

Registered number: 07800252

Wilmington Primary School
(A Company Limited by Guarantee)

Annual Report and Financial Statements

For the Year Ended 31 August 2015

Wilmington Primary School
(A Company Limited by Guarantee)

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Wilmington Primary School
(A Company Limited by Guarantee)

**Reference and Administrative Details of the Academy, its Members/ Trustees and Advisers
For the Year Ended 31 August 2015**

Trustees

Douglas Hunter, Chair^{1,3}
Paul James^{1,3}
Stephanie Beckley, Vice Chair³
Duncan Finlayson, Head Teacher^{1,3,4}
Karin Clements^{2,3}
Sharon Martin³
Wendy Stacy^{3,4}
Karen Morrissey³

- 1 Member, Trustee and Director
- 2 Trustee and Director
- 3 Member of Finance Committee
- 4 Staff

Company registered number

07800252

Principal and registered office

Wilmington Primary School
Common Lane
Wilmington
Dartford
Kent
DA2 7DF

Independent auditors

Kreston Reeves LLP
Chartered Accountants
Statutory Auditor
37 St Margaret's Street
Canterbury
Kent
CT1 2TU

Governors' Report
For the Year Ended 31 August 2015

The Governors (some of which are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of Wilmington Primary School (the Academy) for the year ended 31 August 2015. 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

The Academy is a charitable company limited by guarantee and an exempt charity. The Academy was set up by a Memorandum of Association on 6 October 2011.

The Academy opened on 1 November 2011.

The principal object of the Academy is to provide educational facilities and services to students of aged 4-11 and the wider community for the public benefit.

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 management of the Academy is the responsibility of the Governors who are elected and co-opted under the terms of the Articles of Association.

The initial members were the signatories of the Memorandum of Association. The Articles of Association require that the members appoint a minimum of three Governors, but no maximum.

The articles require that the Academy trust shall have the following Governors:

- Head Teacher
- Up to four Governors appointed by the charity's members
- Staff Governors, provided that the total number of Governors (including the Head Teacher) who are employees of the Academy trust does not exceed one third of the total number of Governors
- A minimum of two Parent Governors, elected by parents of registered pupils at the Academy. A Parent Governor must be a parent of a pupil at the Academy at the time when he is elected
- The Governors may appoint up to three Co-opted Governors
- The Secretary of State may appoint Governors in certain circumstances

A Governor's term of office is four years but Governors are eligible for re-election.

d. Policies and procedures adopted for the induction and training of Trustees

School management receives support from an online subscription service called 'The Key'.

Governors' Report (continued)
For the Year Ended 31 August 2015

e. Organisational structure

The Governors of Wilmington Primary School have overall responsibility for the successful delivery of the Academy's aims and objectives by setting the strategic direction and policies of the school, overseeing the effective management of the Academy's finances and resources and ensuring that the quality of teaching and learning results in appropriate levels of achievement.

The Governing Body is made up of the Head Teacher and Governors. The Governing Body is divided into a number of Governors' Committees:

- Admissions
- Personnel - Pay
- Disciplinary
- Disciplinary Appeals
- Finance committee

The Head Teacher is responsible to the Governing Body for following the strategic direction set by the Governors, for implementing the Academy's agreed policies and for ensuring the delivery of excellent teaching and learning that results in appropriate levels of achievement. The Head Teacher is responsible for the day to day management of the Academy and devolves this responsibility to the Senior Leadership Team (SLT), made up of three Members, the SLT act as Line Managers for Subject Leaders who account to them for the efficient use of finances and resources, levels of student achievement, the effective delivery of schemes of work and the quality of teaching and learning.

f. Risk management

The Governors 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.

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

- The risk to the school's future viability from market forces (pupil numbers, competitors, staffing levels and recruitment difficulties)
- Changes in management affecting strategic direction
- The risk of reductions to Government Funding

These risks, together with the risk of fraud, damage to the Academy buildings and other areas of risk have been reviewed by the Governors and procedures are in place for managing these risks.

g. Governors' indemnities

Subject to the provisions of the Companies Act 2006, the Academy maintains directors' and officers' liability insurance which gives appropriate cover for any liability incurred or legal action brought against them in their capacity as directors of the Academy.

Objectives and Activities

a. Objects and aims

The Academy Trust's objective is specifically to advance for the public benefit education in the United Kingdom. In particular, but without prejudice, to the generality of the foregoing to establish, maintain, manage and develop Wilmington Primary School. The aim of the Academy Trust is to provide educational facilities and services to pupils aged 4-11 and the wider community for the public benefit.

Governors' Report (continued)
For the Year Ended 31 August 2015

b. Objectives, strategies and activities

The main objectives for the Academy are:

- to provide an excellent education that meets the needs of all pupils;
- to ensure that every child has access to high quality education in terms of resources and teaching;
- to raise the standard of educational achievement by all pupils;
- to improve the effectiveness of the Academy by continually reviewing the curriculum and organisational structure of the Academy;
- to provide a safe and caring school environment that promotes the pupils wellbeing and fosters their personal and social development;
- to provide a range of extra-curricular activities and opportunities for wider learning;
- to deliver 'best value' for stakeholders;
- to comply with the highest standards of integrity, probity and transparency.

The priorities for the Academy are:

- **Attainment and Achievement:** to improve the pass rates and to reduce the attainment gap between subjects and gender groups;
- **Quality of Provision:** to continue the review and modification of the curriculum and explore collaborative working;
- **Teaching and Learning:** assessment for learning will be embedded in all subjects and lessons in the Academy to continue to develop student's ability to work independently;
- **Pupils Welfare:** to continue to provide a learning environment that is safe and promotes respect and tolerance;
- **Curriculum:** to review and explore curriculum provision to provide challenging and varied opportunities which prepares students for the future;
- **Leadership and Governance:** to continue to develop the programme of shared leadership.

c. Activities for achieving objectives

In order for the Academy to achieve these objectives the following actions are to be taken:

Attainment and achievement:

- Make more effective use of pupil information and pupil data to inform lesson planning, improve support and intervention and to monitor more closely the performance of departments and groups of pupils;
- Provide a targeted programme of professional development for staff based on whole school and departmental self-evaluation;

Quality of provision

- Review key stage schemes of work to ensure that skill development is embedded and consistent across the key stage;

Teaching and learning:

- Targeted support provided for departments and individual teachers by members of the Teaching and Learning Group to improve the quality of oral and written formative feedback to pupils;
- Review of Schemes of work to include more activities to develop pupils' independent learning skills

Pupil Welfare:

- Review the school's Safeguarding and Anti-bullying policies;
- Assemblies to promote respect and tolerance;

Governors' Report (continued)
For the Year Ended 31 August 2015

Curriculum:

- Improve the delivery of ICT;

Leadership and Governance:

- Develop the understanding of and competence in the use of data by senior leaders so that they can fulfil their line management role effectively;
- Implement a new lesson observation and work scrutiny policy that clarifies and supports the role of the subject leader.

d. Public benefit

The Governors confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Academy's objectives and aims and they are satisfied that these aims and objectives are clearly for the public benefit.

Achievements and performance

a. Going concern

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

b. Key financial performance indicators

The Governors are of the opinion that, given the nature of the financial management of the Academy, there are limited key performance indicators which require specific monitoring.

These are:

- Pupil numbers as these provide the basis for funding
- Percentage of EFA income spend on staffing costs, both teaching and overall
- Pupil/Teacher ratios
- Capital projects and expenditure

c. Review of activities

The school has achieved a satisfactory 11+ pass rate and APS point scores in reading, writing and maths at the end of Key Stages 1 and 2. The creative subjects and sports are important priority areas for the school so it continues to offer a balanced curriculum.

d. Investment policy and performance

The Governors do not have a formal investment policy except that no speculative or other investments which may place Academy funds at risk should be made. The Governors have agreed that surplus funds may be placed in fixed term deposit accounts at recognised UK clearing banks.

Financial review

During the period to 31 August 2015 total income, including capital income was £1,061,634 of which £25,604 was unrestricted income.

Governors' Report (continued)
For the Year Ended 31 August 2015

Total expenditure for the period to 31 August 2015 was £908,845 of which:

- Employee costs of £649,965 represented 71.5% of total expenditure
- Premises Related costs of £48,751 represented 5.4% of total expenditure
- Educational supplies and services £27,262 represented 3.0% of total expenditure

The operating surplus excluding the pension reserve adjustments for the period ended 31 August 2015 was £152,789.

a. Financial and risk management objectives and policies

The Governors monitor the financial position of the Academy in terms of on-going surplus and anticipated income and expenditure with an awareness that education funding is likely to reduce and in light of falling rolls. The Governors will review the position to ensure the Academy can continue to operate on an efficient basis without affecting the quality of education delivery.

The main financial instrument of the Academy is cash held within current bank accounts and short fixed term deposits. Cash resources are managed to ensure operating requirements can be met without the need for short term borrowing.

b. Principal risks and uncertainties

The Governors consider that the principal financial risks facing the Academy are:

- Reduction in overall government funding (per pupil)
- Structural decay (i.e. roof wear and tear after the expiry of the guarantee)

Additionally other risks and uncertainties could arise from damage to the reputation of the Academy which could arise from an adverse Ofsted or other governmental report or an event outside the control of the Governors. The Governors have conducted a review of the principal risks and have implemented measures to limit these risks as far as appropriate.

c. Reserves policy

The Governors review the level of reserves annually. The review considers the need to maintain a level of reserves which will allow the Academy to match income with commitments and the nature of the reserves. The Governors have not set a minimum level of reserves but seeks to maintain a level where there is sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies or urgent maintenance requirements.

The Academy's current level of reserves, both restricted and unrestricted, is shown within the financial statements (note 19).

The Academy maintains a pensions reserve fund which represents the Academy's share of the LGPS fund surplus or deficit, calculated in accordance with Financial Reporting Standard (FRS)17. Further details of the calculations and assumptions underlying the balance on this fund are set out in note 24 to the financial statements.

d. Deficit

The pension reserve restricted fund at 31 August 2015 is in deficit by £130,000. This represents the Academy's share of the LGPS fund deficit, calculated in accordance with Financial Reporting Standard (FRS)17 by Barnett Waddingham LLP. Employer contributions are reviewed every three years in consultation with the scheme's administrators, and employer contributions due by the Academy have been fixed for the three years from 1 April 2014.

Governors' Report (continued)
For the Year Ended 31 August 2015

e. Principal funding

The majority of the Academy's income is in the form of recurrent grants from the EFA and the use of this income is restricted to the particular purpose of the grant. The grants received from the EFA and the associated expenditure are shown as restricted funds in the statement of financial activities. The remainder of income was raised via fees and charges for lettings and the income is unrestricted.

Plans for future periods

a. Future developments

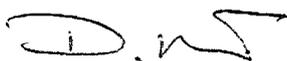
The school aims to continue raising standards, particularly in numeracy and literacy. Integrated curriculum projects will ensure that science, ICT and other key subject areas are not sidelined.

Disclosure of information to auditors

Each of the persons who are Governors 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 auditors are 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 auditors in connection with preparing their report and to establish that the charitable company's auditors are aware of that information.

This report was approved by order of the board of Trustees on 18/12/2015 and signed on the board's behalf by:



Douglas Hunter, Chair

Governance Statement

Scope of Responsibility

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

The board of Trustees has delegated the day-to-day responsibility to the Head Teacher, 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 Wilmington Primary School 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 7 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
Douglas Hunter, Chair	7	7
Paul James	4	7
Stephanie Beckley, Vice Chair	7	7
Duncan Finlayson, Head Teacher	7	7
Karin Clements	6	7
Sharon Martin	6	7
Wendy Stacy	6	7
Karen Morrissey	5	7

Governance reviews:

The school externally reviewed governance in September 2013. The governors reviewed their roles, particularly in the monitoring and evaluation of pupil progress. External and internal training supported the process so that key evidence from observations, surveys and data could more accurately measure the progress of groups relative to LA and national performance. Progress of lower attaining children has accelerated in the core subjects and is now more consistent across KS2 (and KS1) classes.

The Finance Committee is a sub-committee of the main board of Trustees. Its purpose is to assist the decision making of the Governing Body, by enabling a more detailed consideration to be given to the best interests of fulfilling the Governing Body's responsibility to ensure sound management of the Academy's finances and resources, including proper planning, monitoring and probity.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Douglas Hunter, Chair	7	7
Paul James	4	7
Stephanie Beckley, Vice Chair	7	7
Duncan Finlayson, Head Teacher	7	7
Karin Clements	6	7
Sharon Martin	6	7
Wendy Stacy	6	7
Karen Morrissey	5	7

Governance Statement (continued)

Review of Value for Money

As Accounting Officer, the Head Teacher has responsibility for ensuring that the Academy trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The Accounting Officer considers how the trust's use of its resources has provided good value for money during each academic year, and reports to the board of Trustees where value for money can be improved, including the use of benchmarking data where available. The Accounting Officer for the Academy trust has delivered improved value for money during the year by:

- Streamlining teacher and TA resources in response to changes in the budget while maintaining effective support to each class
- Negotiating the delivery of a high quality catering service with a neutral impact on the budget
- Evaluating the improvement to learning from the new Creative Room (completed May 2015)
- Annual review of effective performance management with clear staff roles and responsibilities

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 Wilmington Primary School for the year 1 September 2014 to 31 August 2015 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 September 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Trustees in association with advice from the Responsible Officer.

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 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.

Governance Statement (continued)

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 Julian Geary, a Trustee, as Responsible Officer (RO).

The RO's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. In particular the checks carried out in the current period included:

- Review of balance sheet
- Review of income and expenditure account
- Review of trial balance
- Review of bank reconciliation
- Review of bank statements
- Review of payroll control account
- Review VAT 126 report
- Requesting additional evidence regarding the impact of a school service eg governor training
- Discussing the elements and impact of capital spending on school performance

On a semi-annual 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.

Review of Effectiveness

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

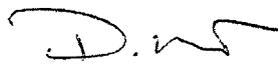
- the work of the Responsible Officer;
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the board of governing body on 18/12/2015 and signed on its behalf, by:



Duncan Finlayson, Head Teacher
Accounting Officer



Douglas Hunter
Chair of Trustees

Wilmington Primary School
(A Company Limited by Guarantee)

Statement on Regularity, Propriety and Compliance

As Accounting Officer of Wilmington Primary School 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.

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.

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



Duncan Finlayson, Head Teacher
Accounting Officer

Date: 18/12/15

Trustees' Responsibilities Statement
For the Year Ended 31 August 2015

The Governors (who act as Trustees for charitable activities of Wilmington Primary School and some of which are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' 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;
- 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 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 on 18/12/2015 and signed on its behalf by:



Douglas Hunter
Chair of Trustees

Wilmington Primary School
(A Company Limited by Guarantee)

Independent Auditors' Report to the Members of Wilmington Primary School

We have audited the financial statements of Wilmington Primary School for the year ended 31 August 2015 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 2014 to 2015 issued by the Education Funding Agency.

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

Respective responsibilities of Trustees and auditors

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 August 2015 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2014 to 2015 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 for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Wilmington Primary School
(A Company Limited by Guarantee)**

Independent Auditors' Report to the Members of Wilmington Primary School

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; or
- the Trustees were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic Report.

Kreston Reeves LLP

Peter Manser FCA DChA (Senior Statutory Auditor)

for and on behalf of

Kreston Reeves LLP

Chartered Accountants
Statutory Auditor

Canterbury

Date: *21 December 2015*

Wilmington Primary School
(A Company Limited by Guarantee)

Independent Reporting Accountants' Assurance Report on Regularity to Wilmington Primary School and the Education Funding Agency

In accordance with the terms of our engagement letter dated 25 April 2012 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Wilmington Primary School during the year 1 September 2014 to 31 August 2015 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Wilmington Primary School's Accounting Officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of Wilmington Primary School's funding agreement with the Secretary of State for Education dated 1 November 2011, and the Academies Financial Handbook extant from 1 September 2014, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2014 to 2015 issued by 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.

Wilmington Primary School
(A Company Limited by Guarantee)

Independent Reporting Accountants' Assurance Report on Regularity to Wilmington Primary School and the Education Funding Agency (continued)

Work undertaken

The work undertaken to draw to our conclusion includes:

- Reviewed the evidence used to support the Accounting Officer's sign off of the regularity statement
- Reviewed expenditure against specific terms of grant funding within the funding agreement
- Reviewed that grants have been applied for the purposes intended
- Confirmed that internal control procedures exist relating to expenditure incurred of cash and credit cards
- Confirmed items claimed on cash and credit cards are not for personal benefit
- Reviewed expenditure and considered whether any supplies are from related parties
- Reviewed minutes of Governing Body minutes for declaration of interests
- Considered whether other income activities are permitted within the Academy Trust's charitable objects
- Considered if borrowing agreements, including leases, have been made in accordance with the Academies Financial Handbook
- Confirmed that procurement and tendering procedures exist relating to expenditure and have been complied with

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2014 to 31 August 2015 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Kreston Reeves LLP

Kreston Reeves LLP

Reporting Accountant
Chartered Accountants
Canterbury

Date: *21 December 2015*

Statement of Financial Activities
(Incorporating Income and Expenditure Account and Statement of Total Recognised Gains and Losses)
For the Year Ended 31 August 2015

	Note	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
Incoming resources						
Incoming resources from generated funds:						
Voluntary income	2	9,681	-	-	9,681	11,814
Activities for generating funds	3	15,816	-	-	15,816	17,367
Investment income	4	107	-	-	107	106
Incoming resources from charitable activities	5	-	830,912	205,118	1,036,030	883,907
Total incoming resources		25,604	830,912	205,118	1,061,634	913,194
Resources expended						
Charitable activities		15,059	837,320	38,330	890,709	861,700
Governance costs	10	-	18,136	-	18,136	10,543
Total resources expended	6	15,059	855,456	38,330	908,845	872,243
Net incoming / (outgoing) resources before revaluations		10,545	(24,544)	166,788	152,789	40,951
Actuarial gains and losses on defined benefit pension schemes		-	(7,000)	-	(7,000)	38,000
Net movement in funds for the year		10,545	(31,544)	166,788	145,789	78,951
Total funds at 1 September 2014		38,591	(82,330)	2,815,317	2,771,578	2,692,627
Total funds at 31 August 2015		49,136	(113,874)	2,982,105	2,917,367	2,771,578

All activities relate to continuing operations.

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

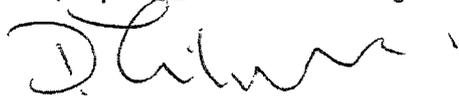
The notes on pages 20 to 37 form part of these financial statements.

Wilmington Primary School
(A Company Limited by Guarantee)
Registered number: 07800252

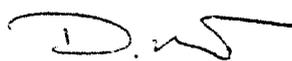
Balance Sheet
As at 31 August 2015

	Note	£	2015 £	£	2014 £
Fixed assets					
Tangible assets	16		2,982,105		2,733,179
Current assets					
Debtors	17	6,704		9,972	
Cash at bank and in hand		100,175		177,854	
		<u>106,879</u>		<u>187,826</u>	
Creditors: amounts falling due within one year	18	<u>(41,617)</u>		<u>(37,427)</u>	
Net current assets			<u>65,262</u>		150,399
Total assets less current liabilities			<u>3,047,367</u>		2,883,578
Defined benefit pension scheme liability	24		<u>(130,000)</u>		<u>(112,000)</u>
Net assets including pension scheme liability			<u><u>2,917,367</u></u>		<u><u>2,771,578</u></u>
Funds of the Academy					
Restricted funds:					
Restricted funds	19	16,126		29,670	
Restricted fixed asset funds	19	2,982,105		2,815,317	
		<u>2,998,231</u>		<u>2,844,987</u>	
Restricted funds excluding pension liability					
Pension reserve		<u>(130,000)</u>		<u>(112,000)</u>	
Total restricted funds			<u>2,868,231</u>		2,732,987
Unrestricted funds	19		<u>49,136</u>		38,591
Total funds			<u><u>2,917,367</u></u>		<u><u>2,771,578</u></u>

The financial statements were approved by the Trustees, and authorised for issue, on 18/12/2015 and are signed on their behalf, by:



Duncan Finlayson
Head Teacher



Douglas Hunter
Chair of Trustees

The notes on pages 20 to 37 form part of these financial statements.

Wilmington Primary School
(A Company Limited by Guarantee)

Cash Flow Statement
For the Year Ended 31 August 2015

	Note	2015 £	2014 £
Net cash flow from operating activities	21	2,708	25,136
Returns on investments and servicing of finance	22	107	106
Capital expenditure and financial investment	22	(80,494)	72,637
(Decrease)/Increase in cash in the year		(77,679)	97,879

Reconciliation of Net Cash Flow to Movement in Net Funds
For the Year Ended 31 August 2015

	2015 £	2014 £
(Decrease)/Increase in cash in the year	(77,679)	97,879
Movement in net funds in the year	(77,679)	97,879
Net funds at 1 September 2014	177,854	79,975
Net funds at 31 August 2015	100,175	177,854

The notes on pages 20 to 37 form part of these financial statements.

Notes to the Financial Statements
For the Year Ended 31 August 2015

1. Accounting Policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention. 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 2014 to 2015 issued by EFA, applicable accounting standards and the Companies Act 2006.

1.2 Going concern

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the 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.

1.3 Company status

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

1.4 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 funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received and include grants from Education Funding Agency.

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

Notes to the Financial Statements
For the Year Ended 31 August 2015

1. Accounting Policies (continued)

1.5 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.

1.6 Resources expended

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

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.

All resources expended are inclusive of irrecoverable VAT.

Notes to the Financial Statements
For the Year Ended 31 August 2015

1. Accounting Policies (continued)

1.7 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised as tangible fixed assets.

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

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

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

Freehold land	-	no depreciation
Freehold buildings	-	over 50 years
Fixtures and fittings	-	25% on cost
Computer equipment	-	33% on cost

1.8 Operating leases

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

1.9 Taxation

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

Notes to the Financial Statements
For the Year Ended 31 August 2015

1. Accounting Policies (continued)

1.10 Pensions

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

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

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

2. Voluntary income

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Donations	9,681	-	9,681	11,814

3. Activities for generating funds

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
School fund income	15,816	-	15,816	17,367

Notes to the Financial Statements
For the Year Ended 31 August 2015

4. Investment income

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Bank interest	107	-	107	106

5. Funding for Academy's educational operations

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
DfE/EFA revenue grants				
General Annual Grant (GAG)	-	772,005	772,005	776,677
Other DfE/EFA grants	-	56,706	56,706	15,679
Capital grant	-	205,118	205,118	91,551
British Council Grant	-	2,201	2,201	-
	-	1,036,030	1,036,030	883,907

6. Resources expended

	Staff costs 2015 £	Non Pay Expenditure Other costs 2015 £	Total 2015 £	Total 2014 £
Direct costs	579,183	35,913	615,096	617,484
Support costs	70,782	204,831	275,613	244,216
Charitable activities	649,965	240,744	890,709	861,700
Governance	-	18,136	18,136	10,543
	649,965	258,880	908,845	872,243

7. Analysis of resources expended by activities

	Activities undertaken directly 2015 £	Support costs 2015 £	Total 2015 £	Total 2014 £
Academy's educational operations	615,096	275,613	890,709	861,700

Notes to the Financial Statements
For the Year Ended 31 August 2015

8. Direct costs

	Academy's educational operations £	Total 2015 £	Total 2014 £
Education supplies	27,262	27,262	34,746
Catering costs	3,587	3,587	5,562
British Council expenses	5,064	5,064	1,987
Supply teacher costs	12,506	12,506	7,711
Wages and salaries	467,877	467,877	468,382
National insurance	33,096	33,096	32,877
Pension cost	65,704	65,704	66,219
	<u>615,096</u>	<u>615,096</u>	<u>617,484</u>

9. Support costs

	Academy's educational operations £	Total 2015 £	Total 2014 £
Net pension finance cost (Note 15)	-	-	5,000
Maintenance of premises & equipment	17,725	17,725	14,828
Cleaning	13,038	13,038	13,687
Rates and water	5,787	5,787	4,554
Light and heat	10,557	10,557	11,890
Telephone	1,672	1,672	1,523
Printing, postage and stationery	11,856	11,856	9,803
Personnel and payroll	2,898	2,898	4,727
Computer costs	16,521	16,521	17,202
Insurance	16,637	16,637	17,907
Training and development	8,649	8,649	9,794
Every child a reader	1,950	1,950	-
School fund expenditure	15,059	15,059	24,110
School meals	31,334	31,334	-
Building repairs	1,644	1,644	1,368
Finance officer	12,818	12,818	12,397
Wages and salaries	51,390	51,390	44,247
National insurance	1,711	1,711	934
Pension cost	17,681	17,681	10,835
Depreciation	36,686	36,686	39,410
	<u>275,613</u>	<u>275,613</u>	<u>244,216</u>

Notes to the Financial Statements
For the Year Ended 31 August 2015

10. Governance costs

	Total funds 2015 £	Total funds 2014 £
Auditors' remuneration	5,800	5,675
Responsible officer costs	450	250
Other professional fees	11,886	4,618
	<u>18,136</u>	<u>10,543</u>

11. Net incoming / (outgoing) resources

This is stated after charging:

	2015 £	2014 £
Depreciation of tangible fixed assets: - owned by the charity	36,686	39,410
Auditors' remuneration	5,800	5,675
Responsible officer costs	450	250
Operating lease rentals: - other operating leases	5,156	5,156
	<u>5,156</u>	<u>5,156</u>

12. Staff

a. Staff costs

Staff costs were as follows:

	2015 £	2014 £
Wages and salaries	519,267	512,629
Social security costs	34,807	33,811
Other pension costs (Note 24)	83,385	77,054
	<u>637,459</u>	<u>623,494</u>
Supply teacher costs	12,506	7,711
	<u>649,965</u>	<u>631,205</u>

Notes to the Financial Statements
For the Year Ended 31 August 2015

12. Staff (continued)

b. Staff numbers

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

	2015 No.	2014 No.
Teachers	7	7
Administration support	8	7
Management	2	2
	<u>17</u>	<u>16</u>

c. Higher paid staff

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

	2015 No.	2014 No.
In the band £60,001 - £70,000	0	1
In the band £70,001 - £80,000	<u>1</u>	<u>0</u>

The employee participated in the Teachers' Pension Scheme. During the year ended 31 August 2015, pension contributions for this employee amounted to £9,872 (2014: £9,774).

13. Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Academy trust. The Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and other staff members under their contracts of employment, and not in respect of their role as Trustees, The value of Trustees' remuneration and other benefits was as follows:

	2015 £	2014 £
D Finlayson, Head Teacher and Trustee	75,000-80,000	75,000-80,000
W Stacy, Deputy head and Trustee	55,000-60,000	55,000-60,000

During the year, no Trustees received any benefits in kind (2014 - £NIL).

During the year, no Trustees received any reimbursement of expenses (2014 - £NIL).

Notes to the Financial Statements
For the Year Ended 31 August 2015

14. 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 £2,000,000 on any one claim and the cost for the year ended 31 August 2015 was £492 (2014 - £492). The cost of this insurance is included in the total insurance cost.

15. Pension finance cost

	2015 £	2014 £
Expected return on pension scheme assets	10,000	6,000
Interest on pension scheme liabilities	(10,000)	(11,000)
	<u>-</u>	<u>(5,000)</u>

16. Tangible fixed assets

	Freehold Land and Buildings £	Fixtures and fittings £	Computer equipment £	Total £
Cost				
At 1 September 2014	2,802,492	10,814	25,300	2,838,606
Additions	285,612	-	-	285,612
At 31 August 2015	<u>3,088,104</u>	<u>10,814</u>	<u>25,300</u>	<u>3,124,218</u>
Depreciation				
At 1 September 2014	74,612	5,515	25,300	105,427
Charge for the year	33,984	2,702	-	36,686
At 31 August 2015	<u>108,596</u>	<u>8,217</u>	<u>25,300</u>	<u>142,113</u>
Net book value				
At 31 August 2015	<u>2,979,508</u>	<u>2,597</u>	<u>-</u>	<u>2,982,105</u>
At 31 August 2014	<u>2,727,880</u>	<u>5,299</u>	<u>-</u>	<u>2,733,179</u>

Included in land and buildings is freehold land at valuation of £1,388,915 (2014: £1,388,915) which is not depreciated.

Wilmington Primary School
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Notes to the Financial Statements
For the Year Ended 31 August 2015

17. Debtors

	2015 £	2014 £
Other debtors	2,526	3,723
Prepayments and accrued income	4,178	6,249
	<u>6,704</u>	<u>9,972</u>

18. Creditors:
Amounts falling due within one year

	2015 £	2014 £
Other taxation and social security	-	10,551
Accruals and deferred income	41,617	26,876
	<u>41,617</u>	<u>37,427</u>

Deferred income

	£
Deferred income at 1 September 2014	19,037
Resources deferred during the year	21,923
Amounts released from previous years	<u>(19,037)</u>
Deferred income at 31 August 2015	<u>21,923</u>

The deferred income above relates to money received in advance of the year to which it relates from the EFA in relation to free school meals.

Notes to the Financial Statements
For the Year Ended 31 August 2015

19. Statement of funds

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
Unrestricted funds						
General fund	38,591	25,604	(15,059)	-	-	49,136
Restricted funds						
General Annual Grant (GAG)	24,967	772,005	(766,686)	(16,000)	-	14,286
Other DfE/EFA grants	-	56,706	(56,706)	-	-	-
Other government grants	4,703	2,201	(5,064)	-	-	1,840
Pension reserve	(112,000)	-	(27,000)	16,000	(7,000)	(130,000)
	<u>(82,330)</u>	<u>830,912</u>	<u>(855,456)</u>	<u>-</u>	<u>(7,000)</u>	<u>(113,874)</u>
Restricted fixed asset funds						
Restricted fixed asset fund	2,733,179	-	(36,686)	285,612	-	2,982,105
DfE/EFA capital grants	82,138	205,118	(1,644)	(285,612)	-	-
	<u>2,815,317</u>	<u>205,118</u>	<u>(38,330)</u>	<u>-</u>	<u>-</u>	<u>2,982,105</u>
Total restricted funds	<u>2,732,987</u>	<u>1,036,030</u>	<u>(893,786)</u>	<u>-</u>	<u>(7,000)</u>	<u>2,868,231</u>
Total of funds	<u><u>2,771,578</u></u>	<u><u>1,061,634</u></u>	<u><u>(908,845)</u></u>	<u><u>-</u></u>	<u><u>(7,000)</u></u>	<u><u>2,917,367</u></u>

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

The General Annual Grant (GAG) must be used for the normal running costs of the Academy.

Other DfE/EFA grants represents grants provided for specific purposes, such as pupil premium which is used to support disadvantaged pupils and assist them in decreasing the attainment gap between them and their peers.

Other Government Grants consists of all other non DfE/EFA grants. This funding is to be used for the specific purpose as set out in the grant's funding agreement.

The Restricted fixed asset fund represents the freehold land and buildings and other assets which were donated upon conversion to Academy status, the value of fixed assets purchased since conversion including depreciation to the balance sheet date.

DfE/EFA capital grants fund is to provide the Academy with its own capital money to address improvements to buildings and other facilities.

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 August 2015.

Notes to the Financial Statements
For the Year Ended 31 August 2015

19. Statement of funds (continued)

Summary of funds

	Brought Forward £	Incoming resources £	Resources Expended £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
General funds	38,591	25,604	(15,059)	-	-	49,136
Restricted funds	(82,330)	830,912	(855,456)	-	(7,000)	(113,874)
Restricted fixed asset funds	2,815,317	205,118	(38,330)	-	-	2,982,105
	<u>2,771,578</u>	<u>1,061,634</u>	<u>(908,845)</u>	<u>-</u>	<u>(7,000)</u>	<u>2,917,367</u>

20. Analysis of net assets between funds

	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
Tangible fixed assets	-	-	2,982,105	2,982,105	2,733,179
Current assets	49,136	57,746	-	106,882	187,826
Creditors due within one year	-	(41,620)	-	(41,620)	(37,427)
Provisions for liabilities and charges	-	(130,000)	-	(130,000)	(112,000)
	<u>49,136</u>	<u>(113,874)</u>	<u>2,982,105</u>	<u>2,917,367</u>	<u>2,771,578</u>

21. Net cash flow from operations

	2015 £	2014 £
Net incoming resources before revaluations	152,789	40,951
Returns on investments and servicing of finance	(107)	(106)
Depreciation of tangible fixed assets	36,686	39,410
Capital grants from DfE	(205,118)	(91,551)
Decrease in debtors	3,265	6,970
Increase in creditors	4,193	19,462
FRS 17 adjustments	11,000	10,000
Net cash inflow from operations	<u>2,708</u>	<u>25,136</u>

Notes to the Financial Statements
For the Year Ended 31 August 2015

22. Analysis of cash flows for headings netted in cash flow statement

	2015 £	2014 £
Returns on investments and servicing of finance		
Interest received	107	106
	<u>107</u>	<u>106</u>
	2015 £	2014 £
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(285,612)	(18,914)
Capital grants from DfE	205,118	91,551
	<u>(80,494)</u>	<u>72,637</u>
Net cash (outflow)/inflow capital expenditure	(80,494)	72,637

23. Analysis of changes in net funds

	1 September 2014 £	Cash flow £	Other non-cash changes £	31 August 2015 £
Cash at bank and in hand:	177,854	(77,679)	-	100,175
Net funds	<u>177,854</u>	<u>(77,679)</u>	<u>-</u>	<u>100,175</u>

24. Pension commitments

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

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

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

Teachers' Pension Scheme

Introduction

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

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

Notes to the Financial Statements
For the Year Ended 31 August 2015

24. Pension commitments (continued)

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%));
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%

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

The pension costs paid to TPS in the period amounted to £56,385 (2014: £45,054).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate Trustee-administered funds. The total contribution made for the year ended 31 August 2015 was £20,000, of which employer's contributions totalled £16,000 and employees' contributions totalled £4,000. The agreed contribution rates for future years are 19.8% for employers and 5.5% to 12.5% 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.

Notes to the Financial Statements
For the Year Ended 31 August 2015

24. Pension commitments (continued)

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

	Expected return at 31 August 2015 %	Fair value at 31 August 2015 £	Expected return at 31 August 2014 %	Fair value at 31 August 2014 £
Equities	6.70	118,000	6.70	104,000
Gilts	3.00	2,000	3.00	2,000
Other bonds	3.60	19,000	3.60	18,000
Property	5.90	23,000	5.90	15,000
Cash	2.90	4,000	2.90	6,000
Target return portfolio	5.90	7,000	5.90	7,000
Total market value of assets		<u>173,000</u>		<u>152,000</u>
Present value of scheme liabilities		<u>(303,000)</u>		<u>(264,000)</u>
Deficit in the scheme		<u><u>(130,000)</u></u>		<u><u>(112,000)</u></u>

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 returns on gilts and other bonds are assumed to be the gilt yield and corporate bond yield respectively at the relevant date. The returns on equities and property are then assumed to be a margin above gilt yields.

The amounts recognised in the Balance Sheet are as follows:

	2015 £	2014 £
Present value of funded obligations	(303,000)	(264,000)
Fair value of scheme assets	<u>173,000</u>	<u>152,000</u>
Net liability	<u><u>(130,000)</u></u>	<u><u>(112,000)</u></u>

The amounts recognised in the Statement of Financial Activities are as follows:

	2015 £	2014 £
Current service cost	(27,000)	(20,000)
Interest on obligation	(10,000)	(11,000)
Expected return on scheme assets	<u>10,000</u>	<u>6,000</u>
Total	<u><u>(27,000)</u></u>	<u><u>(25,000)</u></u>
Actual return on scheme assets	<u><u>4,000</u></u>	<u><u>10,000</u></u>

Notes to the Financial Statements
For the Year Ended 31 August 2015

24. Pension commitments (continued)

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

	2015 £	2014 £
Opening defined benefit obligation	264,000	240,000
Current service cost	27,000	20,000
Interest cost	10,000	11,000
Contributions by scheme participants	4,000	4,000
Actuarial Losses/(gains)	1,000	(4,000)
Benefits paid	(3,000)	(7,000)
	<hr/>	<hr/>
Closing defined benefit obligation	303,000	264,000
	<hr/> <hr/>	<hr/> <hr/>

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

	2015 £	2014 £
Opening fair value of scheme assets	152,000	100,000
Expected return on assets	10,000	6,000
Actuarial gains and (losses)	(6,000)	34,000
Contributions by employer	16,000	15,000
Contributions by employees	4,000	4,000
Benefits paid	(3,000)	(7,000)
	<hr/>	<hr/>
	173,000	152,000
	<hr/> <hr/>	<hr/> <hr/>

The actuarial gains and losses for the current year are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities was £9,000 (2014 - £16,000).

The Academy expects to contribute £16,000 to its Defined Benefit Pension Scheme in 2016.

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

	2015	2014
Equities	68.00 %	69.00 %
Gilts	1.00 %	1.00 %
Other bonds	11.00 %	12.00 %
Property	13.00 %	10.00 %
Cash	3.00 %	4.00 %
Target Return Portfolio	4.00 %	4.00 %

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

	2015	2014
Discount rate for scheme liabilities	3.70 %	3.80 %
Rate of increase in salaries	4.20 %	4.30 %
Rate of increase for pensions in payment / inflation	2.40 %	2.50 %
Inflation assumption (CPI)	2.40 %	2.50 %
Inflation assumption (RPI)	3.30 %	3.30 %

Notes to the Financial Statements
For the Year Ended 31 August 2015

24. Pension commitments (continued)

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

	2015	2014
Retiring today		
Males	22.8	22.7
Females	25.2	25.1
Retiring in 20 years		
Males	25.1	24.9
Females	27.6	27.4

The Academy has not disclosed the restated corresponding amounts for one previous accounting period as the Governors are of the opinion that the cost implications of obtaining the actuarial reports for each year outweigh the benefits to a user of the financial statements.

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

Defined benefit pension schemes

	2015 £	2014 £	2013 £	2012 £
Defined benefit obligation	(303,000)	(264,000)	(240,000)	(199,000)
Scheme assets	173,000	152,000	100,000	68,000
Deficit	<u>(130,000)</u>	<u>(112,000)</u>	<u>(140,000)</u>	<u>(131,000)</u>
Experience adjustments on scheme liabilities	-	18,000	-	-
Experience adjustments on scheme assets	<u>(6,000)</u>	<u>34,000</u>	<u>9,000</u>	<u>4,000</u>

25. Operating lease commitments

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

	2015 £	2014 £
Expiry date:		
Between 2 and 5 years	<u>5,156</u>	<u>5,156</u>

26. 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. There were no other related party transactions.

Wilmington Primary School
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Notes to the Financial Statements
For the Year Ended 31 August 2015

27. Controlling party

The Academy is run by the management team on a day to day basis. Strategic decisions are made by the Board of Governors. There is no ultimate controlling party.