

**Registered number: 07538389**

**WOOD GREEN ACADEMY**  
**(A company limited by guarantee)**

**TRUSTEES' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2014**

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**WOOD GREEN ACADEMY**  
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS TRUSTEES AND ADVISERS**  
**FOR THE YEAR ENDED 31 MARCH 2014**

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**Trustees**

Mrs J. Walker, Chair  
Mr J. Keay, Vice Chair  
Mr K. Pace, Parent Governor (resigned 24 March 2014)  
Mr P. Francis, Parent Governor  
Mr M. Langley, Parent Governor  
Mr R Patel, Parent Governor  
Mrs T. Simpson, Parent Governor  
Mr P. Patel, Head Teacher  
Miss A. Birch, Staff Governor  
Mrs N. Brant, Staff Governor  
Mr I. Kirk, Co-Opted Governor  
Mrs D. Bannister MBE, Co-Opted Governor  
Mrs M. Patel, Community Governor  
Mr J. Blackband, Community Governor  
Mr G. Gould, Community Governor  
Mr D. Patidar, Parent Governor  
Mr G. Berdesha, Staff Governor  
Mr D. McCalla, Co-Opted Governor (resigned 24 March 2014)  
Mrs C. Preece, Community Governor  
Mr D. Fellows, Parent Governor (appointed 24 March 2014)

**Company registered number**

07538389

**Principal and registered office**

Wood Green Road  
Wednesbury  
West Midlands  
WS10 9QU

**Company secretary**

Mr P. Hesslegrave

**Responsible officer**

Mr C. Marsh ACA

**Senior Leadership Team**

Mr P. Patel, Headteacher  
Mr J. Topham, Associate Headteacher  
Mrs J. Badham, Director of Student Achievement and Welfare  
Mr P. Hesslegrave, Director of Finance and Resources  
Mrs E. Haskins, Director of CPD  
Mrs S. Taylor, Director of Curriculum  
Mr G. Yates, Director of Teaching Schools



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

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**Advisers (continued)**

**Independent auditor**

Crowe Clark Whitehill LLP  
Black Country House  
Rounds Green Road  
Oldbury  
West Midlands  
B69 2DG

**Bankers**

Co-Operative Bank  
118-120 Colmore Row  
Birmingham  
West Midlands  
B3 3BA

Lloyds Bank  
111 Walsall Street  
Wednesbury  
West Midlands  
WS10 9BY

**Investment manager**

Quilter Cheviot  
39 Bennetts Hill  
Birmingham  
B2 5SN



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**WOOD GREEN ACADEMY**  
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**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 MARCH 2014**

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The Trustees (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 Wood Green Academy (the academy) for the year ended 31 March 2014. The Trustees confirm that the Annual report and financial statements of the academy comply with the current statutory requirements, the requirements of the academy's 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**

Wood Green Academy Trust is a company limited by guarantee and is an exempt charity. The Charitable Company's Memorandum and Articles of Association and Funding Agreement are the primary governing documents of the Academy Trust.

The governors act as the trustees for the charitable activities of Wood Green Academy Trust Limited and as directors of the Charitable Company for the purposes of Company law. The Charitable Company is incorporated as Wood Green Academy.

**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. METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF TRUSTEES**

The Academy's Board of Directors is subject to retirement by rotation. Directors are eligible for re-election at the meeting at which they retire. The directors to retire are those who have served the longest in office since their appointment or re-election. New directors are recruited in accordance with the Articles of Association and 'A Guide to the Law for School Governors.' The term of office for any governor is 4 years, although this time limit does not apply to the Headteacher.

Details of the governors who served Wood Green Academy throughout 2013/14 are included in the Reference and Administrative Details on page 1.

**d. POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES**

The Academy continues to procure Governor Support Services provided by Sandwell Metropolitan Borough Council, the local authority. Additional training is provided as required based on individual or collective need. External advice and support is commissioned where necessary.

**e. ORGANISATIONAL STRUCTURE**

The structure of the Academy consists of four senior levels: the Board of Directors, (including the Headteacher), the Associate Headteacher, the Deputy Headteachers and the broader Senior Leadership Team. An aim of this management structure is to distribute responsibility and accountability and to encourage involvement in decision making at all levels so the Academy nurtures the talents of its entire staff to support continual improvement and excellence.



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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2014**

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The Board of Directors is responsible for setting the Academy's policies, adopting the Academy Improvement Plan and budget, monitoring performance against these plans and making major decisions about the direction of the Academy that benefits the achievements and welfare of students. Key considerations this year have been Multi Academy Trust status, the curriculum and all aspects of staffing including succession planning and continual professional development.

The Headteacher, Associate Headteacher, Deputy Headteachers and Senior Leadership Team control the Academy at an executive level, implementing the policies set by the Board of Directors and reporting back to them.

The Board of Directors has established four sub-committees. Each sub-committee has its own terms of reference detailing the responsibilities discharged to the sub-committee, to the Headteacher, (The Accounting Officer), to the Associate Headteacher, Deputy Headteachers, the Director of Finance and Resources and to the Senior Management Team. The terms of reference and meeting frequency for each sub-committee are reviewed and approved by the Board of Directors annually. The terms of reference for the Finance Sub-committee detail the Academy's authorised spending limits.

The sub-committees of the Governing Body are the,

- Finance, Premises and Safety sub-committee
- Staffing sub-committee
- Specialisms sub-committee
- Curriculum sub-committee

Group(s) of governors may be formally organised outside of the sub-committee structure to support the Academy as required, to consider:

- Headteacher, Associate Headteacher and Deputy Headteacher recruitment.
- Performance management of the Headteacher
- Pupil behaviour
- Staff Discipline
- Complaints and appeals
- Significant change

#### **f. CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS**

The Academy continues to work in partnership with a number of schools, especially Pheonix Collegiate, Lakeside Academy, (formerly Lord Silkin school), and the Ormiston Academies Trust, in furthering the pursuit of the Academy's charitable activities.

Wood Green Academy was awarded Teaching School status for the period 1 September 2011 to 31 August 2015. The Teaching School programme furthers the pursuit of the Academy's charitable activities. A separate Teaching School trading company has not been formed. The Academy has developed an alliance with a number of other schools and higher education institutions since becoming a Teaching School.

Wood Green Academy's Senior Leadership Team has been re-organised to support these partnerships, to deliver the Teaching School programme and to maintain and improve standards of excellence at the Academy.

#### **g. RISK MANAGEMENT**

The Trustees have assessed the major risks to which the academy is exposed, in particular those related to the operations and finances of the academy, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.



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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2014**

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**h. TRUSTEES' INDEMNITIES**

As allowed by the provisions of the Articles of Association of the Academy and as disclosed in note 15 professional indemnity insurance is paid on behalf of the directors of the Academy.

**i. PRINCIPAL ACTIVITIES**

Wood Green Academy is an 11-19 mixed comprehensive high school specialising in sports, mathematics and computing. The Academy was awarded Teaching School status in September 2011 and is a National Support and Leading Edge School. The Headteacher is a National Leader of Education. The Academy has achieved a host of other awards including Healthy Schools Award, Sports Mark, Investors in People and the Cultural Diversity Awards.

The Academy achieved an Outstanding Ofsted rating in May 2012 in all five key areas of the Ofsted framework: Overall Effectiveness, Achievement of Pupils, Quality of teaching, Behaviour and Safety of Pupils and Leadership and Management. This was the school's third successive overall Outstanding Ofsted judgment since 2002. This achievement reflects the consistent high level of expectations at the school and the determination and hard work of students, parents, staff and governors that have led to pupils' excellent examination results.

The object of Wood Green Academy is set out in the Company's Articles of Association, namely "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 and carrying on, managing and developing a school offering a broad and balanced curriculum".

**Objectives and Activities**

**a. OBJECTS AND AIMS**

As described, the object of Wood Green Academy is set out in the Company's Articles of Association.

The Board of Directors continues to set the Academy's aims, objectives and strategies through the Academy Improvement Plan. This is monitored by the Board of Directors by way of Headteacher and Senior Leadership Team Reports and through the work of the sub-committees.

The aims and objectives for the Academy are derived from the school's mission statement which is 'To value all members of the school community and foster the pursuit of quality and excellence in all that we do.'

The key aims detailed in the Academy's improvement plan for the forthcoming year are to:

1. Raise levels of progress and attainment for all students.
2. Reduce the attainment gap between specified groups, including the gap between disadvantaged and other students.
3. Improve the quality of teaching and learning, with particular reference to literacy, differentiation, assessment, marking and feedback.
4. Improve teaching standards at Key Stage 5.
5. Improve the consistency and quality of approaches to independent learning outside the classroom
6. Continue to ensure that the Academy's Safeguarding procedures are as effective
7. Improve the Academy's monitoring systems.
8. Improve the learning, teaching and social environment
9. Develop the school management structure



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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2014**

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10. Improve the Academy's ICT systems
11. Further develop the behavior and welfare support given to students to maximise progress
12. Continue developing strategies to keep students safe
13. Further widen student engagement so all students feel part of the school community
14. Improve student attendance
15. To grow the Teaching School across each of the six strands

**b. OBJECTIVES, STRATEGIES AND ACTIVITIES**

The key objectives for the achievement of pupils in the forthcoming year are:

1. 80% of students in each subject achieve 2 sub levels of progress
2. 70% of students achieve 5+ A\*-C at GCSE including maths and English
3. 80% of students make expected progress in English (3 levels KS2 - KS4).
4. 78% of students make expected progress in maths (3 levels KS2 - KS4).
5. 78% of students make expected progress in Science (3 levels KS2 - KS4).
6. 80% + of students in each subject achieve Nov FFT15 (Fischer Family Trust top 15%).
7. 100% of students to achieve A\*-E at A2. 85% of entries to be A\*-C grades.
8. 95% of students to achieve A-E at AS. 22% of entries to be A-B grades; 61% of entries to be A-C grades.
9. Gap is closing between those students in receipt of the pupil premium and those who are not.
10. The needs of SEND, EAL and G&T students are met in all subjects and progress is at least in line with the national average.

**c. ACTIVITIES FOR ACHIEVING OBJECTIVES**

The strategies and activities for achieving these aims are detailed in the Academy's self-evaluation and improvement plans, (at whole school and department level).

**d. PUBLIC BENEFIT**

In setting objectives and planning the Academy's activities, the Board of Directors have paid due regard to the published guidance from the Charity Commission regarding the principle of public benefit.

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**Strategic report**

**Achievements and performance**

**a. GOING CONCERN**

After consideration of the school's financial position, its financial plans, the demand for places and the broader environment, the Board of Directors have a reasonable expectation that the Academy has and will continue to have adequate resources for it to be a sustainable going concern in 2014/15 and for the foreseeable future. For this reason the Academy continues to adopt the Going Concern principle in preparing its financial statements. Further details regarding the adoption of the Going Concern basis can be found in the statement of accounting policies.



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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2014**

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**b. KEY FINANCIAL PERFORMANCE INDICATORS**

The Academy received income into its Unrestricted Fund, Restricted General Funds and Fixed Asset Fund during 2013/14:

**Restricted General Fund**

The majority of the Academy's income was received from the Education Funding Agency's, (EFA), recurrent revenue grants into the Restricted General Fund, the use of which is restricted to the academy's charitable activities, (its educational operations). These revenue grants, and the associated revenue expenditure made against them, are detailed in the Statement of Financial Activities, (SOFA). General Restricted Fund income for the year was £9,299,396; expenditure against the fund was £8,689,140, giving a restricted revenue fund surplus of £610,256 before transfers to the Restricted Fixed Fund offsetting capital expenditure; a surplus of £474,211 after transfers.

**Unrestricted Funds**

Income received into the Unrestricted Fund was £214,885. Expenditure against the fund was £177,349 for the year, giving an Unrestricted Fund surplus of £37,536. Expenditure against the fund is set out in the notes to the accounts.

**Restricted Fixed Asset Fund**

The Restricted Fixed Asset Fund balance is reduced by an annual depreciation charge over the expected useful life of the assets concerned in line with the Academy's depreciation policy.

Income received into the fund was £28,891 in Formula Capital funding.

The SOFA details a £197,612 Restricted Fixed Asset Fund deficit for the year after transfers between funds. This is detailed in note 16 to the accounts.

**Summary of Financial Performance**

The total funds balance as at 31st March 2013 was £22,133,581 which comprised of £237,622, £1,933,417 and £20,831,542 in Unrestricted, Restricted General and Restricted Fixed Asset Funds respectively as well as a £869,000 pension reserve deficit.

**Balance Sheet**

The Academy's assets were predominantly used for providing education to school students. Some assets were used by the local community, as part of the school's sports focus and strategic aims to promote health, pathways into the community and work, and community cohesion.

The net book value of the Academy's tangible fixed assets was £20,831,542 as at 31st March 2014. The movement in this account is detailed in note 16.

Cash in hand at 31st March 2014 was £2,151,748.

The Reserves and Investment Policies are detailed below.

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2014**

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**c. REVIEW OF ACTIVITIES**

As described, the Academy was rated as Outstanding by Ofsted in May 2012.

There were 1,499 students on roll, (including 249 in the sixth form), on 31st March 2014. The forecast student roll for September 2014 is 1,528, (including 268 in the sixth form). There were three hundred and eleven 1st, two hundred and seven 2nd and one hundred and seventeen 3rd choice preferences for year 7 September 2014 places (308, 212 and 138 respectively for 2013). There are waiting lists in each year group. The Pupil Admission Number was increased to 256 in September 2013 from 250.

The Academy is committed to continual improvement achieved through, for example: improvement planning, review meetings, continual professional development, lesson observations, performance management, learning walks, self-evaluation, data analysis and action planning.



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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2014**

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Tables 1 - 4 provide a summary of the Academy's performance in 2013:

Table 1. Summary of GCSE examination results, (2012 and 2013).

	Objective (%)		Actual (%)	
	2012	2013	2012	2013
5A*-C	80	85	83	91
5A*-C Inc. English and maths	60	70	70	68
5A*-G Inc. English and maths	99	100	98	99
A* / A grades	22	25	17	21
3 levels of progress in GCSE English	70	80	83	82
3 levels of progress in GCSE maths	65	78	81	77

Table 2. Summary of AS and A2 Examination results, (2012) and 2013.

	Objective (%)		Actual (%)	
	2012	2013	2012	2013
AS and A2 pass rate, (A-E grades)	100	100	99	99
A*-B grades at A2	50	50	45	45
A*-C grades at A2	80	80	75	75
A* - C grades at AS	60	60	58	58

Table 3. Expected Progress Between Disadvantaged and Other Students, (2012 and 2013).

	Objective (%)		Actual (%)	
	2012	2013	2012	2013
Gap in English expected progress	n/a	n/a	16	5
Gap in maths expected progress	n/a	n/a	22	5

Table 4. Summary of Attendance and Persistent Absence, (2012 and 2013)

	Objective (%)		Actual (%)	
	2012	2013	2012	2013
Attendance	95	95	95	94.3
Persistent absence	7	6	6.2	5.7

#### **d. INVESTMENT POLICY AND PERFORMANCE**

The Board approved a new Investment policy during the year. The Academy's investment risk appetite is low. Prosser Knowles Associates Ltd are the Academy's Independent Financial Advisor; Quilter Cheviot are the Academy's Fund Manager. The Academy has subsequently identified and directed free funds available for medium term investment into a fixed interest diversified corporate bond portfolio. Other free funds have been held in short term fixed interest deposit accounts with Co-op Bank and Lloyds Bank.

Investment performance is monitored by the Board of Directors.

The Academy does not have any endowment funds.

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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2014**

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**Financial review**

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

The objective of the Academy's Risk Management procedure is to identify the principal risks facing the academy so that existing controls may be considered and further action taken if required, including external insurance.

The financial risks considered include: economic / financial uncertainty, liquidity and solvency, credit risk, the risk of fraud and compliance with financial / statutory requirements.

**b. PRINCIPAL RISKS AND UNCERTAINTIES**

The Board of Directors has a comprehensive risk management process to identify and monitor the risks faced by the Academy. The principal risks identified include governance, statutory compliance, finance, insurance, attainment, attendance, behaviour, health and safety, organisation, operations, safeguarding, reputation, HR and ICT. A risk rating mechanism is in place with greater emphasis directed towards those identified higher risk areas.

The Board of Directors have implemented a number of systems to assess and reduce the risks faced by the school, especially in operational areas in relation to teaching, health and safety, (including school trips and the school's minibus), behaviour management, and in relation to the control of finances. They have introduced policies and systems for the recruitment, selection and vetting of new staff, continual professional development of staff, child protection, supervision of students around the school site and internal financial controls to minimise financial risk. Adequate insurance has been arranged where significant financial risk remains. The Academy has an effective system of internal financial control, explained in the Governance Statement.

**c. RESERVES POLICY**

The Board of Directors reviews the Academy's Reserve Policy annually. The Board of Directors have determined that the appropriate level of free reserves should be £550,000 a sum equivalent to one month's payroll.

The reason for this reserve is to provide sufficient working capital and to provide a cushion to deal with unexpected emergencies. In future years capital maintenance and development projects may be considered in the reserves policy review.

The Academy's free reserves as at 31st March 2014 were £237,622.

**Plans for the future**

**a. FUTURE DEVELOPMENTS**

The Academy strives to continually improve levels of attainment for all students, equipping them with the qualifications, skills and character to follow their chosen pathway, whether into further and higher education or employment.

The quality of teaching and learning, the curriculum and the impact of interventions are consistently reviewed to help every child achieve their full potential.

The Academy believes that developing the whole child is critical to improving levels of attainment and in developing broader skills and character that will develop students' commitment to lifelong learning and enrich



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**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 MARCH 2014**

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their quality of life. To this extent, the Academy strives to provide exceptional behaviour and attendance management support to its students and to offer a broad range of extra-curricular activities, often centered around the school's specialisms of sport, maths and computing, though not exclusively so.

The Academy believes that the attainment and development of students at Wood Green Academy, and at other schools, will be enhanced by the formation of a Multi Academy Trust, with the Academy providing sponsorship and partnership support as appropriate. The formation and growth of the Wood Green Multi Academy Trust is a key strategic option that will be actively explored with the DfE in 2014/15.

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**FUNDS HELD AS CUSTODIAN**

Neither Wood Green Academy Trust or the Board of Directors / Trustees are acting as third party custodial trustees.

**DISCLOSURE OF INFORMATION TO AUDITOR**

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

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

**AUDITOR**

The auditors, Crowe Clark Whitehill are willing to continue in office for 2014/15 and a resolution to appoint them will be proposed at the Annual General Meeting, (AGM).

This report, incorporating the Strategic report, was approved by order of the board of trustees, in their capacity as company directors, on 21 July 2014 and signed on its behalf by:



**Mrs J. Walker**  
Chair of Governors

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**WOOD GREEN ACADEMY**  
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**GOVERNANCE STATEMENT**

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**SCOPE OF RESPONSIBILITY**

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

The board of trustees has delegated the day-to-day responsibility to the 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 Wood Green Academy and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

**GOVERNANCE**

The information on governance included here supplements that described in the Trustees' report and in the Trustees' responsibilities statement. The board of trustees has formally met 8 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mrs J. Walker, Chair	7	8
Mr J. Keay, Vice Chair	7	8
Mr K. Pace	1	8
Mr P. Francis	7	8
Mr M. Langley	5	8
Mr R Patel	8	8
Mrs T. Simpson	4	8
Mr P. Patel	8	8
Miss A. Birch	7	8
Mrs N. Brant	4	8
Mr I. Kirk	6	8
Mrs D. Bannister MBE	4	8
Mrs M. Patel	4	8
Mr J. Blackband	6	8
Mr G. Gould	8	8
Mr D. Patidar	7	8
Mr G. Berdesha	7	8
Mr D. McCalla	0	8
Mrs C. Preece	2	8
Mr D. Fellows	0	0



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**GOVERNANCE STATEMENT (continued)**

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The Finance, Premises and Safety Committee is a sub-committee of the main governing body. Its purpose is to ensure the financial affairs of the school are conducted in an efficient and effective manner in line with the Funding Agreement and the Academies Financial Handbook. During the year Mr Gould and Mr Patidar, experienced accountants, joined the committee. Attendance at meetings in the year was as follows:

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr J. Keay	4	4
Mrs J. Walker	3	4
Mr P. Patel	2	4
Mr G. Berdesha	2	4
Mr K. Pace	1	4
Mr M. Langley	3	4
Mr G. Gould, Chair	3	4
Mr D. Patidar	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 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 Wood Green Academy for the year 1 April 2013 to 31 March 2014 and up to the date of approval of the annual report and financial statements.

**CAPACITY TO HANDLE RISK**

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

**THE RISK AND CONTROL FRAMEWORK**

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the Finance Sub-committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed Mr. C. Marsh ACA, as Responsible Officer (RO).

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**GOVERNANCE STATEMENT (continued)**

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The RO's role includes giving advice on financial matters and performing a range of checks on the academy's financial systems. On a termly basis, the RO reports to the board of trustees on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities. There are no material control issues resulting from any of these reviews.

**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 Finance Sub-committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 21 July 2014 and signed on their behalf, by:

*J Walker*

**Mrs J. Walker**  
Chair of Governors

*P. Patel*

**Mr P. Patel**  
Accounting Officer



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**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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As Accounting Officer of Wood Green Academy I have considered my responsibility to notify the academy board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook (2012).

I confirm that I and the academy board of trustees 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 (2012).

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date.



**Mr P. Patel**  
Accounting Officer

Date: 21 July 2014

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**TRUSTEES' RESPONSIBILITIES STATEMENT  
FOR THE YEAR ENDED 31 MARCH 2014**

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The Trustees (who act as governors of Wood Green Academy and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' 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 Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:


- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- 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 Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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

Approved by order of the members of the board of trustees and signed on its behalf by:



**Mrs J. Walker**  
Chair of Trustees

Date: 21 July 2014



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**WOOD GREEN ACADEMY**  
**(A company limited by guarantee)**

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WOOD GREEN ACADEMY**

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We have audited the financial statements of Wood Green Academy for the year ended 31 March 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 issued by the Education Funding Agency.

This report is made solely to the academy's Trustees, 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 Trustees those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the academy and its Trustees, as a body, for our audit work, for this report, or for the opinion we have formed.

**RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITOR**

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

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

**SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS**

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

**OPINION ON FINANCIAL STATEMENTS**

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 March 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 issued by the Education Funding Agency.

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

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

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**WOOD GREEN ACADEMY**  
**(A company limited by guarantee)**

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WOOD GREEN ACADEMY**

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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 Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

  
Helen Drew (Senior statutory auditor)  
for and on behalf of  
**Crowe Clark Whitehill LLP**  
Statutory Auditor  
Black Country House  
Rounds Green Road  
Oldbury  
West Midlands  
B69 2DG  
21 July 2014



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**WOOD GREEN ACADEMY**  
**(A company limited by guarantee)**

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**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO WOOD GREEN ACADEMY AND THE EDUCATION FUNDING AGENCY**

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In accordance with the terms of our engagement letter dated 14 June 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Wood Green Academy during the year 1 April 2013 to 31 March 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 Wood Green Academy and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Wood Green Academy 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 Wood Green Academy and the EFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF WOOD GREEN ACADEMY'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT**

The accounting officer is responsible, under the requirements of Wood Green Academy's funding agreement with the Secretary of State for Education dated 23 March 2011, and the Academies Financial Handbook extant from 1 September 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 2013. 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 April 2013 to 31 March 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 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.

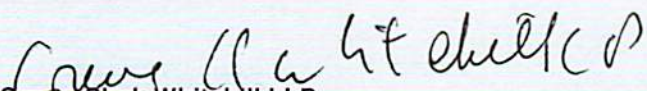
The work undertaken to draw to our conclusion includes a review of the design and implementation of the Academy's internal controls and review processes on regularity, supported by detailed tests on samples of costs incurred by the academy and specific transactions identified from our review.

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO WOOD  
GREEN ACADEMY AND THE EDUCATION FUNDING AGENCY (continued)

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

  
Crowe Clark Whitehill LLP  
Statutory Auditor  
Black Country House  
Rounds Green Road  
Oldbury  
West Midlands  
B69 2DG

21 July 2014



**WOOD GREEN ACADEMY**  
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 31 MARCH 2014**

	Note	Unrestricted funds 2014 £	Restricted funds 2014 £	Restricted fixed asset funds 2014 £	Restricted pension reserve 2014 £	Total funds 2014 £	As restated Total funds 2013 £
<b>INCOMING RESOURCES</b>							
Incoming resources from generated funds:							
Voluntary income	2	1,601	29,941	-	-	31,542	55,556
Activities for generating funds	3	143,715	27,265	-	-	170,980	196,216
Investment income	4	10,253	-	-	-	10,253	18,385
Incoming resources from charitable activities	5	59,316	9,242,190	28,891	-	9,330,397	10,140,275
<b>TOTAL INCOMING RESOURCES</b>		<b>214,885</b>	<b>9,299,396</b>	<b>28,891</b>	<b>-</b>	<b>9,543,172</b>	<b>10,410,432</b>
<b>RESOURCES EXPENDED</b>							
Costs of generating funds:							
Activities for generating funds	6	121,295	-	-	-	121,295	115,110
Charitable activities	8	56,054	8,670,400	362,548	69,000	9,158,002	9,746,570
Governance costs	11	-	18,740	-	-	18,740	19,165
<b>TOTAL RESOURCES EXPENDED</b>	<b>6</b>	<b>177,349</b>	<b>8,689,140</b>	<b>362,548</b>	<b>69,000</b>	<b>9,298,037</b>	<b>9,880,845</b>
<b>NET INCOMING RESOURCES / (RESOURCES EXPENDED) BEFORE TRANSFERS</b>		<b>37,536</b>	<b>610,256</b>	<b>(333,657)</b>	<b>(69,000)</b>	<b>245,135</b>	<b>529,587</b>

**WOOD GREEN ACADEMY**  
(A company limited by guarantee)

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

	Note	Unrestricted funds 2014 £	Restricted funds 2014 £	Restricted fixed asset funds 2014 £	Restricted pension reserve 2014 £	Total funds 2014 £	As restated Total funds 2013 £
Transfers between Funds	22	-	(136,045)	136,045	-	-	-
<b>NET INCOMING RESOURCES BEFORE REVALUATIONS</b>		<b>37,536</b>	<b>474,211</b>	<b>(197,612)</b>	<b>(69,000)</b>	<b>245,135</b>	<b>529,587</b>
Gains and losses on revaluations of investment assets	17	460	-	-	-	460	-
Actuarial gains and losses on defined benefit pension schemes	28	-	-	-	50,000	50,000	(97,000)
<b>NET MOVEMENT IN FUNDS FOR THE YEAR</b>		<b>37,996</b>	<b>474,211</b>	<b>(197,612)</b>	<b>(19,000)</b>	<b>295,595</b>	<b>432,587</b>
<i>Total funds at 1 April 2013</i>		<i>574,962</i>	<i>1,401,462</i>	<i>21,029,154</i>	<i>(850,000)</i>	<i>22,155,578</i>	<i>21,751,863</i>
Prior year adjustment (Note 21)		(375,336)	57,744	-	-	(317,592)	(346,464)
<b>TOTAL FUNDS AT 31 MARCH 2014</b>		<b>237,622</b>	<b>1,933,417</b>	<b>20,831,542</b>	<b>(869,000)</b>	<b>22,133,581</b>	<b>21,837,986</b>

All activities relate to continuing operations.

The notes on pages 26 to 49 form part of these financial statements.



**WOOD GREEN ACADEMY**  
**(A company limited by guarantee)**  
**REGISTERED NUMBER: 07538389**

**BALANCE SHEET**  
**AS AT 31 MARCH 2014**

	Note	£	2014 £	As restated 2013 £
<b>FIXED ASSETS</b>				
Tangible assets	16		20,831,542	21,029,152
Investments	17		502,171	-
			<u>21,333,713</u>	<u>21,029,152</u>
<b>CURRENT ASSETS</b>				
Debtors	18	160,775	291,641	
Cash at bank and in hand		2,151,748	2,003,300	
		<u>2,312,523</u>	<u>2,294,941</u>	
<b>CREDITORS:</b> amounts falling due within one year	19	(383,807)	(347,387)	
<b>NET CURRENT ASSETS</b>			<u>1,928,716</u>	<u>1,947,554</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>23,262,429</u>	<u>22,976,706</u>
<b>CREDITORS:</b> amounts falling due after more than one year	20		(259,848)	(288,720)
<b>NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES</b>			<u>23,002,581</u>	<u>22,687,986</u>
Defined benefit pension scheme liability	28		(869,000)	(850,000)
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITIES</b>			<u><u>22,133,581</u></u>	<u><u>21,837,986</u></u>
<b>FUNDS OF THE ACADEMY</b>				
Restricted pension reserve	22		(869,000)	(850,000)
Restricted funds:				
Restricted funds	22	1,933,417	1,459,206	
Restricted fixed asset funds	22	20,831,542	21,029,154	
Total restricted funds			<u>22,764,959</u>	<u>22,488,360</u>
Unrestricted funds	22		237,622	199,626
<b>TOTAL FUNDS</b>			<u><u>22,133,581</u></u>	<u><u>21,837,986</u></u>

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**WOOD GREEN ACADEMY**  
(A company limited by guarantee)

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**BALANCE SHEET (continued)**  
**AS AT 31 MARCH 2014**

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The financial statements were approved by the Trustees, and authorised for issue, on 21 July 2014 and are signed on their behalf, by:

*J Walker*

**Mrs J. Walker, Chair**  
**Chair of Trustees**

The notes on pages 26 to 49 form part of these financial statements.

**WOOD GREEN ACADEMY**  
(A company limited by guarantee)

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

	Note	2014 £	2013 £
Net cash flow from operating activities	24	804,824	742,980
Returns on investments and servicing of finance	25	10,253	15,800
Capital expenditure and financial investment	25	(633,356)	(84,105)
<b>CASH INFLOW BEFORE FINANCING</b>		<b>181,721</b>	<b>674,675</b>
Financing	25	(28,872)	(28,872)
<b>INCREASE IN CASH IN THE YEAR</b>		<b>152,849</b>	<b>645,803</b>

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

	2014 £	2013 £
Increase in cash in the year	152,849	645,803
Cash outflow from decrease in debt and lease financing	28,872	28,872
<b>MOVEMENT IN NET FUNDS IN THE YEAR</b>	<b>181,721</b>	<b>674,675</b>
Net funds at 1 April 2013	1,685,708	1,011,033
<b>NET FUNDS AT 31 MARCH 2014</b>	<b>1,867,429</b>	<b>1,685,708</b>

The notes on pages 26 to 49 form part of these financial statements.



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**WOOD GREEN ACADEMY**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 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 issued by the 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 Trustees.

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

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

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

**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.

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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**WOOD GREEN ACADEMY**  
**(A company limited by guarantee)**

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

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**1. ACCOUNTING POLICIES (continued)**

**1.4 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 Trustees' meetings and reimbursed expenses.

**1.5 Going concern**

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

**1.6 Tangible fixed assets and depreciation**

All assets costing more than £2,500 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.

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	-	50 years
Plant and machinery	-	10 years
Fixtures and fittings	-	10 years
Computer equipment	-	5 years

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**WOOD GREEN ACADEMY**  
(A company limited by guarantee)

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

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**1. ACCOUNTING POLICIES (continued)**

**1.7 Investments**

Investments are stated at market value at the balance sheet date. The Statement of financial activities includes the net gains and losses arising on revaluations and disposals throughout the year.

**1.8 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.

**1.9 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 28, 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.



**WOOD GREEN ACADEMY**  
(A company limited by guarantee)

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

**2. VOLUNTARY INCOME**

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Wood Green High School - Balance				
Transfer	-	-	-	20,867
Donations - School Fund	-	2,880	2,880	-
Other Donations	1,601	27,061	28,662	34,689
	<u>1,601</u>	<u>27,061</u>	<u>28,662</u>	<u>34,689</u>
Other	1,601	29,941	31,542	55,556
	<u>1,601</u>	<u>29,941</u>	<u>31,542</u>	<u>55,556</u>

**3. ACTIVITIES FOR GENERATING FUNDS**

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Hire of Facilities	17,748	-	17,748	16,023
Catering Income	39,978	-	39,978	40,371
Other Income	85,989	27,265	113,254	139,822
	<u>143,715</u>	<u>27,265</u>	<u>170,980</u>	<u>196,216</u>

**4. INVESTMENT INCOME**

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Income on investments	1,711	-	1,711	-
Interest on cash balances	8,542	-	8,542	18,385
	<u>10,253</u>	<u>-</u>	<u>10,253</u>	<u>18,385</u>



**WOOD GREEN ACADEMY**  
(A company limited by guarantee)

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

**5. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES**

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	<i>As restated</i> <i>Total</i> <i>funds</i> <i>2013</i> <i>£</i>
Funding for the Academy's educational operations	57,464	9,271,081	9,328,545	10,095,092
Other incoming resources	1,852	-	1,852	45,183
	<u>59,316</u>	<u>9,271,081</u>	<u>9,330,397</u>	<u>10,140,275</u>

**FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS**  
**Wood Green Academy**

	Unrestricted funds 2014 £	Restricted funds 2014 £	Total funds 2014 £	<i>As restated</i> <i>Total</i> <i>funds</i> <i>2013</i> <i>£</i>
<b>DfE/EFA grants</b>				
Formula Capital Funding	-	28,891	28,891	28,823
Partnership for Schools Bid Income	-	-	-	757,486
General Annual Grant (GAG)	-	8,569,466	8,569,466	8,619,095
Insurance Premium Grant - EFA	-	17,917	17,917	49,284
Other Income	-	157,702	157,702	116,524
	<u>-</u>	<u>8,773,976</u>	<u>8,773,976</u>	<u>9,571,212</u>
<b>Other government grants</b>				
Pupil Premium Fund	-	453,176	453,176	239,272
Rates Refund	-	14,929	14,929	177,674
Summer school	-	29,000	29,000	-
	<u>-</u>	<u>497,105</u>	<u>497,105</u>	<u>416,946</u>
<b>Other funding</b>				
School Fund income	57,464	-	57,464	106,934
	<u>57,464</u>	<u>-</u>	<u>57,464</u>	<u>106,934</u>
	<u>57,464</u>	<u>9,271,081</u>	<u>9,328,545</u>	<u>10,095,092</u>



**WOOD GREEN ACADEMY**  
(A company limited by guarantee)

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

**6. ANALYSIS OF RESOURCES EXPENDED BY EXPENDITURE TYPE**

	Staff costs 2014 £	Depreciation 2014 £	Other costs 2014 £	Total 2014 £	Total 2013 £
Costs of generating funds	79,542	-	41,753	121,295	115,110
<b>Costs of generating funds</b>	<b>79,542</b>	<b>-</b>	<b>41,753</b>	<b>121,295</b>	<b>115,110</b>
Funding for the Academy's educational operations	6,020,323	64,676	717,130	6,802,129	6,737,399
Other incoming resources	-	-	56,054	56,054	148,944
Support costs - Funding for the Academy	784,591	297,872	1,217,356	2,299,819	2,860,227
<b>Charitable activities</b>	<b>6,804,914</b>	<b>362,548</b>	<b>1,990,540</b>	<b>9,158,002</b>	<b>9,746,570</b>
<b>Governance</b>	<b>-</b>	<b>-</b>	<b>18,740</b>	<b>18,740</b>	<b>19,165</b>
	<b>6,884,456</b>	<b>362,548</b>	<b>2,051,033</b>	<b>9,298,037</b>	<b>9,880,845</b>

**7. EXPENDITURE BY CHARITABLE ACTIVITY**

**SUMMARY BY FUND TYPE**

	Unrestricted funds 2014 £	Restricted funds 2014 £	Restricted pension reserve 2014 £	Total funds 2014 £	Total funds 2013 £
Funding for the Academy's educational operations	-	9,032,948	69,000	9,101,948	9,597,626
Other incoming resources	56,054	-	-	56,054	148,944
	<b>56,054</b>	<b>9,032,948</b>	<b>69,000</b>	<b>9,158,002</b>	<b>9,746,570</b>



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**8. ANALYSIS OF RESOURCES EXPENDED BY ACTIVITIES**

	Activities undertaken directly 2014 £	Support costs 2014 £	Total 2014 £	Total 2013 £
Funding for the Academy's educational operations	6,802,129	2,299,819	9,101,948	9,597,626
Other incoming resources	56,054	-	56,054	148,944
Total	<u>6,858,183</u>	<u>2,299,819</u>	<u>9,158,002</u>	<u>9,746,570</u>

**9. DIRECT COSTS**

	Funding for the Academy's Educational Operations £	Other incoming resources £	Total 2014 £	Total 2013 £
Education supplies	492,254	-	492,254	552,192
Examination fees	133,903	-	133,903	174,034
Staff development	43,887	-	43,887	46,532
Educational consultancy	47,086	-	47,086	34,420
School Fund expenditure	-	56,054	56,054	148,944
Teaching and educational support staff costs	4,992,540	-	4,992,540	4,897,800
National insurance	394,563	-	394,563	372,120
Pension cost	633,220	-	633,220	607,770
Depreciation	64,676	-	64,676	52,531
	<u>6,802,129</u>	<u>56,054</u>	<u>6,858,183</u>	<u>6,886,343</u>

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**10. SUPPORT COSTS**

	Funding for the Academy's Educational Operations £	Total 2014 £	Total 2013 £
FRS17 finance charge	31,000	31,000	30,000
Recruitment	18,499	18,499	13,825
Maintenance of premises and equipment	467,204	467,204	1,020,017
Cleaning	10,584	10,584	8,604
Rent & rates	23,393	23,393	141,896
Gas & electric	154,319	154,319	166,770
Equipment not capitalised	139,165	139,165	108,846
Printing, postage and stationery	28,832	28,832	18,403
Telephone	8,054	8,054	15,271
Insurance	44,597	44,597	44,737
Bank interest and charges	1,675	1,675	1,310
Catering	103,330	103,330	90,247
Security & transport	36,767	36,767	33,058
Legal and professional fees	82,015	82,015	68,377
Other support costs	67,922	67,922	63,027
Wages and salaries	660,693	660,693	648,758
National insurance	35,078	35,078	35,553
Pension cost	88,820	88,820	53,656
Depreciation	297,872	297,872	297,872
	<u>2,299,819</u>	<u>2,299,819</u>	<u>2,860,227</u>

**11. GOVERNANCE COSTS**

	Restricted funds 2014 £	Total funds 2014 £	Total funds 2013 £
Auditors' remuneration	10,750	10,750	9,750
Auditors' non audit costs	7,990	7,990	9,415
	<u>18,740</u>	<u>18,740</u>	<u>19,165</u>



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**NOTES TO THE FINANCIAL STATEMENTS**  
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**12. NET INCOMING RESOURCES / (RESOURCES EXPENDED)**

This is stated after charging:

	2014 £	2013 £
Depreciation of tangible fixed assets:		
- owned by the charity	362,547	350,402
Auditor's remuneration	10,750	9,750
	<u>          </u>	<u>          </u>



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**13. STAFF COSTS**

Staff costs were as follows:

	2014 £	2013 £
Wages and salaries	5,598,840	5,485,697
Social security costs	429,641	407,673
Other pension costs (Note 28)	722,040	661,426
	<u>6,750,521</u>	<u>6,554,796</u>
Supply teacher costs	133,935	133,998
	<u>6,884,456</u>	<u>6,688,794</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:

	2014 No.	2013 No.
Teachers (Including senior managers)	109	107
Administration and support	60	59
	<u>169</u>	<u>166</u>

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

	2014 No.	2013 No.
In the band £60,001 - £70,000	4	5
In the band £70,001 - £80,000	2	2
In the band £80,001 - £90,000	1	0
In the band £90,001 - £100,000	1	1
	<u>8</u>	<u>8</u>

All of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 March 2014, pension contributions for these staff amounted to £83,763 (2013: £81,012).

During the year the Academy entered into 1 compromise agreement with a member of staff at a cost of £8,000.

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**14. TRUSTEES' REMUNERATION AND EXPENSES**

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

Pank Patel	115,000 - 120,000
Gurnam Berdesha	50,000 - 55,000
Amanda Birch	45,000 - 50,000
Nicola Brant	15,000 - 20,000
John Blackband	10,000 - 15,000
Chris Preece	0 - 5,000

During the year, no Trustees received any reimbursement of expenses (2013 - £NIL).

During the year £Nil of expenses were reimbursed to governors (2013: £837).

**15. TRUSTEES' AND OFFICERS' INSURANCE**

In accordance with normal commercial practice the academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £1,000,000 on any one claim and the cost for the year ended 31 March 2014 was £1,784 (2013 - £1,784).

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

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**16. TANGIBLE FIXED ASSETS**

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Total £
<b>Cost</b>					
At 1 April 2013	21,403,897	13,495	76,740	227,001	21,721,133
Additions	-	-	3,880	161,057	164,937
At 31 March 2014	21,403,897	13,495	80,620	388,058	21,886,070
<b>Depreciation</b>					
At 1 April 2013	595,743	2,025	16,040	78,173	691,981
Charge for the year	297,872	1,349	10,221	53,105	362,547
At 31 March 2014	893,615	3,374	26,261	131,278	1,054,528
<b>Net book value</b>					
At 31 March 2014	20,510,282	10,121	54,359	256,780	20,831,542
At 31 March 2013	20,808,154	11,470	60,700	148,828	21,029,152

Included in land and buildings is freehold land at valuation of £6,510,308 (2013 - £6,510,308) which is not depreciated.

All fixed assets are used for charitable purposes.

**17. FIXED ASSET INVESTMENTS**

	Listed securities £	Cash held at broker £	Total £
<b>Market value</b>			
At 1 April 2013	-	-	-
Additions	497,310	501,711	999,021
Disposals	-	(497,310)	(497,310)
Income/Increase in market value	460	-	460
At 31 March 2014	497,770	4,401	502,171
<b>Historical cost</b>	497,310	4,401	501,711



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**17. FIXED ASSET INVESTMENTS (continued)**

Investments at market value comprise:

	2014 £
Corporate Bonds	497,770
Cash held at broker	4,401
	<u>502,171</u>
Total market value	<u>502,171</u>

All the fixed asset investments are held in the UK

**Material Investments**

	31 March 2014 £	31 March 2013 £
Abbey National Treasury 5.5%	52,635	-
Lloyds Bank 5.875%	52,756	-
National Australia Bank 5.375%	52,417	-
British American Tobacco Holdings 5.5%	56,199	-
Next 5.875%	56,408	-
Places For People 5%	32,320	-
Close Bros Group 6.5%	54,681	-
British Telecommunications 6.625%	59,420	-
Vodafone Group 5.375%	56,584	-
Orance 8%	24,350	-
	<u>497,770</u>	<u>-</u>

**Material restrictions**

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**18. DEBTORS**

	2014 £	2013 £
Trade debtors	14,528	7,193
Other debtors	89,702	218,263
Prepayments and accrued income	56,545	66,185
	<u>160,775</u>	<u>291,641</u>

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**NOTES TO THE FINANCIAL STATEMENTS  
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**19. CREDITORS:**  
**Amounts falling due within one year**

	2014	<i>As restated</i> 2013
	£	£
Other loans	28,872	28,872
Trade creditors	99,342	53,358
Other taxation and social security	133,806	131,293
Other creditors	102,569	85,356
Accruals and deferred income	19,218	48,508
	<u>383,807</u>	<u>347,387</u>

**20. CREDITORS:**  
**Amounts falling due after more than one year**

	2014	<i>As restated</i> 2013
	£	£
Other loans	259,848	288,720
	<u>259,848</u>	<u>288,720</u>

Creditors include amounts not wholly repayable within 5 years as follows:

	2014	<i>As restated</i> 2013
	£	£
Repayable by instalments	144,360	173,232
	<u>144,360</u>	<u>173,232</u>

The loan relates to the Academy's share on conversion of a Local Authority loan for school improvement. There are 10 years remaining on the loan and it is not subject to any security or interest.

**21. PRIOR YEAR ADJUSTMENT**

Upon conversion the Academy Trust was allocated its share of a loan from the Local Authority that was used prior to conversion to update school buildings. This was not taken account of in the surplus transferred from the Local Authority due to the format of the repayments being top sliced by the Local Authority rather than physical repayments. That repayment format has changed in the current year and as a result full details of the loan obtained. This has therefore been included in the statutory accounts as a prior year adjustment to reflect the accounting that would have occurred had the loan been reflected in the balance transferred on conversion.

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

	Brought Forward <i>As restated</i> £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
<b>Unrestricted funds</b>						
General Funds - all funds	199,626	214,885	(177,349)	-	460	237,622
<b>Restricted pension reserve</b>						
Pension scheme liability	(850,000)	-	(69,000)	-	50,000	(869,000)
<b>Restricted funds</b>						
General Annual Grant (GAG)	807,776	8,569,466	(8,689,140)	(136,045)	-	552,057
Pupil Premium Fund	58,450	453,176	-	-	-	511,626
Other restricted	592,980	276,754	-	-	-	869,734
	<u>1,459,206</u>	<u>9,299,396</u>	<u>(8,689,140)</u>	<u>(136,045)</u>	<u>-</u>	<u>1,933,417</u>
<b>Restricted fixed asset funds</b>						
Formula Capital funding	42,361	28,891	-	-	-	71,252
Donations - Capital	20,851,008	-	(362,548)	-	-	20,488,460
Other DfE/EFA grants	135,785	-	-	136,045	-	271,830
	<u>21,029,154</u>	<u>28,891</u>	<u>(362,548)</u>	<u>136,045</u>	<u>-</u>	<u>20,831,542</u>
Total restricted funds	<u>22,488,360</u>	<u>9,328,287</u>	<u>(9,051,688)</u>	<u>-</u>	<u>-</u>	<u>22,764,959</u>
Total of funds	<u>21,837,986</u>	<u>9,543,172</u>	<u>(9,298,037)</u>	<u>-</u>	<u>50,460</u>	<u>22,133,581</u>

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

The government capital funds are provided by the government for specific capital projects. Donations are the value of donated assets recognised in the financial statements at their estimated value to the Academy in the year in which they are receivable and where the benefit is both quantifiable and measurable.

The restricted general fund is subject to specific expenditure within the charitable company's declared objectives. DfE grants relate to government funding for the provision of education by the charitable company. Funding is repayable if the charitable company does not meet all funding requirements.

Transfers represent transfers between the restricted income fund and restricted fixed asset fund for capital purchases made from income funds and vice versa. Gains and losses relate to actuarial losses of



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

the local government pension scheme.

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 March 2014.

**SUMMARY OF FUNDS**

	Brought Forward <i>As restated</i> £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
General funds	199,626	214,885	(177,349)	-	460	237,622
Restricted pension reserve	(850,000)	-	(69,000)	-	50,000	(869,000)
Restricted funds	1,459,206	9,299,396	(8,689,140)	(136,045)	-	1,933,417
Restricted fixed asset funds	21,029,154	28,891	(362,548)	136,045	-	20,831,542
	<u>21,837,986</u>	<u>9,543,172</u>	<u>(9,298,037)</u>	<u>-</u>	<u>50,460</u>	<u>22,133,581</u>

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

	Unrestricted funds 2014 £	Restricted funds 2014 £	Restricted fixed asset funds 2014 £	Restricted pension reserve 2014 £	Total funds 2014 £	<i>As restated</i> Total funds 2013 £
Tangible fixed assets	-	-	20,831,542	-	20,831,542	21,029,154
Fixed asset investments	2,171	500,000	-	-	502,171	-
Current assets	235,451	2,077,072	-	-	2,312,523	2,294,941
Creditors due within one year	-	(383,807)	-	-	(383,807)	(347,389)
Creditors due in more than one year	-	(259,848)	-	-	(259,848)	(288,720)
Provisions for liabilities and charges	-	-	-	(869,000)	(869,000)	(850,000)
	<u>237,622</u>	<u>1,933,417</u>	<u>20,831,542</u>	<u>(869,000)</u>	<u>22,133,581</u>	<u>21,837,986</u>



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

	2014 £	2013 £
Net incoming resources before revaluations	245,135	529,587
Returns on investments and servicing of finance	(10,253)	(15,800)
Interest receivable	-	(2,585)
Depreciation of tangible fixed assets	362,547	350,402
Capital grants from DfE	(28,891)	(28,823)
(Increase)/Decrease in debtors	130,866	(131,648)
Increase in creditors	36,420	1,847
FRS 17 pension cost less contributions payable	38,000	10,000
FRS 17 pension finance charge	31,000	30,000
<b>Net cash inflow from operations</b>	<b>804,824</b>	<b>742,980</b>

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

	2014 £	2013 £
<b>Returns on investments and servicing of finance</b>		
Interest received	8,542	15,800
Income from investments	1,711	-
<b>Net cash inflow from returns on investments and servicing of finance</b>	<b>10,253</b>	<b>15,800</b>
	2014 £	2013 £
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	(164,937)	(112,928)
Purchase of listed investments	(497,310)	-
Capital grants from DfE	28,891	28,823
<b>Net cash outflow capital expenditure</b>	<b>(633,356)</b>	<b>(84,105)</b>
	2014 £	2013 £
<b>Financing</b>		
Repayment of other loans	(28,872)	(28,872)



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**NOTES TO THE FINANCIAL STATEMENTS  
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**26. ANALYSIS OF CHANGES IN NET FUNDS**

	1 April 2013 £	Cash flow £	Other non-cash changes £	31 March 2014 £
Cash at bank and in hand:	2,003,300	152,849	-	2,156,149
<b>Debt:</b>				
Debts due within one year	(28,872)	-	-	(28,872)
Debts falling due after more than one year	(288,720)	-	28,872	(259,848)
<b>Net funds</b>	<b>1,685,708</b>	<b>152,849</b>	<b>28,872</b>	<b>1,867,429</b>

**27. CONTINGENT LIABILITIES**

During the period of the funding agreement, in the event of the sale or disposal by other means of any asset for which a government capital grant was received, the academy is required either to reinvest the proceeds or to repay to the Secretary of State for Education the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State.

Upon termination of the funding agreement, whether as a result of the Secretary of State or the academy serving notice, the academy shall repay to the Secretary of State sums determined by reference to:

- The value at that time of the academy's site and premises and other assets held for the purpose of the academy.
- The extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the funding agreement.

**28. 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 West Midlands 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 £101,882 were payable to the scheme at 31 March 2014 (2013 - £84,894) 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). These regulations apply to teachers in schools that are maintained by local authorities and other educational establishments, including academies, in England and Wales. In addition teachers in many independent and voluntary-aided schools and teachers and



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**28. PENSION COMMITMENTS (continued)**

lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and from 1 January 2007 automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

**The Teachers' Pension Budgeting and Valuation Account**

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and are paid by public funds provided by Parliament. 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 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, 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**

At the last valuation, the contribution rate to be paid into the TPS was assessed in two parts. First, a standard contribution rate (SCR) was 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 review, 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 to 31 March 2004. The Government Actuary's report of October 2006 revealed that the total liabilities of the Scheme (pensions in payment and the estimated cost of future benefits) amounted to £166,500 million. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at that valuation date) was £163,240 million. The assumed real rate of return was 3.5% in excess of prices and 2% in excess of earnings. The rate of real earnings growth was assumed to be 1.5%. The assumed gross rate of return was 6.5%. From 1 January 2007, 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.

Actuarial scheme valuations are dependent on assumptions about the value of future costs, the design of benefits and many other factors. Many of these assumptions are being considered as part of the work on the reformed TPS, as set out below. Scheme valuations therefore remain suspended. The Public Service Pensions Bill, which is being debated in the House of Commons, provides for future scheme valuations to be conducted in accordance with Treasury directions. The timing for the next valuation has still to be determined, but it is likely to be before the reformed schemes are introduced in 2015.

**Teachers' Pension Scheme Changes**

Lord Hutton published his final report in March 2011 and made recommendations about how pensions

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**28. PENSION COMMITMENTS (continued)**

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 and Ministers engaged in extensive discussions with trade unions and other representative bodies on reform of the TPS. Those discussions concluded on 9 March 2012 and the Department published a Proposed Final Agreement, setting out the design for a reformed TPS to be implemented from 1 April 2015.

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. Importantly, 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 just 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 were to be phased in from April 2012 on a 40:80:100% basis.

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 March 2014 was £139,000, of which employer's contributions totalled £100,000 and employees' contributions totalled £39,000. The agreed contribution rates for future years are 14.11% for employers and between 5.5% and 7.5% 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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**28. 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 March 2014 %</b>	<b>Fair value at 31 March 2014 £</b>	<b>Expected return at 31 March 2013 %</b>	<b>Fair value at 31 March 2013 £</b>
Equities	7.00	470,000	7.00	269,000
Government bonds	3.40	66,000	2.80	58,000
Other bonds	4.30	86,000	3.90	77,000
Property	6.20	72,000	5.70	58,000
Cash/liquidity	0.50	22,000	0.50	14,000
Other	7.00	89,000	7.00	165,000
Total market value of assets		<u>805,000</u>		<u>641,000</u>
Present value of scheme liabilities		<u>(1,674,000)</u>		<u>(1,491,000)</u>
Deficit in the scheme		<u><u>(869,000)</u></u>		<u><u>(850,000)</u></u>

None of the fair values of the assets shown above include any of the Academy's own financial instruments or any property occupied by, or other assets used by, the Academy.

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

The expected rate of return on assets is the average rate of return expected over the remaining life of the related obligation on the actual assets held by the Fund. It includes both income and changes in fair value but is net of scheme expenses. It is based on market expectations at the beginning of the reporting period. This assumption is used to determine the expected return on assets for the pension expense.

Changes to the Fund's strategic asset allocation would change the overall expected return even if the individual expected asset class returns were unchanged.

The amounts recognised in the Balance sheet are as follows:

	<b>2014 £</b>	<b>2013 £</b>
Present value of funded obligations	(1,674,000)	(1,491,000)
Fair value of scheme assets	<u>805,000</u>	<u>641,000</u>
Net liability	<u><u>(869,000)</u></u>	<u><u>(850,000)</u></u>



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

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

	2014 £	2013 £
Current service cost	(138,000)	(98,000)
Interest on obligation	(72,000)	(62,000)
Expected return on scheme assets	41,000	32,000
	<u>(169,000)</u>	<u>(128,000)</u>
Total	<u>(169,000)</u>	<u>(128,000)</u>
Actual return on scheme assets	<u>21,000</u>	<u>63,000</u>

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

	2014 £	2013 £
Opening defined benefit obligation	1,491,000	1,180,000
Current service cost	138,000	98,000
Interest cost	72,000	62,000
Contributions by scheme participants	43,000	39,000
Actuarial (Gains)/losses	(62,000)	128,000
Benefits paid	(8,000)	(16,000)
	<u>1,674,000</u>	<u>1,491,000</u>
Closing defined benefit obligation	<u>1,674,000</u>	<u>1,491,000</u>

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

	2014 £	2013 £
Opening fair value of scheme assets	641,000	467,000
Expected return on assets	41,000	32,000
Actuarial gains and (losses)	(12,000)	31,000
Contributions by employer	100,000	88,000
Contributions by employees	43,000	39,000
Benefits paid	(8,000)	(16,000)
	<u>805,000</u>	<u>641,000</u>
	<u>805,000</u>	<u>641,000</u>

The cumulative amount of actuarial gains and losses recognised in the Statement of total recognised gains and losses was £47,000 (2013 - £97,000).

The academy expects to contribute £111,000 to its Defined benefit pension scheme in 2015.

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**28. PENSION COMMITMENTS (continued)**

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

	2014	2013
Equities	58.30 %	42.10 %
Government bonds	8.20 %	9.00 %
Other bonds	10.70 %	12.00 %
Property	9.00 %	9.00 %
Cash/liquidity	2.70 %	2.20 %
Other	11.10 %	25.70 %

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

	2014	2013
Discount rate for scheme liabilities	4.70 %	4.60 %
Rate of increase in salaries	4.25 %	4.25 %
Rate of increase for pensions in payment / inflation	2.50 %	2.50 %
Inflation assumption (CPI)	2.50 %	2.50 %

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	22.9	22.1
Females	25.5	24.8
Retiring in 20 years		
Males	25.1	23.9
Females	27.8	26.7

Amounts for the current and previous two periods are as follows:

Defined benefit pension schemes

	2014 £	2013 £	2012 £
Defined benefit obligation	(1,674,000)	(1,491,000)	(1,180,000)
Scheme assets	805,000	641,000	467,000
Deficit	(869,000)	(850,000)	(713,000)
Experience adjustments on scheme liabilities	62,000	(128,000)	(37,000)
Experience adjustments on scheme assets	(12,000)	31,000	(17,000)

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**29. OPERATING LEASE COMMITMENTS**

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

	Land and buildings		2014 £	Other 2013 £
	2014 £	2013 £		
Expiry date:				
Between 2 and 5 years	-	-	5,816	-

**30. RELATED PARTY TRANSACTIONS**

Owing to the nature of the academy's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which a trustees 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.

Mrs V Birch, a relation of a Governor, is employed by the Academy on a normal salary for someone of her position.