management strategy that ensures the school complies with risk management best practise and sets out the current processes and responsibilities for risk management within the school. The Risk Register highlights the key risks facing the school and is a standing item on the Resources Committee agenda, where they monitor the identification and mitigation of risk within the school. Any perceived new or increased risk is reported to Resources with a summary of action taken.

The Directors have assessed the major risks that Wildern School is exposed to, in particular risks relating to specific teaching, provision of facilities and other operational areas of Wildern School and the Financial Management of the School. The Directors have implemented systems to assess risk in operational areas such as Health and Safety and Finance. Health and Safety is monitored via the Health and Safety Director who meets with the Facilities Manager regularly and Wildern School has purchased a Service Level Agreement with a Health and Safety Company to provide support and guidance as well as conducting an audit to illustrate areas for development.

Internal Financial controls have been introduced and the Governing Body carry out reviews during their meetings of areas such as expenditure against budget, organisation of roles within the school and staffing and review of costs and services provided. Directors are provided with budget updates half termly in advance of meetings with notes explaining any deviation from Budget- these are then more fully explained at the meeting.

Wildern School has extensive insurance cover in place.

All systems are being constantly reviewed and in order to minimise risk a system of internal financial controls have been introduced and an external Auditor has undertaken visits to carry out extended audit checks this year and reported to the school. The accounts for the period to 31.8.14 have been audited by Hopper Williams & Bell Limited.

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**DIRECTORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

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**f. INTERNAL FINANCIAL CONTROL**

Directors accept they have overall responsibility for ensuring Wildern School has appropriate and effective systems of financial control in place. Directors accept the system is designed to manage risk at a reasonable level rather than eliminate all risk of failure. The system of internal control has been in place in Wildern School for the period 1.9.13 to 31.8.14. Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of Wildern School and enable us to ensure the financial statements comply with the Companies Act and give a clear indication of Wildern School's incoming resources and application of resources, including its income and expenditure, for the financial year. In preparing financial statements giving a true and fair view, the Directors:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

Wildern School'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. It includes:

- comprehensive budgeting and monitoring systems against an annual budget with periodic financial reports which are reviewed and agreed by the governing body;
- regular reviews by the Resources 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.

In addition, the Directors have considered the guidance for Directors of public listed companies contained within the Turnbull Report. They believe that although it is not mandatory for Wildern School it should, as a publicly funded body, adopt these guidelines as best practice. Accordingly they have set policies on internal controls which cover the following:

- the type of risks Wildern School faces;
- the level of risks which they regard as acceptable;
- the likelihood of the risks materialising;
- Wildern School's ability to reduce the incidence and impact on Wildern School's operations of risks that do materialise;
- the costs of operating particular controls relative to the benefits obtained;
- clarified the responsibility of the Management Team to implement the Directors' policies and to identify and evaluate risks for the Directors' consideration;
- explained to employees that they have responsibility for internal control as part of their accountability for achieving objectives;
- embedded the control system in Wildern School's operations so that it becomes part of the culture of Wildern School;
- developed systems to respond quickly to evolving risks arising from factors within Wildern School and to changes in the external environment;
- included procedures for reporting failings immediately to appropriate levels of management and the Directors together with details of corrective action being undertaken.

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**DIRECTORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

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**Plans for future periods**

**a. FUTURE DEVELOPMENTS**

Wildern is a progressive school that in order to continue to move forward will always be looking to set challenging and ambitious targets. Our aims and objectives will always be driven by the need to provide quality Teaching and Learning which will afford our students the best possible opportunity for their future. Our key priorities are set in the school improvement plan which is reviewed annually and then re-written every two years. In the coming year we would expect to achieve similar examination results to the previous year although this is changing as new measures are introduced.

As one of the National Teaching schools another significant focus will be to continue to build our profile as a Teaching School and strengthening our Alliance. This will involve investment in staff training and staffing capacity to deliver some of the key priorities in the action plan.

Wildern will consider the possibilities of establishing a Multi Academy Trust in the future.

Site developments to support curriculum change and innovation are a focus and we are continuing to explore new opportunities and curriculum offer for our students in light of national changes. We are continually looking to improve the learning environment for our students. This will include a strategic review of the curriculum offer and potential to provide different applied learning courses.

Since acquiring accreditation as a SCITT in August 2013 we have a bespoke training building on site to be used for the delivery of the SCITT program. The building was ready for occupation from September 2014 and there are 35 trainees for the first year of operation.

**DISCLOSURE OF INFORMATION TO AUDITORS**

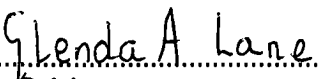
Each of the persons who are Directors at the time when this Directors' report is approved has confirmed that:

- so far as that the Directors are aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- that the Directors have taken all the steps that ought to have been taken as Directors in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

**AUDITORS**

The auditors, Hopper Williams and Bell Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report, incorporating the Strategic report, was approved by order of the Board of Directors, as the company directors, on 15 December 2014 and signed on the board's behalf by:

  
.....  
**Mrs G A Lane**  
Chair of Governors

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**WILDERN SCHOOL**  
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**GOVERNANCE STATEMENT**

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**SCOPE OF RESPONSIBILITY**

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

The Board of Directors 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 Wildern School and the Secretary of State for Education. They are also responsible for reporting to the Board of Directors any material weaknesses or breakdowns in internal control.

On conversion to Academy status, Wildern School inherited a deficit on the Local Government Pension Scheme. An FRS disclosure as at 31st August 2014 has been obtained. Repayments of the deficit will continue to be made monthly and provision has been made for this in the budget.

**GOVERNANCE**

The information on governance included here supplements that described in the Directors' report and in the Directors' responsibilities statement. The Board of Directors has formally met 10 times during the year. Attendance during the year at meetings of the Board of Directors was as follows:

Director	Meetings attended	Out of a possible
Mr D Blampied	6	10
Mr C Bloom	9	12
Captain T R Emtage	6	10
Mr W J H Hatton	13	16
Mr J Hall	9	12
Mr A P Jardine	11	12
Mrs G A Lane, Chair of Governors	14	18
Miss M-L Litton, Accounting Officer	19	20
Mrs N Luetchford (resigned on 31.1.14)	4	5
Mrs H S Manton	10	12
Mr S Martin, Chair of Resources Committee	10	12
Mr K V S Mooney (resigned on 31.1.14)	6	8
Mrs R E Saw	15	16
Miss E Walsh	11	12
Mrs K M Wigley, Chair of School Improvement Committee	11	12

The Resources Committee is a sub-committee of the main Board of Directors. Its purpose is to ensure sound management of the Academy's finances and resources, including financial planning, monitoring and probity.

Attendance at meetings in the year was as follows:

Director	Meetings attended	Out of a possible
Mr C Bloom	3	6
Mr W J H Hatton	6	6
Mrs G A Lane	4	6
Miss M-L Litton	6	6
Mr S Martin	6	6
Mrs H S Manton	6	6
Mrs R E Saw	6	6

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**GOVERNANCE STATEMENT (continued)**

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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 ongoing process designed to identify and prioritise the risks to the achievement of Academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Wildern School for the year 1 September 2013 to 31 August 2014 and up to the date of approval of the annual report and financial statements.

**CAPACITY TO HANDLE RISK**

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

**THE RISK AND CONTROL FRAMEWORK**

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Directors;
- regular reviews by the Resources 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 Directors has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Directors have appointed Hopper Williams & Bell Limited, the external auditors, to perform additional checks.

The auditors' role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. On a quarterly basis, the auditors report to the Board of Directors on the operation of the systems of control and on the discharge of the Board of Directors' financial responsibilities.

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**WILDERN SCHOOL**  
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**GOVERNANCE STATEMENT (continued)**

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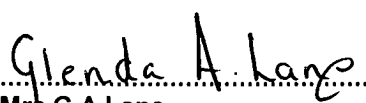
**REVIEW OF EFFECTIVENESS**

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

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

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Resources Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Directors on 15 December 2014 and signed on its behalf, by:

  
.....  
**Mrs G A Lane**  
Chair of Governors

  
.....  
**Miss M-L Litton**  
Accounting Officer



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**WILDERN SCHOOL**  
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**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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As Accounting Officer of Wildern School I have considered my responsibility to notify the Academy Board of Directors 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 Board of Directors are able to identify any material, irregular or improper use of funds by the Academy, or material non-compliance with the terms and conditions of funding under the Academy's funding agreement and the Academies Financial Handbook.

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 Directors and EFA.

.....  
**Miss M-L Litton**  
Accounting Officer

Date: 15 December 2014

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**WILDERN SCHOOL**  
**(A company limited by guarantee)**

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**DIRECTORS' RESPONSIBILITIES STATEMENT**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

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The Directors (who act as governors of Wildern School and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Directors' report (including the Strategic report) and the financial statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

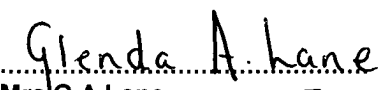
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material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

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

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

Approved by order of the members of the Board of Directors on 15 December 2014 and signed on its behalf by:

  
.....  
Mrs G A Lane  
Chair of Governors

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**WILDERN SCHOOL**  
**(A company limited by guarantee)**

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**INDEPENDENT AUDITORS' REPORT TO THE BOARD OF DIRECTORS OF WILDERN SCHOOL**

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We have audited the financial statements of Wildern School for the year ended 31 August 2014 which comprise the Statement of financial activities, the Balance sheet, the Cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2013 to 2014 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 DIRECTORS AND AUDITORS**

As explained more fully in the Directors' responsibilities statement, the Directors (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 Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**OPINION ON FINANCIAL STATEMENTS**

In our opinion the financial statements:

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

**OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006**

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

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**WILDERN SCHOOL**  
**(A company limited by guarantee)**

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**INDEPENDENT AUDITORS' REPORT TO THE BOARD OF DIRECTORS OF WILDERN SCHOOL**

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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 financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

*Hopper Williams & Bell Limited*

Richard Hurst FCA (Senior statutory auditor)  
for and on behalf of

**Hopper Williams & Bell Limited**

Statutory Auditor

Highland House

Mayflower Close

Chandlers Ford

Eastleigh

Hampshire

SO53 4AR

Date: *16 December 2014*

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**WILDERN SCHOOL**  
**(A company limited by guarantee)**

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

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In accordance with the terms of our engagement letter dated 8 May 2014 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013 to 2014, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Wildern School during the year 1 September 2013 to 31 August 2014 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The accounting officer is responsible, under the requirements of Wildern School's funding agreement with the Secretary of State for Education dated 31 March 2011, and the Academies Financial Handbook extant from 1 September 2013, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

**APPROACH**

We conducted our engagement in accordance with the Academies Accounts Direction 2013 to 2014 issued by EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

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**WILDERN SCHOOL**  
**(A company limited by guarantee)**

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**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO WILDERN SCHOOL AND THE EDUCATION FUNDING AGENCY (continued)**

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**SUMMARY OF WORK UNDERTAKEN**

We carried out the following:

- planning of assurance procedures including identifying key risks;
- substantive testing including analytical review;
- concluding on procedures carried out.

Substantive testing included the following procedures:

- confirming that activities conform to the Academy's framework of authorities;
- considering the evidence supporting the Accounting Officer's statement on regularity, propriety and compliance;
- evaluating the general control environment of the Academy;
- testing a sample of transactions to consider whether the transaction is permissible within the Academy's framework of authorities;
- confirming whether any extra-contractual payments have been made and whether appropriate authority was obtained;
- reviewing documentation for evidence of borrowing and confirming if approval was obtained from the EFA;
- confirming whether EFA approval was obtained for any disposals of assets;
- reviewing the internal control procedures relating to credit cards;
- reviewing for any indication of purchases for personal use by staff or officers;
- reviewing the list of suppliers to consider whether supplies are from related parties;
- considering whether income generating activities are permissible within the Academy's charitable objects;
- reviewing whether lettings to related parties are made at favourable rates.

**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 2013 to 31 August 2014 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

*Hopper Williams & Bell Limited*

Richard Hurst FCA

**Hopper Williams & Bell Limited**  
Statutory Auditor  
Highland House  
Mayflower Close  
Chandlers Ford  
Eastleigh  
Hampshire  
SO53 4AR

Date: 16 December 2014

**WILDERN SCHOOL**  
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES**  
(incorporating income and expenditure account and statement of total recognised gains and losses)  
FOR THE YEAR ENDED 31 AUGUST 2014

	Note	Unrestricted funds 2014 £	Restricted funds 2014 £	Restricted fixed asset funds 2014 £	Total funds 2014 £	Total funds 2013 £
<b>INCOMING RESOURCES</b>						
Incoming resources from generated funds:						
Voluntary income	3	-	292,981	-	292,981	338,043
Activities for generating funds	4	244,148	1,374,055	-	1,618,203	1,435,738
Investment income	5	15,467	-	-	15,467	21,860
Incoming resources from charitable activities	6	-	8,804,931	619,580	9,424,511	9,199,133
<b>TOTAL INCOMING RESOURCES</b>		<b>259,615</b>	<b>10,471,967</b>	<b>619,580</b>	<b>11,351,162</b>	<b>10,994,774</b>
<b>RESOURCES EXPENDED</b>						
Costs of generating funds:						
Costs of generating voluntary income	7	59,901	960,358	-	1,020,259	1,113,866
Charitable activities	9	139,479	9,555,497	547,964	10,242,940	9,514,826
Governance costs	8	-	18,571	-	18,571	49,282
<b>TOTAL RESOURCES EXPENDED</b>	10	<b>199,380</b>	<b>10,534,426</b>	<b>547,964</b>	<b>11,281,770</b>	<b>10,677,974</b>
<b>NET INCOMING / (OUTGOING) RESOURCES BEFORE TRANSFERS</b>		<b>60,235</b>	<b>(62,459)</b>	<b>71,616</b>	<b>69,392</b>	<b>316,800</b>

**WILDERN SCHOOL**  
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

	Note	Unrestricted funds 2014 £	Restricted funds 2014 £	Restricted fixed asset funds 2014 £	Total funds 2014 £	Total funds 2013 £
Transfers between Funds	19	(327,033)	-	327,033	-	-
<b>NET INCOME FOR THE YEAR</b>		<b>(266,798)</b>	<b>(62,459)</b>	<b>398,649</b>	<b>69,392</b>	<b>316,800</b>
Actuarial gains and losses on defined benefit pension schemes		-	(88,000)	-	(88,000)	(80,100)
<b>NET MOVEMENT IN FUNDS FOR THE YEAR</b>		<b>(266,798)</b>	<b>(150,459)</b>	<b>398,649</b>	<b>(18,608)</b>	<b>236,700</b>
<i>Total funds at 1 September 2013</i>		<i>2,212,459</i>	<i>(781,248)</i>	<i>24,856,980</i>	<i>26,288,191</i>	<i>26,051,491</i>
<b>TOTAL FUNDS AT 31 AUGUST 2014</b>		<b>1,945,661</b>	<b>(931,707)</b>	<b>25,255,629</b>	<b>26,269,583</b>	<b>26,288,191</b>

All activities relate to continuing operations.

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

The notes on pages 25 to 44 form part of these financial statements.



**WILDERN SCHOOL**  
**(A company limited by guarantee)**  
**REGISTERED NUMBER: 07554117**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2014**

	Note	£	2014 £	£	2013 £
<b>FIXED ASSETS</b>					
Tangible assets	15		<b>25,255,629</b>		24,856,980
<b>CURRENT ASSETS</b>					
Stocks	16	13,795		14,372	
Debtors	17	287,208		168,285	
Cash at bank and in hand		2,785,052		3,148,959	
		<u>3,086,055</u>		<u>3,331,616</u>	
<b>CREDITORS: amounts falling due within one year</b>	18	<u>(961,101)</u>		<u>(907,205)</u>	
<b>NET CURRENT ASSETS</b>			<b>2,124,954</b>		2,424,411
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<b>27,380,583</b>		27,281,391
Defined benefit pension scheme liability	24	<u>(1,111,000)</u>		<u>(993,200)</u>	
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITY</b>			<b>26,269,583</b>		26,288,191
<b>FUNDS OF THE ACADEMY</b>					
Restricted funds:					
Restricted funds	19	179,293		211,952	
Restricted fixed asset funds	19	25,255,629		24,856,980	
Restricted funds excluding pension liability		<u>25,434,922</u>		<u>25,068,932</u>	
Pension reserve		<u>(1,111,000)</u>		<u>(993,200)</u>	
Total restricted funds			<b>24,323,922</b>		24,075,732
Unrestricted funds	19		<u>1,945,661</u>		<u>2,212,459</u>
<b>TOTAL FUNDS</b>			<b>26,269,583</b>		26,288,191

The financial statements were approved by the Directors, and authorised for issue, on 15 December 2014 and are signed on their behalf, by:

*Glenda A. Lane*  
 Mrs G A Lane  
 Chair of Governors

The notes on pages 25 to 44 form part of these financial statements.

**WILDERN SCHOOL**  
(A company limited by guarantee)

**CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 AUGUST 2014**

	Note	2014 £	2013 £
Net cash flow from operating activities	21	567,239	737,230
Returns on investments and servicing of finance	22	15,467	21,860
Capital expenditure and financial investment	22	(946,613)	(849,315)
<b>DECREASE IN CASH IN THE YEAR</b>		<b>(363,907)</b>	<b>(90,225)</b>

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS  
FOR THE YEAR ENDED 31 AUGUST 2014**

	2014 £	2013 £
Decrease in cash in the year	(363,907)	(90,225)
<b>MOVEMENT IN NET FUNDS IN THE YEAR</b>	<b>(363,907)</b>	<b>(90,225)</b>
Net funds at 1 September 2013	3,148,959	3,239,184
<b>NET FUNDS AT 31 AUGUST 2014</b>	<b>2,785,052</b>	<b>3,148,959</b>

The notes on pages 25 to 44 form part of these financial statements.

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**WILDERN SCHOOL**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

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**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 2013 to 2014 issued by EFA, applicable accounting standards and the Companies Act 2006.

**1.2 Fund accounting**

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

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

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

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

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**WILDERN SCHOOL**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

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**1. ACCOUNTING POLICIES (continued)**

**1.3 Incoming resources**

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

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

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

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

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

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

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

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

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**WILDERN SCHOOL**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2014**

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**1. ACCOUNTING POLICIES (continued)**

**1.4 Resources expended**

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

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

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

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

All resources expended are inclusive of irrecoverable VAT.

**1.5 Going concern**

The Directors 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 Directors make this assessment in respect of a period of one year from the date of approval of the financial statements.

**1.6 Tangible fixed assets and depreciation**

All assets costing more than £500 are capitalised.

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

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.

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

Freehold property	-	2% straight line
Motor vehicles	-	25% straight line
Fixtures and fittings	-	25% reducing balance
Computer equipment	-	20% straight line

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**WILDERN SCHOOL**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2014**

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**1. ACCOUNTING POLICIES (continued)**

**1.7 Operating leases**

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

**1.8 Stocks**

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

**1.9 Taxation**

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

**1.10 Pensions**

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in note 24, the TPS is a multi-employer scheme and the Academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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

**WILDERN SCHOOL**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2014**

**2. GENERAL ANNUAL GRANT (GAG)**

Under the funding agreement with the Secretary of State the Academy was subject to limits at 31 August 2014 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

The Academy has not exceeded these limits during the year ended 31 August 2014.

**3. VOLUNTARY INCOME**

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Trip income	-	292,981	292,981	338,043

**4. ACTIVITIES FOR GENERATING FUNDS**

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
IT conference and work income	56,862	-	56,862	104,121
Donations	-	-	-	8,253
Other income	187,286	643,082	830,368	664,966
Community income	-	730,973	730,973	658,398
	<u>244,148</u>	<u>1,374,055</u>	<u>1,618,203</u>	<u>1,435,738</u>

**5. INVESTMENT INCOME**

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Short term deposits	15,467	-	15,467	21,860

**WILDERN SCHOOL**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2014**

**6. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
<b>DfE/EFA revenue grants</b>				
General Annual Grant (GAG)	-	8,519,367	8,519,367	8,431,839
DfE/EFA capital grants	-	619,580	619,580	519,954
Other grants	-	53,555	53,555	58,472
Pupil premium	-	232,009	232,009	188,868
	<u>-</u>	<u>9,424,511</u>	<u>9,424,511</u>	<u>9,199,133</u>

**7. COSTS OF GENERATING VOLUNTARY INCOME**

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Trip expenditure	-	274,887	274,887	378,941
IT income - supplies and services	41,326	-	41,326	62,903
IT income - other costs	-	-	-	2,444
Community income - other costs	-	333,638	333,638	305,944
Community income - staff costs	18,575	351,833	370,408	363,634
	<u>59,901</u>	<u>960,358</u>	<u>1,020,259</u>	<u>1,113,866</u>

**8. GOVERNANCE COSTS**

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Legal and professional fees	-	5,996	5,996	18,972
Auditors' remuneration - audit	-	9,750	9,750	10,270
Auditors' remuneration - non-audit	-	2,825	2,825	20,040
	<u>-</u>	<u>18,571</u>	<u>18,571</u>	<u>49,282</u>



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**9. CHARITABLE ACTIVITIES**

	<b>Total funds 2014 £</b>	<b>Total funds 2013 £</b>
<b>DIRECT COSTS - EDUCATIONAL OPERATIONS</b>		
Wages and salaries	5,399,984	5,175,389
National insurance	311,602	331,563
Pension cost	715,321	675,326
Educational supplies	922,501	553,252
Examination fees	121,321	164,637
Staff development	27,620	27,474
Educational consultancy	3,935	22,093
Uniform	53,662	40,842
Finance expenditure	-	4,187
Other costs	2,068	-
	<u>7,558,014</u>	<u>6,994,763</u>
<b>SUPPORT COSTS - EDUCATIONAL OPERATIONS</b>		
Wages and salaries	837,636	795,665
National insurance	43,072	43,588
Pension cost	173,215	145,329
Depreciation	547,964	559,568
Technology costs	86,142	42,009
Recruitment & support	32,482	32,841
Maintenance of premises & equipment	404,331	255,422
Cleaning	126,772	115,984
Rent & rates	44,940	43,169
Energy costs	212,589	211,552
Insurance	30,815	75,413
Security & transport	18,637	18,551
Catering	52,222	55,751
Office costs	27,117	38,617
Telephone	14,966	13,407
Expected return on assets	(111,700)	(75,300)
Net interest costs	124,500	96,100
Other costs	19,226	52,397
	<u>2,684,926</u>	<u>2,520,063</u>
	<u><u>10,242,940</u></u>	<u><u>9,514,826</u></u>

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**10. RESOURCES EXPENDED**

	Staff costs	Non Pay	Expenditure	Total	Total
	2014	Premises	Other costs	2014	2013
	£	2014	2014	£	£
		£	£		
Costs of generating voluntary income	370,408	41,326	608,525	1,020,259	1,113,866
<b>Costs of generating funds</b>	<b>370,408</b>	<b>41,326</b>	<b>608,525</b>	<b>1,020,259</b>	<b>1,113,866</b>
Direct costs	6,426,907	-	1,131,107	7,558,014	6,994,763
Support costs	1,053,923	1,191,597	439,406	2,684,926	2,520,063
<b>Charitable activities</b>	<b>7,480,830</b>	<b>1,191,597</b>	<b>1,570,513</b>	<b>10,242,940</b>	<b>9,514,826</b>
<b>Governance</b>	<b>-</b>	<b>-</b>	<b>18,571</b>	<b>18,571</b>	<b>49,282</b>
	<b>7,851,238</b>	<b>1,232,923</b>	<b>2,197,609</b>	<b>11,281,770</b>	<b>10,677,974</b>

**11. NET INCOMING / (OUTGOING) RESOURCES**

This is stated after charging:

	2014	2013
	£	£
Depreciation of tangible fixed assets:		
- owned by the charity	547,964	559,568
Auditors' remuneration	9,750	10,270
Auditors' remuneration - non-audit	2,825	20,040

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**12. STAFF**

**a. Staff costs**

Staff costs were as follows:

	2014 £	2013 £
Wages and salaries	6,579,757	6,309,001
Social security costs	365,766	386,728
Other pension costs (Note 24)	905,715	834,765
	<u>7,851,238</u>	<u>7,530,494</u>

**b. Staff numbers**

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

	2014 No.	2013 No.
Teachers	143	155
Education support	77	80
Community	38	40
Casual	31	31
	<u>289</u>	<u>306</u>

**c. Higher paid staff**

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

	2014 No.	2013 No.
In the band £60,001 - £70,000	2	0
In the band £70,001 - £80,000	1	2
In the band £90,001 - £100,000	0	1
In the band £100,001 - £110,000	1	0
	<u>4</u>	<u>3</u>

Four (2013: three) of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2014 pension contributions for these staff amounted to £42,500 (2013 - £32,075).

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**13. DIRECTORS' REMUNERATION AND EXPENSES**

The Principal and other staff Directors only receive remuneration in respect of services they provide undertaking the roles of Principal and staff, and not in respect of their services as Directors. Other Directors did not receive any payments, other than expenses, from the Academy in respect of their role as Directors. The value of Directors' remuneration fell within the following bands:

	2014 £'000	2013 £'000
M-L Litton (Principal and Director)	100-105	95-100
H S Manton (Staff Director)	45-50	45-50
K V S Mooney (Staff Director)	35-40	35-40

During the year ended 31 August 2014, expenses totalling £492 (2013 - £NIL) were reimbursed to one Director.

**14. DIRECTORS' AND OFFICERS' INSURANCE**

In accordance with normal commercial practice the Academy has purchased insurance to protect Directors 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 2014 was £1,260 (2013 - £1,260). The cost of this insurance is included in the total insurance cost.

**15. TANGIBLE FIXED ASSETS**

	Freehold property £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
<b>Cost</b>					
At 1 September 2013	25,181,696	26,242	487,401	479,197	26,174,536
Additions	883,266	-	3,709	59,638	946,613
At 31 August 2014	26,064,962	26,242	491,110	538,835	27,121,149
<b>Depreciation</b>					
At 1 September 2013	882,753	15,855	213,920	205,028	1,317,556
Charge for the year	372,150	6,559	68,938	100,317	547,964
At 31 August 2014	1,254,903	22,414	282,858	305,345	1,865,520
<b>Net book value</b>					
At 31 August 2014	24,810,059	3,828	208,252	233,490	25,255,629
At 31 August 2013	24,298,943	10,387	273,481	274,169	24,856,980

Included in land and buildings is freehold land at valuation of £6,881,329 which is not depreciated.

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**16. STOCKS**

	2014 £	2013 £
Raw materials	13,795	14,372

**17. DEBTORS**

	2014 £	2013 £
Trade debtors	9,663	10,627
Other debtors	117,934	153,416
Prepayments and accrued income	159,611	4,242
	<u>287,208</u>	<u>168,285</u>

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

	2014 £	2013 £
Trade creditors	363,011	490,393
Other taxation and social security	135,538	136,433
Other creditors	122,828	90,242
Accruals and deferred income	339,724	190,137
	<u>961,101</u>	<u>907,205</u>

**Deferred income**

	£
Deferred income at 1 September 2013	148,417
Resources deferred during the year	129,611
Amounts released from previous years	(148,417)
Deferred income at 31 August 2014	<u>129,611</u>

At the balance sheet date the academy was holding funds received in advance for trips booked during the 2014/2015 financial year.

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**NOTES TO THE FINANCIAL STATEMENTS  
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**19. STATEMENT OF FUNDS**

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
<b>Unrestricted funds</b>						
Reserves	2,212,459	259,615	(199,380)	(327,033)	-	1,945,661
<b>Restricted funds</b>						
General annual grant	-	8,519,367	(8,519,367)	-	-	-
Other DfE/EFA grants	211,952	285,564	(497,516)	-	-	-
Schools direct	-	282,292	(270,736)	-	-	11,556
SCITT	-	34,400	(22,747)	-	-	11,653
Other educational activities	-	1,350,344	(1,194,260)	-	-	156,084
Pension reserve	(993,200)	-	(29,800)	-	(88,000)	(1,111,000)
	(781,248)	10,471,967	(10,534,426)	-	(88,000)	(931,707)
<b>Restricted fixed asset funds</b>						
Fixed asset fund	24,856,980	-	(547,964)	946,613	-	25,255,629
DfE/EFA capital grants	-	619,580	-	(619,580)	-	-
	24,856,980	619,580	(547,964)	327,033	-	25,255,629
<b>Total restricted funds</b>	<b>24,075,732</b>	<b>11,091,547</b>	<b>(11,082,390)</b>	<b>327,033</b>	<b>(88,000)</b>	<b>24,323,922</b>
<b>Total of funds</b>	<b>26,288,191</b>	<b>11,351,162</b>	<b>(11,281,770)</b>	<b>-</b>	<b>(88,000)</b>	<b>26,269,583</b>

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

**General annual grant**

This includes all funding received from the EFA to carry out the objectives of the academy. It includes the school budget share, minimum funding guarantee, education services grant, insurance, rates, and pre/post-16 high needs funding.

**Other DfE/EFA grants**

This is funding received from the EFA for specific purposes, for example pupil premium funding.

**Local authority grants**

This is funding received from the local authority for specific purposes, for example Special Educational Needs funding.

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**NOTES TO THE FINANCIAL STATEMENTS  
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**19. STATEMENT OF FUNDS (continued)**

**Pension reserve**

This represents the negative reserve in respect of the liability on the LGPS pension scheme which was transferred to the academy on conversion.

**Other educational activities**

This includes all other educational income/expenditure.

**Fixed asset fund**

The fund includes the value of the tangible fixed assets of the academy on conversion, and amounts transferred from GAG or other restricted funds specifically for expenditure on tangible fixed assets, and the annual charges for depreciation of these assets.

**DfE/EFA capital grants**

This is money received from the DfE/EFA specifically for expenditure on tangible fixed assets.

Under the funding agreement with the Secretary of State, the Academy was subject to a limit on the amount of GAG that it could carry forward at 31 August 2014. Note 2 discloses whether the limit was exceeded.

**SUMMARY OF FUNDS**

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
General funds	2,212,459	259,615	(199,380)	(327,033)	-	1,945,661
Restricted funds	(781,248)	10,471,967	(10,534,426)	-	(88,000)	(931,707)
Restricted fixed asset funds	24,856,980	619,580	(547,964)	327,033	-	25,255,629
	<u>26,288,191</u>	<u>11,351,162</u>	<u>(11,281,770)</u>	<u>-</u>	<u>(88,000)</u>	<u>26,269,583</u>

**20. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted funds 2014 £	Restricted funds 2014 £	Restricted fixed asset funds 2014 £	Total funds 2014 £	Total funds 2013 £
Tangible fixed assets	-	-	25,255,629	25,255,629	24,856,980
Current assets	1,945,661	1,140,394	-	3,086,055	3,331,616
Creditors due within one year	-	(961,101)	-	(961,101)	(907,205)
Provisions for liabilities and charges	-	(1,111,000)	-	(1,111,000)	(993,200)
	<u>1,945,661</u>	<u>(931,707)</u>	<u>25,255,629</u>	<u>26,269,583</u>	<u>26,288,191</u>

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**NOTES TO THE FINANCIAL STATEMENTS  
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**21. NET CASH FLOW FROM OPERATING ACTIVITIES**

	2014 £	2013 £
Net incoming resources before revaluations	69,392	316,800
Returns on investments and servicing of finance	(15,467)	(21,860)
Depreciation of tangible fixed assets	547,964	559,568
Decrease / (Increase) in stocks	577	(3,863)
Increase in debtors	(118,923)	(52,018)
Increase / (Decrease) in creditors	53,896	(97,197)
FRS 17 adjustments	29,800	35,800
<b>Net cash inflow from operations</b>	<b>567,239</b>	<b>737,230</b>

**22. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT**

	2014 £	2013 £
<b>Returns on investments and servicing of finance</b>		
Interest received	15,467	21,860
	<b>2014 £</b>	<b>2013 £</b>
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	(946,613)	(1,154,603)
Sale of tangible fixed assets	-	6,563
Capital grants from DfE	-	298,725
<b>Net cash outflow capital expenditure</b>	<b>(946,613)</b>	<b>(849,315)</b>

**23. ANALYSIS OF CHANGES IN NET FUNDS**

	1 September 2013 £	Cash flow £	Other non-cash changes £	31 August 2014 £
Cash at bank and in hand:	3,148,959	(363,907)	-	2,785,052
<b>Net funds</b>	<b>3,148,959</b>	<b>(363,907)</b>	<b>-</b>	<b>2,785,052</b>



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**NOTES TO THE FINANCIAL STATEMENTS**  
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**24. PENSION COMMITMENTS**

The Academy's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Hampshire County Council Pension Fund. 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 2004 and of the LGPS 31 March 2013.

Contributions amounting to £122,828 were payable to the scheme at 31 August 2014 (2013 - £90,242) and are included within creditors.

**Teachers' Pension Scheme**

**Introduction**

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

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

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

**Valuation of the Teachers' Pension Scheme**

The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%);
- total scheme liabilities for service to the effective date of £191,500 million, and notional assets of £176,600 million, giving a notional past service deficit of £14,900 million; and
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations.

The new employer contribution rate is applicable from 1 April 2015 and will be implemented for the TPS from September 2015.

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

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**24. PENSION COMMITMENTS (continued)**

**Teachers' Pension Scheme Changes**

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

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

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

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

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

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

**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 2014 was £248,800, of which employer's contributions totalled £292,000 and employees' contributions totalled £74,000. The agreed contribution rates for future years are 13.1% for employers and 5.5% for employees.

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

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**NOTES TO THE FINANCIAL STATEMENTS  
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**24. PENSION COMMITMENTS (continued)**

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

	<b>Expected return at 31 August 2014 %</b>	<b>Fair value at 31 August 2014 £</b>	<b>Expected return at 31 August 2013 %</b>	<b>Fair value at 31 August 2013 £</b>
Equities	7.50	1,056,000	7.90	1,047,000
Property	6.80	135,000	7.40	123,000
Government bonds	2.90	422,000	3.40	401,000
Corporate bonds	3.30	25,000	4.10	20,000
Cash	1.10	65,000	0.90	49,000
Other	7.50	54,000	7.90	3,300
Total market value of assets		<u>1,757,000</u>		<u>1,643,300</u>
Present value of scheme liabilities		<u>(2,868,000)</u>		<u>(2,636,500)</u>
(Deficit)/surplus in the scheme		<u><u>(1,111,000)</u></u>		<u><u>(993,200)</u></u>

The amounts recognised in the Balance sheet are as follows:

	<b>2014 £</b>	<b>2013 £</b>
Fair value of scheme assets	1,757,000	1,643,300
Present value of unfunded obligations	<u>(2,868,000)</u>	<u>(2,636,500)</u>
Net liability	<u><u>(1,111,000)</u></u>	<u><u>(993,200)</u></u>

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

	<b>2014 £</b>	<b>2013 £</b>
Current service cost	235,000	203,000
Interest cost	124,500	96,100
Expected return on assets	<u>(111,700)</u>	<u>(75,300)</u>
Total	<u><u>247,800</u></u>	<u><u>223,800</u></u>
Actual return on scheme assets	<u><u>(269,000)</u></u>	<u><u>75,300</u></u>

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**24. PENSION COMMITMENTS (continued)**

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

	2014 £	2013 £
Opening defined benefit obligation	2,636,500	2,106,300
Contributions by scheme participants	74,000	61,000
Actuarial (Gains)/losses	(181,000)	173,100
Current service cost	235,000	203,000
Interest cost	124,500	96,100
Benefits paid	(21,000)	(3,000)
	<u>2,868,000</u>	<u>2,636,500</u>

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

	2014 £	2013 £
Opening fair value of scheme assets	1,643,300	1,229,000
Actuarial gains and (losses)	(269,000)	93,000
Contributions by employer	218,000	188,000
Contributions by employees	74,000	61,000
Expected return on assets	111,700	75,300
Benefits paid	(21,000)	(3,000)
	<u>1,757,000</u>	<u>1,643,300</u>

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

	2014	2013
Equities	60.10 %	63.70 %
Government bonds	24.00 %	24.40 %
Corporate bonds	1.40 %	1.20 %
Cash	3.70 %	3.00 %
Property	7.70 %	7.50 %
Other	3.10 %	0.20 %

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

	2014	2013
Discount rate for scheme liabilities	3.70 %	4.50 %
Rate of increase in salaries	3.60 %	4.70 %
Rate of increase for pensions in payment / inflation	2.10 %	2.80 %
Inflation assumption (CPI)	2.10 %	2.80 %

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**24. 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:

	2014	2013
Retiring today		
Males	24.4	24
Females	26.2	25
Retiring in 20 years		
Males	26.5	25.7
Females	28.5	26.9

Amounts for the current and previous period are as follows:

Defined benefit pension schemes

	2014 £	2013 £
Defined benefit obligation	(2,868,000)	(2,636,500)
Scheme assets	1,757,000	1,643,300
Deficit	(1,111,000)	(993,200)
Experience adjustments on scheme liabilities	181,000	(173,100)
Experience adjustments on scheme assets	(269,000)	93,000

**25. OPERATING LEASE COMMITMENTS**

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

	Land and buildings 2014 £	2013 £	2014 £	Other 2013 £
<b>Expiry date:</b>				
Between 2 and 5 years	36,556	-	10,488	-

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**26. RELATED PARTY TRANSACTIONS**

Owing to the nature of the Academy's operations and the composition of the Board of Directors being drawn from local public and private sector organisations, transactions may take place with organisations in which a director has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procurement procedures.

During the year £153 (2013 - £nil) was paid to Southampton City Council, to whom Mrs G Lane, Chair of Governors, is the Governance and Leadership Adviser, for a student workshop. At the balance sheet date, £nil (2013 - £nil) was outstanding.