

**Company Registration No 05102934 (England and Wales)**

**THE WESTMINSTER ACADEMY (WESTBOURNE GREEN)**

**DIRECTORS' REPORT AND ACCOUNTS**

**FOR THE YEAR ENDED 31 AUGUST 2011**

WEDNESDAY



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COMPANIES HOUSE

# THE WESTMINSTER ACADEMY (WESTBOURNE GREEN)

## LEGAL AND ADMINISTRATIVE INFORMATION

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### Directors

Mary Amayo  
Smita Bora  
Helen Bunch  
David Dangoor  
Elizabeth Dangoor  
Judy Dangoor  
Duncan Harman-Wilson  
Nigel Hughill  
Neil McNaughton  
Edna Partridge  
Jeremy Witts

### Secretary

Elie Dangoor

### Company number

05102934

### Registered office

The Naim Dangoor Centre  
255 Harrow Road  
London  
W2 5EZ

### Auditors

Citroen Wells  
Devonshire House  
1 Devonshire Street  
London  
W1W 5DR

### Bankers

Barclays Bank Plc  
Clifton House  
83-117 Euston Road  
London  
NW1 2BB

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# **THE WESTMINSTER ACADEMY (WESTBOURNE GREEN)**

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# THE WESTMINSTER ACADEMY (WESTBOURNE GREEN)

## DIRECTORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2011

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The Directors present their report and audited accounts for the year ended 31 August 2011

### **Constitution and Principal Activities**

The Academy is a company limited by guarantee incorporated in England on 15 April 2004 (no 05102934). The company's memorandum and articles of association are the primary governing documents of the Academy. Members of the company are nominated by the sponsors of the Academy, The Exilarch's Foundation, and by the Secretary of State for Education.

As from 1 August 2011, all Academies became "exempt charities" by virtue of section 12 (4) of the Academies Act 2010 and the Academy deregistered with the Charities Commission on 25 August 2011 but it still retains its charitable status.

The principal activity of the Academy is to advance, for the public benefit, education in the United Kingdom by establishing, maintaining, operating and developing one or more secondary schools offering a broad curriculum with a specialism of International Business and Enterprise.

### **Organisation and Objectives**

The principal object and activity of the Academy is the development and operation of the Westminster Academy to provide education for pupils of different abilities between the ages of 11 and 18 with a specialism of International Business and Enterprise. The main objectives of the Academy are summarised below:

- To raise the standard of education achievement of all pupils,
- To ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care,
- To improve the effectiveness of the Academy by keeping the curriculum and organisational structure under continual review,
- To provide value for money for the funds expended,
- To comply with all appropriate statutory and curriculum requirements,
- To maintain close links with industry and commerce,
- To conduct our business in accordance with the highest standards of integrity, probity and openness.

In setting the Academy's objectives and planning its activities, the Governors have given careful consideration to the Charity Commission's general guidance on public benefit.

### **Developments, Activities and Achievements**

The Academy started its fifth year of operation in September 2010. The post of Principal has been held throughout the year by Ms Smita Bora.

The year has been a challenging one for the Academy, with joint objectives of continuing to control expenditure to maintain a small surplus going hand in hand with a drive to maintain a high quality provision of education. Early in the year the Academy was successful in achieving its goal of coming out of the Ofsted 'Notice to Improve'.

The Summer 2011 examination results were very good for both 6th form students and Year 11 students. Seventy six percent (76%) of Sixth Form students achieved grades A - C at 'A' Level with 100% of students who applied to go to university being successful in gaining a place. Eighty-one percent (81%) of Year 11 students achieved five or more A\*-C grades in their GCSEs.

# **THE WESTMINSTER ACADEMY (WESTBOURNE GREEN)**

## **DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2011**

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### **Curriculum Planning**

- The curriculum model continues to support the Academy in its objective of delivering the Academy's specialism of International Business and Enterprise to 1,175 students aged 11 - 19 in 2012
- The timetable for September 2011 was produced through a consultation process with staff and students. This was issued to staff in July 2011
- The curriculum model takes into account the strategic plan, policies, routines, procedures, staffing structures and job descriptions
- The strategic plan for the Academy has been updated throughout the year to reflect staffing changes in the Senior Leadership Team
- The procurement of appropriate teaching and learning resources continued throughout the year
- The International Baccalaureate Diploma Programme, introduced in September 2008, continues to be popular with students and has delivered some outstanding results

### **Staffing**

- There has been some changes in the Senior Leadership Team during the year and further restructuring of staffing is needed to deliver the Academy's ongoing objectives. During the year good progress has been made as demonstrated in the results referred to above
- In the Spring 2011 census, there were 93 teachers and 58 education support staff at the Academy
- Staff training continued to be a high priority throughout 2010-11, linked to the Academy's Personal and Professional Development (PPD) strategy

### **Students**

- The admissions process for Year 7 in September 2010 was administered by Westminster City Council, through the pan-London Central Admissions System. 367 applications had been received for 180 available places for September 2010 entry
- The Spring 2011 school census recorded a total of 934 students in Years 7 - 13. The Academy continues to take "Hard to Place" students and "Pupils without School Places" (PWSP)
- In the Spring 2011 census, 837 (of 934) students had a first language other than English. 515 Students were eligible for free school meals
- The Academy Council and House Councils continued to ensure the involvement of the students in decision-making processes
- Westminster Academy's admissions policy, contained in its funding agreement with the Department for Education, requires the Academy to follow the standard Pan-London admissions process. Special Educational Needs students with statements, Looked After Children and siblings are prioritised thus protecting the most vulnerable families. The remaining students are admitted according to their residential distance from the Academy thus ensuring an intake which reflects the local community

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# **THE WESTMINSTER ACADEMY (WESTBOURNE GREEN)**

## **DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2011**

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### **The Wider Community**

- Parents continued to be involved with their children's progress through regular progress review days, parents' evenings and the web-based Connetix system. Monthly newsletters were also sent to parents
- Through working with Westminster Community Partnerships and local enterprise agencies, strong links are maintained with over 250 local businesses, to enable the development of the Academy's internship programme
- The Principal is on the board of both Westbourne Forum and Paddington Development Trust
- Academy Sport continued to be successful with on average 9,000 users a month coming from the wider community including local primary schools
- Community use of The Naim Dangoor Centre, Harrow Road continued to develop throughout the year to further increase community, educational and social activities

### **Liaison with the Department for Education (DfE)**

- Meetings with the DfE continued throughout 2010-11 and the DfE link officer Marie Griffiths attended meetings of the Governing Body
- The Academy's DfE Advisor, Louise Soden, continued to provide excellent support and challenge throughout the year

### **Awards for the Academy**

- Specialist School and Academies Trust Future Vision Award 2007
- BCSE Industry Award for Inspiring Design-Secondary School 2008
- Best Incorporation of Daylight Award, Lighting and Architecture Foundation Awards 2008
- Designshare Citation Award 2008
- Design Week Wayfinding and Environment Graphics 2008
- RIBA London Building of the Year 2008
- RIBA Sorrell Foundation School Award 2008
- RIBA Stirling Prize shortlist 2008
- Building Magazine - Public Building of the Year 2009
- Civic Trust Award 2009
- International Schools Award 2009

### **Operating and Financial Review**

The Academy's main source of income is derived from the DfE. The grants received during the year ended 31 August 2011 and the associated expenditure are shown in the Statement of Financial Activities on pages 12 to 13

No further capital grants (restricted) were received from the DfE in the year. The restricted fixed asset fund is reduced by annual depreciation charges over the expected useful lives of the assets concerned.

Unrestricted incoming resources for the year amounted to £359,204 against net expenses incurred of £343,519 resulting in a surplus for the year of £15,685 that has been carried forward. The total pension deficit brought forward of £457,500 has been transferred from unrestricted to restricted funds following consultation with the YPLA/DfE.

# THE WESTMINSTER ACADEMY (WESTBOURNE GREEN)

## DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2011

Restricted general funds received amounted to £10,222,967 and comprised mainly of the General Annual Grants (GAG) receivable from YPLA/DfE. Restricted general fund expenditure for the year amounted to £10,188,324. The surplus for the year was therefore £34,643. Included in the current year expenditure is an adjustment of £62,000 in order to satisfy the requirements of FRS17, Retirement Benefits, in relation to the Academy's pension scheme liabilities. If the pension adjustment of £62,000 is excluded, the surplus for the year was £96,643 and when taken together with the brought forward surplus of £51,428, there is a surplus of £148,071 carried forward on the restricted general funds.

Restricted general funds also include the Academy's share of pension liabilities of £707,500 carried forward at year end that the Academy may have to meet over a period of twenty years. This is represented by the £457,500 transfer from the unrestricted funds to restricted funds, the adjustments for the pension cost and the actuarial loss totalling £250,000 on the pension scheme.

The Academy's pension liability, valued in line with FRS17, continues to cause concern, as it does for many other Academies in the UK. Note 16 to the accounts explains the commitments more clearly and shows that as at 31 August 2011, there was a shortfall of £707,500 for the Academy's proportion of City of Westminster Pension Fund, an increase of £250,000 compared to the previous year. The Academy will continue to liaise with the DfE to determine how these commitments may be managed.

At 31 August 2011 the net book value of fixed assets was £28,684,474 and movements in tangible fixed assets are shown in note 12 to the accounts. These assets are used by the Academy in order to provide education and associated support services to pupils of the Academy and the wider community.

### The Directors

The Directors of the Company who served during the year were -

Jeremy Witts

Nigel Hugill

David Dangoor

Judy Dangoor

Michael Dangoor (Resigned on 28/06/2011)

Elie Dangoor (Resigned on 28/06/2011)

Mary Amayo (Appointed 03/03/2011)

Chair of Governing Body

Previous MD of Chelsfield (initial sponsor for the Westminster Academy)

representing the sponsors, The Exilarch's Foundation

representing the sponsors, The Exilarch's Foundation

The following were also appointed as additional directors on 6 October 2011 -

Smita Bora

Helen Bunch

Elizabeth Dangoor

Duncan Harman-Wilson

Neil McNaughton

Edna Partridge

The Directors met once during the 2010/2011 year on 10 December 2010 to approve the 2009/2010 Accounts

# THE WESTMINSTER ACADEMY (WESTBOURNE GREEN)

## DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2011

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### **Governance of the Academy**

During the year 2010/11, the Academy's Governing Body met six times on 7 October 2010, 9 December 2010, 3 March 2011, 25 May 2011, 23 June 2011 and 14 July 2011. One of its Sub-Committees, Finance and General Purposes, met eight times on 16 September 2010, 29 November 2010, 12 January 2011, 7 February 2011, 3 March 2011, 31 March 2011, 17 May 2011 and 16 June 2011. The Curriculum Sub-Committee, met three times on 16 November 2010, 1 March 2011 and on 12 May 2011. The Audit Sub-Committee met twice on 29 November 2010 and 14 July 2011.

Minutes of all these meetings are made available to the public domain through enquiries in the administrative office.

The affairs of the Academy are conducted by its directors. Governance of the Academy is achieved through the governing body of the Academy (the "Governing Body"), which is a committee of the board of directors. Members of the Governing Body serve at the pleasure of the board, or the applicable nominating body, if different.

The Governing Body had the following members:

Mary Amayo  
Smita Bora (Principal)  
Helen Bunch  
David Dangoor (sponsor)  
Elizabeth Dangoor (sponsor)  
Judy Dangoor (sponsor)  
Duncan Harman-Wilson  
Nigel Hugill  
Paul McCombie  
Neil McNaughton (Vice chair of Governing Body)  
Ed Partridge  
Angela Piddock  
Jeremy Witts (Chair of Governing Body)

Maka Baramidze and Sandra Taylor also acted as Governors and attended Governors' meetings. Their term of office expired on 31 January 2011.

The major issues that were addressed related to the developments and activities listed above and were agreed by the Governing Body. The Governors have set policy objectives as laid out in the Academy Strategic Plan and have given clear direction to the Principal and her Senior Leadership Team.

Aside from the Governing Body, the development of the Academy continues to be led by the Directors and the Sponsors.

### **Statement of Directors' responsibilities**

The directors are responsible for preparing the Directors' Report and the accounts in accordance with the Annual Accounts Requirements issued by the Young People's Learning Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the directors to prepare accounts for each financial year which give a true and fair view of the state of affairs of the Academy and of the incoming resources and application of resources, including the income and expenditure, of the Academy for that year.



# **THE WESTMINSTER ACADEMY (WESTBOURNE GREEN)**

## **DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2011**

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In preparing these accounts, the directors are required to

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

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

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

### **Legal status**

The Academy is a company limited by guarantee and an exempt 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 it being wound up while he/she is a member such amount as may be required, but, not exceeding £10, for the debts and liabilities contracted before he/she ceases to be a member.

### **Equal opportunities**

The Directors 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.

### **Disabled persons**

The Academy is fully compliant with the relevant legislation to ensure that all students with disabilities are provided with a good quality learning environment. The policy of the Academy is to support the employment of disabled persons both in the recruitment and by retention of employees who become disabled whilst in the employment of the Academy, as well as generally through training and career development.

### **Reserves Policy**

The Directors have delegated to the Governors the responsibility to review the reserve levels of the Academy on a regular basis. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Directors' view is that free reserves should provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies. The Academy's current level of free reserves (total funds less amounts held under fixed assets and other restricted funds) is a surplus of £15,685. While the level of reserves at the end of that year was a concern, the Academy intends to continue building up free reserves to the level needed. The Governors anticipate that with support from the DfE/YPLA in the coming years, they will be able to establish the undistributed reserves at an acceptable level.

# **THE WESTMINSTER ACADEMY (WESTBOURNE GREEN)**

## **DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2011**

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### **Future Plans**

The Academy continues to be extremely positive about fully meeting its objectives, the generation of income from the new building and achieving its challenging academic targets

### **Investment policy**

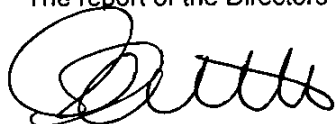
The Directors' investment powers are governed by the memorandum and articles of association. There are currently no funds available for long term investment and any surplus funds which are retained are placed on short term deposit

### **Auditors**

The auditors, Citroen Wells, 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 Directors was approved on 15 December 2011 and signed on its behalf by



**Jeremy Witts**

**Director and Chair of Governing Body**

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# THE WESTMINSTER ACADEMY (WESTBOURNE GREEN)

## STATEMENT OF INTERNAL CONTROL

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### Scope of Responsibility

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

The Governing Body has delegated the day-to-day responsibility to the Principal, 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 the Academy and the Secretary of State for Education. She is also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

### 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 at the Academy for the year ended 31 August 2011 and up to the date of approval of the annual report and financial statements.

### Capacity to Handle Risk

The Governing Body has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governing Body is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks that has been in place for the year ending 31 August 2011 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

### The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Governing Body,
- regular reviews by the 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, and
- identification and management of risks.

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

# THE WESTMINSTER ACADEMY (WESTBOURNE GREEN)

## STATEMENT OF INTERNAL CONTROL

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### Review of Effectiveness

As Accounting Officer, the Principal has responsibility for reviewing the effectiveness of the system of internal control. During the year in question, she has relied upon the support and advice of

- the work of the Responsible Officer,
- the work of the external auditor,
- the financial management and governance self assessment process,
- the work of the executive managers within the Academy Trust 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 Team and a plan to address weaknesses and ensure continuous improvement of the system is in place

Approved by the Board on 15 December 2011 and signed on its behalf by



Jeremy Witts  
Director and Chair of Governing Body



Smita Bora  
Accounting Officer

# **THE WESTMINSTER ACADEMY (WESTBOURNE GREEN)**

## **INDEPENDENT AUDITORS' REPORT**

### **TO THE MEMBERS OF THE WESTMINSTER ACADEMY (WESTBOURNE GREEN)**

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We have audited the accounts of The Westminster Academy (Westbourne Green) for the year ended 31 August 2011 set out on pages 12 to 35. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company'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 charitable company'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 charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of directors and auditors**

As explained more fully in the statement of directors' responsibilities on pages 5 and 6, the directors are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the accounts 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 accounts**

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

#### **Opinion on accounts**

In our opinion the accounts

- give a true and fair view of the state of the Academy's affairs as at 31 August 2011 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,
- have been prepared in accordance with the requirements of the Companies Act 2006,
- the accounts have been prepared in accordance with the Accounts Direction 2010/11 issued by the Young People's Learning Agency in respect of the relevant financial year, and
- grants made by the YPLA/DfE have been applied for the purposes intended.

#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the accounts are prepared is consistent with the accounts.

# THE WESTMINSTER ACADEMY (WESTBOURNE GREEN)

## INDEPENDENT AUDITORS' REPORT (CONTINUED)

### TO THE MEMBERS OF THE WESTMINSTER ACADEMY (WESTBOURNE GREEN)

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#### Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or
- the accounts 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



**Stephen Simou FCA (Senior Statutory Auditor)**

for and on behalf of Citroen Wells

**Chartered Accountants**

**Statutory Auditor**

Devonshire House

1 Devonshire Street

London

W1W 5DR

Dated 16/12/11

# THE WESTMINSTER ACADEMY (WESTBOURNE GREEN)

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2011

	Notes	Unrestricted funds £	Restricted fixed asset funds £	Restricted general funds £	Total 2011 £	Total 2010 £
<b><u>Incoming resources from generated funds</u></b>						
Sponsorship and other donations	3	2,400	-	-	2,400	301,480
Activities for generating funds	4	322,659	-	-	322,659	283,325
Investment income	5	321	-	-	321	224
		<u>325,380</u>	<u>-</u>	<u>-</u>	<u>325,380</u>	<u>585,029</u>
Funding for the Academy's educational operations	6	-	-	10,100,304	10,100,304	8,584,360
Other incoming resources		<u>33,824</u>	<u>-</u>	<u>122,663</u>	<u>156,487</u>	<u>144,389</u>
<b>Total incoming resources</b>		<u>359,204</u>	<u>-</u>	<u>10,222,967</u>	<u>10,582,171</u>	<u>9,313,778</u>
<b><u>Resources expended</u></b>						
<b><u>Charitable activities</u></b>						
Direct costs		-	1,185,631	7,188,057	8,373,688	6,929,136
Allocated support costs		324,504	-	2,764,516	3,089,020	3,448,411
Costs of generating funds		<u>14,425</u>	<u>-</u>	<u>-</u>	<u>14,425</u>	<u>21,884</u>
<b>Total charitable expenditure</b>		<u>338,929</u>	<u>1,185,631</u>	<u>9,952,573</u>	<u>11,477,133</u>	<u>10,399,431</u>
Governance costs		<u>4,590</u>	<u>-</u>	<u>235,751</u>	<u>240,341</u>	<u>136,138</u>
<b>Total resources expended</b>		<u>343,519</u>	<u>1,185,631</u>	<u>10,188,324</u>	<u>11,717,474</u>	<u>10,535,569</u>
<b>Net incoming/(outgoing) resources before transfers</b>		<u>15,685</u>	<u>(1,185,631)</u>	<u>34,643</u>	<u>(1,135,303)</u>	<u>(1,221,791)</u>
Gross transfers between funds		<u>457,500</u>	<u>-</u>	<u>(457,500)</u>	<u>-</u>	<u>-</u>
<b>Net incoming/(outgoing) resources</b>		<u>473,185</u>	<u>(1,185,631)</u>	<u>(422,857)</u>	<u>(1,135,303)</u>	<u>(1,221,791)</u>
<b><u>Other recognised gains and losses</u></b>						
Actuarial (loss)/gain on defined benefit pension schemes	16	-	-	(188,000)	(188,000)	46,200
<b>Net movement in funds</b>		<u>473,185</u>	<u>(1,185,631)</u>	<u>(610,857)</u>	<u>(1,323,303)</u>	<u>(1,175,591)</u>
Fund balances at 1 September 2010		<u>(457,500)</u>	<u>29,870,105</u>	<u>51,428</u>	<u>29,464,033</u>	<u>30,639,624</u>
<b>Fund balances at 31 August 2011</b>		<u>15,685</u>	<u>28,684,474</u>	<u>(559,429)</u>	<u>28,140,730</u>	<u>29,464,033</u>

# **THE WESTMINSTER ACADEMY (WESTBOURNE GREEN)**

## **STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT**

***FOR THE YEAR ENDED 31 AUGUST 2011***

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The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006

A Statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities



# THE WESTMINSTER ACADEMY (WESTBOURNE GREEN)

## BALANCE SHEET

AS AT 31 AUGUST 2011

	Notes	2011 £	£	2010 £	£
<b>Fixed assets</b>					
Tangible assets	12	28,684,473		29,870,104	
Investments	13		1		1
		<u>28,684,474</u>		<u>29,870,105</u>	
<b>Current assets</b>					
Stocks		65,955		54,946	
Debtors	14	870,262		493,045	
Cash at bank and in hand		1,092,393		988,842	
		<u>2,028,610</u>		<u>1,536,833</u>	
<b>Creditors: amounts falling due within one year</b>	15	<u>(1,864,854)</u>		<u>(1,485,405)</u>	
<b>Net current assets</b>		<u>163,756</u>		<u>51,428</u>	
<b>Total assets less current liabilities</b>		<u>28,848,230</u>		<u>29,921,533</u>	
<b>Defined benefit pension liability</b>		<u>(707,500)</u>		<u>(457,500)</u>	
<b>Net assets</b>		<u>28,140,730</u>		<u>29,464,033</u>	
<b>Funds of the academy:</b>					
Restricted funds					
General funds	17	148,071		51,428	
Pension reserve	17	(707,500)		-	
		<u>(559,429)</u>		<u>51,428</u>	
Restricted fixed assets fund	17	28,684,474		29,870,105	
Unrestricted funds					
General fund		15,685		-	
Pension reserve		-		(457,500)	
		<u>15,685</u>		<u>(457,500)</u>	
		<u>28,140,730</u>		<u>29,464,033</u>	

The accounts were approved by the Board on 15 December 2011 and signed on its behalf by



Jeremy Witts  
Director

Company Registration No 05102934

# THE WESTMINSTER ACADEMY (WESTBOURNE GREEN)

## CASH FLOW STATEMENT

**FOR THE YEAR ENDED 31 AUGUST 2011**

	Notes	2011 £	2010 £
Net cash inflow from operating activities	19	103,551	985,128
Capital expenditure			
Payments to acquire tangible fixed assets		-	(75,850)
Net cash outflow from capital expenditure		-	(75,850)
Increase in cash	20	103,551	909,278

# THE WESTMINSTER ACADEMY (WESTBOURNE GREEN)

## NOTES TO THE ACCOUNTS

**FOR THE YEAR ENDED 31 AUGUST 2011**

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### **1 Accounting policies**

#### **1.1 Basis of preparation**

The accounts have been prepared under the historical cost convention and in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), the 'Statement of Recommended Practice 'Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction issued by the YPLA and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

#### **1.2 Incoming resources**

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

##### **Grants receivable**

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 grants are received in advance of entitlement, their recognition is deferred and they are included in creditors as deferred income. Where entitlement occurs before grants are received, grants are accrued.

##### **Sponsorship income**

Sponsorship income provided to the Academy which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable.

##### **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 are receivable at the balance sheet date.

##### **Interest receivable**

Interest receivable is included within the statement of financial activities on a receivable basis.

##### **Other income**

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

#### **1.3 Resources expended**

Resources expended are recognised in the period in which they are incurred and include irrecoverable VAT. They have been classified under headings that aggregate all costs relating to that activity.

##### **Allocation of costs**

In accordance with the SORP 2005, expenditure has been analysed between the cost of the Academy's charitable activities and governance. 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. Central staff costs are allocated on the basis of time spent on each activity and depreciation charges on the basis of the proportion of the asset's use which is utilised by each activity.

##### **Governance costs**

Governance costs include the costs attributable to the Academy's compliance with constitutional and statutory requirements, including audit, strategic management and Governors' meetings and reimbursed expenses. Such costs include both direct and allocated support costs.

# THE WESTMINSTER ACADEMY (WESTBOURNE GREEN)

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2011

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### 1 Accounting Policies

(continued)

#### 1.4 Tangible fixed assets and depreciation

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment. Desks and chairs are the exception, they are written off in full in the year irrespective of cost.

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 various assets on a basis consistent with the Academy's depreciation policy.

Depreciation is provided on a straight line basis on the cost of tangible fixed assets, to write them down to their estimated residual values over their expected useful lives from when they are first brought into use. The annual rates used for each class of asset are:

Freehold buildings	2% on straight line basis
Computer equipment and software	33 33% on straight line basis
Fixtures and fittings	25% on straight line basis

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).

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.

#### 1.5 Leasing and hire purchase commitments

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

#### 1.6 Investments

Fixed asset investments are stated at market value.

#### 1.7 Stock

Unsold stock of uniforms is valued at the lower of cost and net realisable value.

# THE WESTMINSTER ACADEMY (WESTBOURNE GREEN)

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2011

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### 1 Accounting Policies

(continued)

#### 1 8 Pensions

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

##### Teachers' Pension Scheme

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 17, 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.

##### Local Government Pension Scheme

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 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 until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

#### 1 9 Accumulated funds

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

Restricted fixed asset funds are resources which are to be applied for specific capital purposes imposed by the Young People's Learning Agency, Department for Education and sponsor where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received and include grants from the Young People's Learning Agency and Department for Education.

#### 1 10 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 for charitable purposes.

# THE WESTMINSTER ACADEMY (WESTBOURNE GREEN)

## NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2011

### 2 General Annual Grant (GAG)

	2011 £	2010 £
<b>a) Results and Carry Forward for the Year</b>		
GAG brought forward from previous year	(1,269,187)	(1,015,029)
Recurrent GAG allocation for current year	7,889,311	7,787,049
	<u>                    </u>	<u>                    </u>
Total GAG available to spend	6,620,124	6,772,020
Recurrent expenditure from GAG	(8,814,970)	(8,032,040)
Fixed assets purchased from GAG	-	(9,167)
	<u>                    </u>	<u>                    </u>
GAG carried forward to next year	(2,194,846)	(1,269,187)
	<u>                    </u>	<u>                    </u>
Maximum permitted GAG carry forward at end of current year (12% of allocation for current year)	946,717	934,446
	<u>                    </u>	<u>                    </u>
GAG to surrender to YPLA (12% rule breached if result is positive)	(3,141,563)	(2,203,633)
	<u>                    </u>	<u>                    </u>
	(no breach)	(no breach)
<b>b) Use of GAG brought Forward from Previous Year for Recurrent Purposes</b>		
(Of the amount carried forward each year, a maximum of 2% of GAG can be used for recurrent purposes. Any balance, up to a maximum of 12%, can only be used for capital purposes)		
Recurrent expenditure from GAG in current year	8,814,970	
GAG allocation for current year	(7,889,311)	
	<u>                    </u>	
	925,659	
GAG allocation for previous year x 2%	(155,741)	
	<u>                    </u>	
GAG brought forward from previous year in excess of 2%, used on recurrent expenditure in current year	769,918	
	<u>                    </u>	

# THE WESTMINSTER ACADEMY (WESTBOURNE GREEN)

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2011

### 3 Sponsorship and other donations

	2011 £	2010 £
Exilarch Foundation - principal sponsor	-	300,000
Miscellaneous donations	2,400	1,480
	<u>2,400</u>	<u>301,480</u>

### 4 Activities for generating funds

	2011 £	2010 £
Income generated from the use and hire of the Academy's facilities	<u>322,659</u>	<u>283,325</u>

### 5 Investment income

	2011 £	2010 £
Interest receivable	<u>321</u>	<u>224</u>

# THE WESTMINSTER ACADEMY (WESTBOURNE GREEN)

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2011

### 6 Funding for the Academy's educational operations

	2011 £	2010 £
DfE/YPLA grants - General Grants	9,737,499	8,201,622
Government grants - Other	362,805	370,988
DfE/YPLA grants - Fixed Asset Fund	-	11,750
	<u>10,100,304</u>	<u>8,584,360</u>

Included within income relating to DfE/YPLA grants - General Grants are the following grants

General Annual Grants	7,889,312	7,512,250
Other grants	1,848,187	689,372
	<u>9,737,499</u>	<u>8,201,622</u>

Included within income relating to Government grants - Other are the following grants

Special Educational Needs (SEN)	185,087	172,125
Other LA grants	166,483	163,024
Other Government grants	11,235	35,839
	<u>362,805</u>	<u>370,988</u>

Included within income relating to DfE/YPLA grants - Fixed Asset Fund are the following grants

DfE/YPLA - Academy main building	-	11,750
	<u>-</u>	<u>11,750</u>

Some grants received are for years which do not coincide with the year end of the Academy and therefore these grants have been apportioned on a time basis and due to these timing differences there can be an element of overspend on individual grants



# THE WESTMINSTER ACADEMY (WESTBOURNE GREEN)

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2011

### 7 Total resources expended

	Staff costs £	Depreciation £	Other costs £	Total 2011 £	Total 2010 £
<b>Charitable activities</b>					
<u>Direct costs</u>					
Activities undertaken directly	6,416,923	1,185,631	771,134	8,373,688	6,929,136
<u>Allocated support costs</u>					
Activities undertaken directly	1,360,466	-	1,728,554	3,089,020	3,448,411
<u>Costs of generating funds</u>					
Activities undertaken directly	-	-	14,425	14,425	21,884
	<u>7,777,389</u>	<u>1,185,631</u>	<u>2,514,113</u>	<u>11,477,133</u>	<u>10,399,431</u>
<b>Governance costs</b>	-	-	240,341	240,341	136,138
	<u>7,777,389</u>	<u>1,185,631</u>	<u>2,754,454</u>	<u>11,717,474</u>	<u>10,535,569</u>

# THE WESTMINSTER ACADEMY (WESTBOURNE GREEN)

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2011

### 8 Activities undertaken directly

	2011 £	2010 £
Other costs relating to direct costs comprise		
Books, learning resources and stationery	212,338	161,158
Examination fees	178,370	179,762
Awards and hospitality	32,811	14,915
Educational consultancy	347,615	405,146
	<u>771,134</u>	<u>760,981</u>
Academy's educational operations		
Other costs relating to allocated support costs comprise		
Uniforms	41,385	31,684
Out of hours and agencies	36,029	20,171
Rent and rates	57,260	56,613
Insurance	140,297	142,248
Heat and light	247,377	300,457
Maintenance of premises and equipment	526,241	94,496
Cleaning	23,668	34,427
Printing postage and stationery	209,851	222,024
Technology costs	146,927	195,765
Catering	207,519	230,546
Provision for sports pitch resurfacing	30,000	30,000
Other support costs	62,000	(37,000)
	<u>1,728,554</u>	<u>1,321,431</u>
Other costs relating to costs of generating funds comprise		
Other operating costs	14,425	21,884
	<u>14,425</u>	<u>21,884</u>

# THE WESTMINSTER ACADEMY (WESTBOURNE GREEN)

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2011

### 9 Governance costs

	2011	2010
	£	£
Other governance costs comprise		
Bank charges	4,590	5,827
Legal and professional fees	127,586	30,574
Auditors' remuneration	15,000	15,000
Auditors' fees for non-audit work	15,199	24,303
Sundry expenses	-	1,884
Management and administration	77,966	58,549
	<b>240,341</b>	<b>136,138</b>

In accordance with normal commercial practice, the Academy has purchased insurance to protect its governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2011 was £500.

### 10 Directors

£200 was paid to one of the directors for approved specialist work (2010 £216)

No directors (or any persons connected with them) received any remuneration or expenses from the company during the year.

# THE WESTMINSTER ACADEMY (WESTBOURNE GREEN)

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2011

### 11 Employees

#### Number of employees

The average monthly number of employees during the year was

	2011 Number	2010 Number
Teachers	87	81
Support staff	62	66
Administration	11	11
	<u>160</u>	<u>158</u>

#### Employment costs

	2011 £	2010 £
Wages and salaries	6,806,922	5,510,826
Social security costs	431,232	404,163
Other pension costs	539,235	528,990
	<u>7,777,389</u>	<u>6,443,979</u>

The number of employees whose annual remuneration was £60,000 or more were

	2011 Number	2010 Number
£60,001 - £70,000	5	7
£70,001 - £80,000	-	1
£80,001 - £90,000	3	-
£90,001 - £100,000	-	1
£100,001 and over	1	1

All the employees earning more than £60,000 per annum participated in either the Teachers' Pension Scheme or the Local Government Pension Scheme. During the year ended 31 August 2011, pension contributions for these staff amounted to £86,342 (2010 £92,982). The highest paid employee was the Principal whose salary, excluding pension contributions was £105,000 (2010 £105,000). During the year ended 31 August 2011, contributions to her pension amounted to £14,805 (2010 £14,805).

# THE WESTMINSTER ACADEMY (WESTBOURNE GREEN)

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2011

### 12 Tangible fixed assets

	Long leasehold property	Computer equipment and software	Fixtures and fittings	Total
	£	£	£	£
<b>Cost</b>				
At 1 September 2010 and at 31 August 2011	31,117,880	2,232,945	1,957,338	35,308,163
<b>Depreciation</b>				
At 1 September 2010	1,857,675	2,159,007	1,421,377	5,438,059
Charge for the year	622,358	73,938	489,335	1,185,631
<b>At 31 August 2011</b>	<b>2,480,033</b>	<b>2,232,945</b>	<b>1,910,712</b>	<b>6,623,690</b>
<b>Net book value</b>				
At 31 August 2011	28,637,847	-	46,626	28,684,473
At 31 August 2010	29,260,205	73,938	535,961	29,870,104

### Source of funding for assets acquired (cumulative to date)

	£
DfE/YPLA capital grants	32,583,204
Private sector funding	1,500,000
Other DfE/YPLA Grants	1,224,959
<b>Cost of fixed assets at 31 August 2011</b>	<b>35,308,163</b>
Less Accumulated depreciation	(6,623,690)
<b>Net book value of fixed assets at 31 August 2011</b>	<b>28,684,473</b>

# THE WESTMINSTER ACADEMY (WESTBOURNE GREEN)

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2011

### 13 Fixed asset investments

	£
Market value at 1 September 2010 and at 31 August 2011	<u>1</u>
Historical cost	
At 31 August 2011	<u>1</u>
At 31 August 2010	<u>1</u>

### 14 Debtors

	2011 £	2010 £
Prepayments and other debtors	<u>870,262</u>	<u>493,045</u>

### 15 Creditors amounts falling due within one year

	2011 £	2010 £
Trade creditors	134,477	232,431
Taxes and social security costs	147,529	135,866
Accruals	<u>1,582,848</u>	<u>1,117,108</u>
	<u>1,864,854</u>	<u>1,485,405</u>

# THE WESTMINSTER ACADEMY (WESTBOURNE GREEN)

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2011

### 16 Pension costs

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

The total pension cost for the Academy during the year ended 31 August 2011 was £539,235 (2010 - £528,990) of which £438,529 (2010 - £412,338) relates to the TPS and £100,706 (2010 - £116,652) relates to LGPS.

#### Teachers pension scheme

The TPS is an unfunded defined benefit scheme. Contributions on a "pay-as-you-go" basis are credited to the Exchequer under arrangements governed by the Superannuation Act 1972. A notional asset value is ascribed to the scheme for the purpose of determining contribution rates.

The pensions cost is normally assessed no less than every four years in accordance with the advice of the Government Actuary. The assumptions and other data that have the most significant effect on the determination of the contribution levels are as follows:

Latest actuarial valuation (under the new provisions)	31 March 2004
Actuarial method	Prospective benefits
Investment returns	6.5 per cent per annum
Salary scale increases	5.0 per cent per annum
Proportion of members' accrued benefits covered by the notional value of	98.88%

Following the implementation of Teacher's Pension (Employers' Supplementary Contributions) Regulations 2000, the Government Actuary carried out a further review on the level of employer contributions. For the period from 1 September 2010 to 31 August 2011 the employer contribution was 14.1 per cent. The employee rate was 6.4% for the same period.

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multiemployer pension scheme. The Academy is unable to identify its share of the underlying assets and liabilities of the scheme.

Accordingly, the Academy has taken advantage of the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined-contribution scheme. The Academy has set out above the information available on the scheme and the implications for the Academy in terms of the anticipated contribution rates.

# THE WESTMINSTER ACADEMY (WESTBOURNE GREEN)

## NOTES TO THE ACCOUNTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2011

#### 16 Pension costs

(continued)

The pension cost charged in the financial statements for this scheme for the year ended 31 August 2011 was £438,528 (2010 £412,338) which were the contributions due for the year

#### Local Government Pension Scheme

The Academy is one of several employing bodies included within the Local Government Pension Scheme (LGPS)

The LGPS is a funded defined benefit scheme, with the assets held in separate trustee administered funds. The Academy joined the scheme as from 1 September 2006. Contributions to the scheme are determined by a qualified actuary on the basis of triennial valuations using the projected unit method. The most recent valuation of the scheme was at 31 March 2010.

The total contribution made for the year ended 31 August 2011 was £155,900 (2010 £174,379) of which employer's contributions totalled £100,706 (2010 £116,652) and employees' contributions totalled £55,194 (2010 £57,727). The agreed contribution rates for the year ended 31 August 2011 were 13.1% for employers and between 5.5% and 7.5% for employees.

Regular employer contributions to the fund for the year ending 31 August 2011 are estimated to be £149,000. In addition, Strain on Fund Contributions may be required.

The following information is based upon a full actuarial valuation of the fund at 31 March 2010, updated to 31 August 2011 by a qualified independent actuary.

#### The major assumptions used by the actuary were:

	2011 %	2010 %	2009 %
Rate of increase in salaries	5.10	4.90	5.20
Rate of increase in pensions payment	2.70	2.70	3.70
Discount rate	5.40	4.90	5.10
Inflation assumption	3.60	3.40	3.70

#### Mortality assumptions

The mortality assumptions are based on the recent actual mortality experience of members within the Fund and allow for expected future mortality improvements.

	Retiring today	Retiring in 20 years
Life expectancy for an active member - male aged 65 (years)	22.20	24.10
Life expectancy for an active member - female aged 65 (years)	24.40	26.40



# THE WESTMINSTER ACADEMY (WESTBOURNE GREEN)

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2011

### 16 Pension costs

(continued)

The long term expected rates of return are as follows:

	2011 %	2010 %	2009 %
Equities	7.70	7.70	7.50
Bonds	4.30	3.70	4.00
Property	7.20	7.20	6.50
Other assets	4.70	7.70	0.70

The assets in the scheme are as follows:

	2011 £	2010 £	2009 £
Equities	2,064,848	662,450	495,300
Bonds	556,140	264,800	208,800
Property	139,748	-	-
Other assets	91,264	1,850	3,500
Total market value of assets	2,852,000	929,100	707,600
Present value of scheme liabilities	(3,559,500)	(1,386,600)	1,248,300
Deficit in scheme	(707,500)	(457,500)	(540,700)
Net pension liability	(707,500)	(457,500)	(540,700)

In accordance with Paragraph 77(o) of FRS17 (as revised), the assets for the current period and previous three periods are measured at current bid price. Asset values previously measured at mid-market value for periods ending 2008 and 2007 have been re-measured for this purpose.

Information for earlier years can be obtained from previous FRS17 disclosures.

Analysis of the amount chargeable to income and expenditure account:

	2011 £	2010 £
Employer Service Cost (net of employee contributions)	151,000	223,100
Total Operating Charge	151,000	223,100

# THE WESTMINSTER ACADEMY (WESTBOURNE GREEN)

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2011

### 16 Pension costs

(continued)

#### Analysis of the amount credited to other finance income:

	2011 £	2010 £
Expected return on employer's share of pension scheme assets	60,000	46,900
Interest on pension scheme liabilities	(72,000)	(70,700)
Pension finance costs	<u>(12,000)</u>	<u>(23,800)</u>

#### Analysis of amount recognised in the statement of total recognised gains and losses:

	2011 £	2010 £
Actual return less expected return on pension scheme assets	1,730,000	3,900
Experience gains and losses arising on scheme liabilities	(1,918,000)	42,300
Actual (loss)/gain recognised in the statement of total recognised gains and losses	<u>(188,000)</u>	<u>46,200</u>

#### Movement in deficit during the year:

	2011 £	2010 £
Deficit in scheme at 1 September 2010	(457,500)	(540,700)
Current service cost	(151,000)	(223,100)
Employer contributions	101,000	116,400
Past service costs	-	167,500
Pension finance costs	(12,000)	(23,800)
Actuarial (loss)/gain	<u>(188,000)</u>	<u>46,200</u>
Deficit in scheme at 31 August 2011	<u>(707,500)</u>	<u>(457,500)</u>

# THE WESTMINSTER ACADEMY (WESTBOURNE GREEN)

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2011

### 16 Pension costs

(continued)

#### History of experience gains and losses:

	2011 £	2010 £	2009 £	2008 £	2007 £
Difference between the expected and actual return on scheme assets					
Amount	1,730,000	3,900	(95,400)	(57,600)	17,300
Percentage of scheme assets	60.7%	0.4%	-13.5%	-8.95%	4.29%
Experience gains and losses on scheme liabilities					
Amount	(1,918,000)	42,300	(334,300)	(1,500)	(2,100)
Percentage of the present value of the scheme liabilities	53.9%	3.05%	-26.8%	-0.2%	-0.5%
Total amount recognised in statement of recognised gains and losses					
Amount	(188,000)	46,200	(429,700)	(59,100)	69,500
Percentage of the present value of scheme liabilities	5.3%	3.33%	-34.4%	-9.15%	17%

In accordance with Paragraph 79 of FRS17 (as revised), unfunded liabilities are disclosed separately for periods beginning on or after 6 April 2007. The history of experience gain/(loss) on liabilities shown has not been restated for the period ending 2007.

#### Prudential AVC Pension Scheme

Teaching staff can also participate in the Prudential AVC Pension Scheme. The assets of the Scheme are held separately from those of the Academy in an independently administered fund. The Academy does not contribute to this fund.

# THE WESTMINSTER ACADEMY (WESTBOURNE GREEN)

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2011

### 17 Restricted funds

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

	Balance at 1 September 2010	Incoming resources	Movement in funds Resources expended	Transfers	Investments losses	Balance at 31 August 2011
	£	£	£	£	£	£
Restricted General Funds	51,428	10,222,967	(10,126,324)	-	-	148,071
Restricted Fixed Asset Funds	29,870,105	-	(1,185,631)	-	-	28,684,474
Restricted Pension Reserve Funds	-	-	(62,000)	(457,500)	(188,000)	(707,500)
	<u>29,921,533</u>	<u>10,222,967</u>	<u>(11,373,955)</u>	<u>(457,500)</u>	<u>(188,000)</u>	<u>28,125,045</u>

#### Restricted General Fund

The restricted general funds comprise funds received from YPLA and other local government bodies and are used to finance the ongoing expenditure of the normal day to day educational activities of the Academy. The Academy is allowed to carry forward up to 12% of the current General Annual Grant (GAG). Of the carried forward amount, up to 2% of GAG can be used for general purposes at the discretion of the Academy, but any balance over 2% must be used for capital purposes.

#### Restricted Fixed Asset Funds

The Restricted Fixed Asset Funds comprise funds received from YPLA and the principal sponsor and have been used to finance the construction costs of the Academy and other facilities as well as funding all other fixed asset acquisitions.

#### Pension Reserve

The Pension Reserve relates to the Academy's share of the deficit of the Westminster City Council Local Government Pension Scheme.

# THE WESTMINSTER ACADEMY (WESTBOURNE GREEN)

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2011

### 18 Analysis of net assets between funds

	Unrestricted funds	Restricted fixed asset funds	Restricted general funds	Total
	£	£	£	£
Fund balances at 31 August 2011 are represented by				
Tangible fixed assets	-	28,684,473	-	28,684,473
Investments	-	1	-	1
Current assets	15,685	417,750	1,595,175	2,028,610
Creditors amounts falling due within one year	-	(417,750)	(1,447,104)	(1,864,854)
Defined benefit pension liability	-	-	(707,500)	(707,500)
	<u>15,685</u>	<u>28,684,474</u>	<u>(559,429)</u>	<u>28,140,730</u>

### 19 Net cash inflow from operating activities

	2011 £	2010 £
Reconciliation to changes in resources		
Changes in resources before revaluations	(1,135,303)	(1,221,791)
Depreciation of tangible fixed assets	1,185,631	1,851,156
Difference between pension charge and cash contributions	62,000	(37,000)
Increase/(decrease) in stocks	(11,009)	30,429
(Increase)/decrease in debtors	(377,217)	87,641
Increase in creditors	379,449	276,238
	<u>103,551</u>	<u>985,128</u>

### 20 Reconciliation of net cash flow to movement in net funds

	2011 £	2010 £
Increase in cash	103,551	909,278
Net funds at 1 September 2010	<u>988,842</u>	<u>79,564</u>
Net funds at 31 August 2011	<u>1,092,393</u>	<u>988,842</u>

# THE WESTMINSTER ACADEMY (WESTBOURNE GREEN)

## NOTES TO THE ACCOUNTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2011

### 21 Analysis of net cash balances

	At 1 September 2010 £	Cash flow £	Non-cash changes £	At 31 August 2011 £
Cash at bank and in hand	988,842	103,551	-	1,092,393
	<u>988,842</u>	<u>103,551</u>	<u>-</u>	<u>1,092,393</u>

### 22 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 Academy shall, if it does not re-invest the proceeds, repay to the Secretary of State of the Department for Children, Schools and Families the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State

Upon termination of the Funding Agreement, whether as a result of the Secretary of State or the Academy serving notice, the Academy shall repay to the Secretary of State sums determined by reference to

(a) the value at that time of the Academy's site and premises and other assets held for the purpose of the Academy and

(b) the extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the Funding Agreement

### 23 Commitments under operating leases

At 31 August 2011 the company had annual commitments under non-cancellable operating leases as follows

	2011 £	2010 £
Expiry date		
Between two and five years	<u>18,987</u>	<u>18,987</u>

### 24 Related parties

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