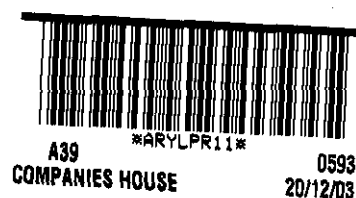


Company Registration No. 4444278 (England and Wales)

**WEST LONDON ACADEMY**  
(A Company Limited by Guarantee)

**REPORT AND FINANCIAL STATEMENTS**

**PERIOD ENDED 31 AUGUST 2003**



***Saffery Champness***

CHARTERED ACCOUNTANTS

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## **WEST LONDON ACADEMY**

### **LEGAL AND ADMINISTRATIVE INFORMATION**

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#### **Governors**

\* = members of the Finance and General  
Purposes committee

Chair

Alec Reed

Clerk

Ann-Marie Dafe

Governors

\*Derek Beal

David Bond

Tom Millar

James Reed

Caroline Whalley

Staff Governor (to be elected)

Staff Governor (to be elected)

Parent Governor (to be elected)

**Secretary**

Louise Allanach

**Registered office**

6 Sloane Street

London

SW1X 9LE

020 7201 9980

**Company registration number**

4444278

**Charity registration number**

1094171

**Auditors**

Saffery Champness

Lion House

Red Lion Street

London

WC1R 4GB

**Bankers**

HSBC

202 Sloane Street

London

SW1X 9RG

**Solicitors**

Wilsons

Steynings House

Fisherton Street

Salisbury, SP2 7RJ

## **WEST LONDON ACADEMY**

### **GOVERNORS' REPORT FOR THE PERIOD ENDED 31 AUGUST 2003**

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The Governors' present their report and the audited financial statements for the period from 22 May 2002 to 31 August 2003. The Academy commenced operation on 1 September 2003.

#### **Constitution and principal activities**

The Academy is a company limited by guarantee (no 4444278) and a registered charity (no 1094171). The company's memorandum and articles of association are the primary governing documents of the Academy. Members of the company are nominated by Alec Reed CBE, the main sponsor of the Academy. The articles of association require the members of the company to appoint at least 3 and not more than 15 governors to be responsible for the affairs of the company and the management of the Academy.

The principal activity of the Academy is to advance, for the public benefit, education in the United Kingdom, in particular but without prejudice to the generality of foregoing by establishing, maintaining carrying on, managing and developing a school offering a broad curriculum with a strong emphasis on, but in no way limited to, enterprise and sport.

#### **Organisation and objectives**

The sole activity of the Trust is the operation of the West London Academy to provide education for pupils of different abilities between the ages of 11 and 19 (from September 04, between the ages of 3 and 19) with an emphasis on enterprise. The main objectives of the Academy are summarised below:

- introduce an exciting curriculum and a broad range of qualifications
- embed good practice in all our teaching and learning
- develop programmes for employability and enterprise skills
- teach and practice emotional intelligences
- encourage creativity and broaden students' cultural awareness
- improve students' independence and involvement
- ensure the sports specialism impacts across the curriculum
- offer excellent development opportunities for staff
- provide personal learning plans for all staff and students
- work with other providers for community regeneration
- place the Academy at the heart of an enterprise network.

**GOVERNORS' REPORT  
FOR THE PERIOD ENDED 31 AUGUST 2003**

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**Organisation and objectives (continued)**  
**SCHOOL ACTION – PRIORITIES 2003 /4 :**

- Raising achievement at GCSE, with a minimum target of 30% in all subjects
- Improving teaching and learning, with a particular emphasis on classroom management
- Improving behaviour out of class.
- Creating better provision for vulnerable and disaffected students
- Putting clear information and communication systems in place
- Firming up schemes of work, resources and assessment.
- Providing all staff with individual training plans
- Improving attendance to an average of 90% in Years 7-9; 87% in Years 10-11
- Developing student involvement
- Implementing the workforce remodelling agreement
- Introducing new management structure from January

**Management Structures:**

During the year, an interim management structure was introduced to help improve the way the Academy is run. It will initially have two parallel structures – one for KS3 and transition, and one for 14-19. Each will have a Vice Principal responsible for leading teaching and learning (T+L) and one for monitoring student progress. We will be advertising a new Vice Principal post for community development and the full time posts for Student Progress for September 2004. The school management team will also include responsibilities for behaviour management, and responsibility for professional development.

There will also be a school improvement team, to oversee the work of the development plan. We will start to replace Heads of Faculty with lead teachers for Key stage 3 and 14-19. The structure will be reviewed as discussions with the primary site proceed.

**Developments, activities and achievements**

The Academy achieved, for the first time in over five years, a full complement of students into Year 7 this year. There are still spaces in higher years. From September 2004, the Academy will admit up to 135 students into Year 7, as each of the 45 students from Year 6 in the primary will automatically have a place. Total students now number 796.

To ensure that standards are raised the Academy operates a programme of observation of lessons, visits from inspectors, comparison for results from entry to Key Stage 3 to GCSE and from GCSE to A Level to assess the added value. The Academy also participates in national programmes looking at added value through the key stages.

## **WEST LONDON ACADEMY**

### **GOVERNORS' REPORT FOR THE PERIOD ENDED 31 AUGUST 2003**

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#### **Developments, activities and achievements (continued)**

One of the main objectives of the Academy development plan is to provide the opportunity for enterprise education to a greater number of students. To achieve this we are in the process of drawing up a community development plan, based on an identification and analysis of need. The aim is to establish ways to benefit the wider community (from links with mainly local secondary and primary schools) and direct access to the Academy's specialist facilities, curricular material and the expertise of Academy staff.

#### **Operating and financial review**

Most of the Academy's income is obtained from the DfES in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received during 2002/2003 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

Expenditure for the year was covered by grants from the DfES and other income and excess of running cost income over expenditure for the year was £6,607

At 31 August 2003 the net book value of fixed assets was £3,059,006 and movements in tangible fixed assets are shown in Note 10 to the financial statements.

The Academy also held fund balances at 31 August 2003 £3,057,532 comprising £3,057,532 of restricted funds and £Nil of unrestricted fund. The fund balances are adequate to fulfil the obligations of the Academy and provide a balance against with most unforeseen future events.

#### **Governors**

Governors are subject to retirement by rotation but are eligible for re-election at the meeting at which they retire.

The present Governors of the Academy are set out below.

Chair	Alec Reed
Clerk	Ann-Marie Dafe
Governors	*Derek Beal David Bond Tom Millar James Reed Caroline Whalley Staff Governor (to be elected) Staff Governor (to be elected) Parent Governor (to be elected)

#### **Governance of the academy**

During the year under review the Governors held 2 meetings. In addition, there have been several facilitated meetings to discuss general policy matters before the Academy opened in September 2003.

The academy has a number of restricted funds. The purpose of these funds is set out in notes 13.

**GOVERNORS' REPORT  
FOR THE PERIOD ENDED 31 AUGUST 2003**

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**Policies**

The Governors have set the following policy objectives.

**Reserves policy**

The Governors have reviewed the reserves of the school. This review encompassed the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Governors will meet shortly to decide the appropriate level of reserves which are not invested in tangible fixed assets. The policy is likely to be to continue to build up reserves to the set levels.

Tangible fixed assets are held for use by West London Academy. The Academy has a number of designated and restricted funds. The purpose of these funds is set out in note 13.

**Investments policy**

The Governors' investment powers are governed by the memorandum and articles of association, which permit the Academy's fund to be held in or upon such investments, securities or property as may be thought fit, to hold the same as investments and to sell, exchange, carry and dispose of the same. The Governors can also delegate the management of investments to a financial expert only where the investment policy is set down in writing by the Governors and where every transaction is reported promptly to the Governors.

**Risk management**

The Governors confirm that they are in the process of assessing the major risks to which the Academy is exposed, and that these risks will be regularly reviewed and that systems have already been established to mitigate those risks.

**Statement of governors' responsibilities for the financial statements**

Company law requires the governors' to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit and loss of the company for that period. In preparing these financial statements, the governors have:

- selected suitable accounting policies and applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- followed applicable accounting standard; and
- prepared the financial statements on the going concern basis.

The governors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**GOVERNORS' REPORT  
FOR THE PERIOD ENDED 31 AUGUST 2003**

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**Statement on the system of internal financial controls**

As Governors, we acknowledge we have overall responsibility for ensuring that West London Academy has an effective and appropriate system of control, financial and otherwise. We are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Academy and enable them to ensure the financial statements comply with the Companies Act. We also acknowledge responsibility for safeguarding the assets of the Academy and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities and to provide reasonable assurance that:-

- the Academy is operating efficiently and effectively;
- its assets are safeguarded against unauthorised use or disposition;
- the proper records are maintained and financial information used within the Academy or for publication is reliable;
- the charity complies with relevant law and regulations.

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

In particular, it includes:

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

**Legal status**

The Academy is a company limited by guarantee and a registered charity. The company does not have a share capital. Every member of the company undertakes to contribute to the assets of the company in the event of its being wound up while he/she is a member, or within one year after he/she ceases to be a member such amount as may be required, not exceeding £1 for the debts and liabilities contracted before he/she ceases to be a member.

**Equal opportunities**

The Trustees recognise that equal opportunities should be an integral part of good practice within the workplace. The Academy aims to establish equal opportunity in all areas of its activities including creating a working environment in which the contribution and needs of all people are fully valued.



**GOVERNORS' REPORT  
FOR THE PERIOD ENDED 31 AUGUST 2003**

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**Disabled persons**

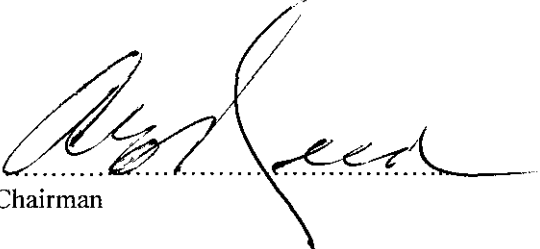
The new school building will be fully accessible to disabled persons. Inclusion underpins the educational and social ethos of the Academy.

**Auditors**

The auditors, Saffery Champness, are willing to continue in office, and a resolution to appoint them will be proposed at the annual general meeting.

**Approval**

The report of the governors was approved on 18 December 2003 and signed on its behalf by:



Chairman

## WEST LONDON ACADEMY

### AUDITORS' REPORT TO THE MEMBERS OF WEST LONDON ACADEMY FOR THE PERIOD ENDED 31 AUGUST 2003

---

We have audited the financial statements on pages 10 to 22 which have been prepared on the basis of the accounting policies set out on pages 15 to 17.

#### **Respective responsibilities of trustees and auditors**

As described on page 6 the governors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and report our opinion to you.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Basis of audit opinion**

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the judgements made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charity's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance as to whether the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

#### **Opinion**

In our opinion:

- a) the financial statements give a true and fair view of the charity's state of affairs as at 31 August 2003 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended and have been properly prepared in accordance with the Companies Act 1985.
- b) the financial statements have been prepared in accordance with the Financial Reporting and Annual Accounts Requirements issued by the Department for Education and Employment in respect of the relevant financial period;
- c) proper accounting records have been kept by the Academy throughout the financial period;
- d) grants made by the Department for Education and Skills have been applied for the purposes intended.

  
**Saffery Champness**

19 December 2003

Chartered Accountants  
**Registered Auditors**

Lion House  
Red Lion Street  
London  
WC1R 4GB

# WEST LONDON ACADEMY

## STATEMENT OF FINANCIAL ACTIVITIES FOR THE PERIOD ENDED 31 AUGUST 2003

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2003 £
<b>Incoming resources</b>					
Activities in furtherance of the charity objective:					
Grants receivable		-	738,119	3,037,996	3,776,115
Donations and gifts		-	-	49,225	49,225
Other income	4	931	-	-	931
<b>Total incoming resources</b>		<u>931</u>	<u>738,119</u>	<u>3,087,221</u>	<u>3,826,271</u>
<b>Resources expended</b>					
<b>Charitable expenditure</b>					
Costs of activities in furtherance of charitable objectives:					
Academy set-up costs		-	536,163	28,215	564,378
Support costs		-	191,385	-	191,385
Management and administration		-	4,895	-	4,895
<b>Total resources expended</b>	5,6	<u>-</u>	<u>732,443</u>	<u>28,215</u>	<u>760,658</u>
<b>Net incoming/(outgoing) resources before transfers</b>					
		931	5,676	3,059,006	3,065,613
Transfers between funds		-	-	-	-
<b>Net movement in funds</b>		<u>931</u>	<u>5,676</u>	<u>3,059,006</u>	<u>3,065,613</u>
Fund balances brought forward at 1 April 2002		-	-	-	-
<b>Fund balances carried forward at 31 March 2003</b>	14	<u>931</u>	<u>5,676</u>	<u>3,059,006</u>	<u>3,065,613</u>

The Statement of Financial Activities analyses all the capital and income resources and expenditures of the Academy during the period and reconciles the movements in funds. Further analysis of income and expenditure for the period is shown on page 11 and the overall financial position at the period-end is summarised in the balance sheet on page 12.

# WEST LONDON ACADEMY

## INCOME AND EXPENDITURE ACCOUNT FOR THE PERIOD ENDED 31 AUGUST 2003

	Notes	2003 £
<b>Income</b>		
DfES Capital Grants	2	3,002,997
DfES Other grants	2	716,651
Private sector sponsorship	3	105,692
Other income	4	931
<b>Total income</b>		<u>3,826,271</u>
<b>Expenditure</b>		
Other DfES grant related expenditure		732,443
Depreciation and loss on disposal of fixed assets		28,215
Other expenditure		-
<b>Total expenditure</b>	5	<u>760,658</u>
<b>Excess of income over expenditure</b>		<u>3,065,613</u>
<b>Net transfer to/from funds</b>		
Restricted funds		5,676
Premises fund		3,059,006
Unrestricted fund		931
	14	<u>3,065,613</u>

The Income and Expenditure account is derived from the Statement of Financial Activities on page 10 which, together with the notes to the accounts on pages 15 to 22 provides full information on the movements during the period on all the funds of the Academy.

All items dealt with in arriving at the excess of income over expenditure for 2003 relate to continuing operations.

The company has no recognised gains and losses other than those included in the above results and therefore no separate statement of gains and losses has been presented.

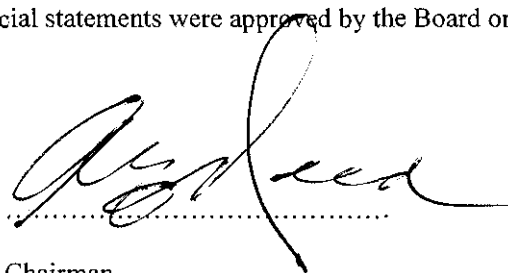
# WEST LONDON ACADEMY

## BALANCE SHEET AS AT 31 AUGUST 2003

	Notes	2003 £
<b>Fixed assets</b>		
Tangible assets	10	3,059,006
		<u>3,059,006</u>
<b>Current assets</b>		
Debtors	11	289,507
Cash at bank and in hand		11,439
		<u>300,946</u>
<b>Creditors: Amounts falling due within one year</b>	12	294,339
		<u>6,607</u>
<b>Net current assets</b>		
		<u>3,065,613</u>
<b>Net assets</b>		<u>3,065,613</u>
<b>Funds</b>		
Restricted Fixed Asset fund		3,059,006
Restricted General fund		5,676
Unrestricted fund		931
	14	<u>3,065,613</u>

The notes on pages 15 to 22 form part of these financial statements.

The financial statements were approved by the Board on 18 December 2003 and signed on its behalf by:



Chairman



Governor

## CASH FLOW STATEMENT FOR THE PERIOD ENDED 31 AUGUST 2003

Page 13

**WEST LONDON ACADEMY**

**NOTES TO THE CASHFLOW STATEMENT  
FOR THE PERIOD ENDED 31 AUGUST 2003**

---

	<b>Notes</b>	<b>2003 £</b>
<b>Reconciliation of net cash flow to movement in net funds</b>		
Increase in cash in the period		11,439
Net funds brought forward 22 May 2002		-
Net funds at 31 August 2003		<u>11,439</u>
<b>Analysis of changes in net funds</b>		
Cash in hand and at bank		<u>11,439</u>
<b>Total</b>		<u><b>11,439</b></u>

## WEST LONDON ACADEMY

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2003

---

#### 1. Accounting Policies

##### 1.1. Format of account

The standard format for the accounts as required by the Companies Act 1985 schedule 4 part I has been adapted to provide more appropriate information which complies with the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' and reflects the activities of the company.

##### 1.2. Basis of accounting

The financial statements are prepared under the historic cost convention and in accordance with applicable accounting standards.

##### 1.3. Fund accounting

General Funds are those monies which may be used towards meeting the objectives of the Academy at the discretion of the Governors. Designated Funds comprise amounts set aside by Governors out of the General Fund, for specific purposes.

Restricted Funds comprise grants from DfES to be used for specific purposes.

##### 1.4. Grants receivable

Fixed asset grants are included in the statement of financial activities on a receivable basis. The balance of income received for specific purposes but not matched to relevant expenditure during the period is shown in the restricted income fund on the balance sheet. The annual recurrent grant from DfES which is intended to meet recurrent costs, is credited direct to the statement of financial activities.

##### 1.5. Donations

Donations are included in the statement of financial activities on a cash received basis or on an accruals basis where they are assured with reasonable certainty and receivable by the balance sheet date.

##### 1.6. Donated services and gifts in kind

The value of donated services and gifts in kind provided to the Academy is recognised in the statement of financial activities at their value to the Academy, as determined by the Governors, in the period in which they are receivable, and where the benefit is both quantifiable and material.

##### 1.7. Sponsorship

The value of sponsorship provided to the Academy is recognised in the statement of financial activities in the period in which it is receivable.

##### 1.8. Costs of generating funds

The costs of generating funds include all expenditure attributable to those activities. They are included in the financial statements on an accruals basis.

##### 1.9. Management and administration

Management and administration costs include expenditure on administration of the Academy and compliance with constitutional and statutory requirements, and an appropriate apportionment of indirect costs.



# WEST LONDON ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2003

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### 1. Accounting Policies (continued)

#### 1.10. Allocation of costs

Items of expenditure which involve more than one cost category have been apportioned on a reasonable, justifiable and consistent basis for the cost category concerned, these include:

Cost category	Basis of apportionment
Maintenance of premises	Capacity of accommodation utilised
Other occupancy costs	Capacity of accommodation utilised
Depreciation	Capacity of accommodation utilised

#### 1.11. Tangible fixed assets

Tangible fixed assets are included in the accounts at costs. Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund (in the statement of financial activities and carried forward in the balance sheet) and are released over the expected useful economic life of the related asset on a basis consistent with the depreciation policy.

#### 1.12. Depreciation

Depreciation is provided on the net book value of tangible fixed assets, to write them down to their estimated residual values over their expected useful lives. No depreciation is provided on freehold land. The principal annual rates used for other assets are:

Furniture and equipment	25% reducing balance
Computer equipment and software	30% reducing balance

#### 1.13. Investments

Fixed asset investments are carried at market values with any realised and unrealised gains or losses taken to the SOFA. Current asset investments are included in the balance sheet at market values.

#### 1.14. Leased assets

Rentals payable under operating leases are charged to the income and expenditure account as incurred.

#### 1.15. Stocks

Unused stores are valued at the lower of cost or net realisable value.

#### 1.16. Taxation

The company is a registered charity and as such is exempt from Income and Corporation taxes under the provisions of the Income and Corporation Taxes Act 1988. The cost of Value Added Tax incurred by the company has been included in the Income and Expenditure Account.

# WEST LONDON ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2003

### 1. Accounting Policies (continued)

- 1.17. Full-time and part-time reaching staff employed under a contract of service are eligible to contribute to the Teachers' Pension Scheme (TPS). The TPS, a statutory, contributory, final salary scheme is administered by Capita Teachers' Pensions on behalf of the Department of Education and Skills.

Costs include normal and supplementary contributions. The regular cost is the normal contribution, expressed as a percentage of salary of a teacher newly entering service, which would defray the cost of benefits payable in respect of that service. Variations from the regular pension cost are met by a supplementary contribution. This occurs if, as a result of the actuarial investigation, it is found that the accumulated liabilities for benefits to past and present teachers are not fully covered by normal contributions to be paid in the future and by the fund built up from past contributions. The normal supplementary contributions are charged to the income and expenditure account in the year.

Non teaching members of staff are offered membership of a defined contributions scheme. The assets of this scheme are held separately from those of the company, being invested with insurance companies. The pension costs for that scheme represent the contributions payable by the company in the year.

### 2. DfES Grants

	2003 £
Capital grants	3,002,997
Implementation grant	475,430
Other grants	241,221
	<u>3,719,648</u>

### 3. Private sector sponsorship

	2003 £
Sir Alec Reed – donation	49,225
Sir Alec Reed – grant	56,467
	<u>105,692</u>

### 4. Other income

	2003 £
Interest receivable	931
	<u>931</u>

# WEST LONDON ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2003

5.	Total resources expended	Staff costs £	Deprecia- tion £	Other costs £	Total 2003 £
	Academy set-up costs	46,444	22,153	495,781	564,378
	Support costs	-	-	191,385	191,385
	Management & Administration	-	-	4,895	4,895
		<u>46,444</u>	<u>22,153</u>	<u>692,061</u>	<u>760,658</u>
6.	Cost of activities in furtherance of charitable objectives				
					2003 £
	Academy set-up costs				
	Project management fees				245,253
	Legal and professional fees				230,246
	Staff costs and recruitment				55,170
	School uniform				4,532
	Stationery and consumables				962
					<u>536,163</u>
	Depreciation (charged to restricted fixed asset fund)				22,153
	Loss on asset disposal (charged to restricted fixed asset fund)				6,062
					<u>564,378</u>
	Support costs				
	Transport, travel and subsistence				1,726
	Publicity				189,659
					<u>191,385</u>
	Management and administration				
	Audit fees				4,700
	Bank interest and charges				145
	Other				50
					<u>4,895</u>

## WEST LONDON ACADEMY

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2003

---

#### 7. Staff costs

No staff were employed directly by the Academy during the year.

The costs charged to the accounts represents the amounts recharged by Ealing council and the amounts paid to put staff in place in readiness for the opening of the Academy in September 2003 as follows:

	2003
Wages and salaries recharged by London Borough of Ealing	27,938
Advertising fees	2,790
Recruitment fees	15,716
Training	8,726
<b>Total staff costs</b>	<b>55,170</b>

No employees earned more than £50,000 in the year.

#### 7.1. Pensions

No pension scheme was operated by the school during the year.

#### 8. Emoluments of Governors

The governors of the Academy did not receive any payment from the Academy.

##### 8.1. Interests in transactions

Alec Reed is Chairman of Reed Charity, to which the Academy paid £140,030 during the period in respect of personnel supplies. The services were provided to the company at arm's length value and in full consultation of the DfES. Alec Reed is also a director of Reed Learning and Reed Training, to which the Academy paid £37,683 and £3,251 respectively for project management and training services, again in full consultation with the DfES.

James Reed is a Governor of the Academy and also a director of Reed Learning, Reed Training and a trustee of Reed Charity.

#### 9. Governors and officers insurance

No insurance was purchased to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business.

# WEST LONDON ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2003

### 10. Tangible fixed assets

	Furniture and equipment £000s	Computer equipment and software £000s	Assets under construction £000s	Total £000s
<b>Cost</b>				
<b>Acquired since Incorporation</b>				
At 22 May 2002	-	-	-	-
Capital expenditure	13,994	68,244	3,004,984	3,087,222
Disposals	-	(6,062)	-	(6,062)
At 31 August 2003	<u>13,944</u>	<u>62,182</u>	<u>3,004,984</u>	<u>3,081,160</u>
<b>Depreciation</b>				
At 22 May 2002	-	-	-	-
Charged in year	3,499	18,655	-	22,154
Disposals	-	-	-	-
At 31 August 2003	<u>3,499</u>	<u>18,655</u>	<u>-</u>	<u>22,154</u>
<b>Net book value</b>				
At 31 August 2003	<u>10,495</u>	<u>43,527</u>	<u>3,004,984</u>	<u>3,059,006</u>
<b>The Net Book Value At 31 August 2003 Represents Fixed Assets Used for:</b>				
Educational provision	<u>10,495</u>	<u>43,527</u>	<u>3,004,984</u>	<u>3,059,006</u>

### Source of funding for Assets acquired (Cumulative)

DfES capital grants	3,002,997
Private sector capital sponsorship	<u>84,225</u>
	<u>3,087,222</u>

# WEST LONDON ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2003

11.	<b>Debtors</b>	<b>2003</b>
	Trade debtors	2,100
	Prepayments	-
	Sundry Debtors	287,407
		<u>289,507</u>

12.	<b>Creditors:</b>	<b>2003</b>
	<b>Amounts falling due within one year</b>	
	Trade creditors	287,407
	Sundry creditors	2,232
	Accruals	4,700
		<u>294,339</u>

### 13. Restricted funds

The income funds of the Academy comprise the following balances of grants to be applied for specific purposes.

	Balance at May 2002 £	Incoming resources £	Expenditure gains, losses & transfers £	Balance at 31 August 2003 £
Restricted General Fund	-	738,119	732,443	5,676
Private Sector Capital Sponsorship	-	84,225	19,011	65,214
Capital Expenditure	-	3,002,996	9,204	2,993,792
	<u>-</u>	<u>3,825,340</u>	<u>760,658</u>	<u>3,064,682</u>

All restricted funds must be used for the establishment of the West London Academy

# WEST LONDON ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2003

### 14. Analysis of net asset between funds

Fund balances at 31 August 2003 are represented by:

	Unrestricted funds £'000	Restricted general £'000	Restricted capital £'000	Capital private £'000	£'000
Tangible fixed assets	-	-	2,993,792	65,214	3,059,006
Current assets	931	300,015	-	-	300,946
Current liabilities	-	(294,339)	-	-	(294,339)
<b>Totals</b>	<b>931</b>	<b>5,676</b>	<b>2,993,792</b>	<b>65,214</b>	<b>3,065,613</b>

### 15. Capital commitments

	2003 £'000
Contracted for, but not provided for in the accounts	-
Authorised by governors, but not yet contracted	33,425
	<u>33,425</u>

### 16. Lease commitments

2003  
£

#### Operating leases

The payments which the company is committed to in respect of non-cancellable operating leases of computers, photocopiers and plants are as follows:

within one year	27,111
one to five years	<u>29,907</u>

### 17. Contingent liabilities

In the event, during the period of the funding Agreement, of the sale or disposal by other means, of any asset for which a capital grant was received, the company shall if it does not re-invest the proceeds, repay to the Secretary of State for Education and Skills 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 company serving notice, the company 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 company; and
- the extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the Funding Agreement.

# WEST LONDON ACADEMY

## DETAILED INCOME AND EXPENDITURE ACCOUNT FOR THE PERIOD ENDED 31 AUGUST 2003

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	<b>2003</b> <b>£</b>
<b>Income</b>	
<b>DfES capital grants</b>	3,002,997
<b>Other DfES grants</b>	708,570
	<u>3,711,567</u>
 <b>Private sector sponsorship</b>	
Sir Alec Reed – donation	49,225
Sir Alec Reed – grant	56,467
	<u>105,692</u>
 <b>Other income</b>	
Interest receivable	931
	<u>931</u>
 <b>Total income</b>	 <u>3,818,190</u>
 <b>Expenditure</b>	 <b>2003</b> <b>£</b>
<b>Academy set up costs</b>	
Project management fees	245,253
Legal and professional fees	230,246
Staff costs and recruitment	55,170
School uniform	4,532
Stationery and consumables	962
	<u>536,163</u>
 Depreciation (charged to restricted fixed asset fund)	22,153
Loss on asset disposal (charged to restricted fixed asset fund)	6,062
	<u>564,378</u>
 <b>Support costs</b>	
Transport, travel and subsistence	1,726
Publicity	189,659
	<u>191,385</u>

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**WEST LONDON ACADEMY**

**DETAILED INCOME AND EXPENDITURE ACCOUNT  
FOR THE PERIOD ENDED 31 AUGUST 2003**

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<b>Expenditure (continued)</b>	<b>2003 £</b>
<b>Management and administration</b>	
Audit fees	4,700
Bank interest and charges	145
Other	50
	<hr/>
	4,895
	<hr/>
<b>Total expenditure</b>	<b>760,658</b>
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