

Company Registration No. 05102934 (England and Wales)

**THE WESTMINSTER ACADEMY (WESTBOURNE GREEN)**

**(A COMPANY LIMITED BY GUARANTEE)**

**DIRECTORS' REPORT AND ACCOUNTS**

**FOR THE YEAR ENDED 31 AUGUST 2012**

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**THE WESTMINSTER ACADEMY (WESTBOURNE GREEN)**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**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 Hugill  
Neil McNaughton  
Jeremy Witts  
Paul McCombie

**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  
London Corporate Banking - Piccadilly  
50 Pall Mall  
London  
SW1A 1QA

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**THE WESTMINSTER ACADEMY (WESTBOURNE GREEN)**  
**(A COMPANY LIMITED BY GUARANTEE)**  
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**THE WESTMINSTER ACADEMY (WESTBOURNE GREEN)**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**DIRECTORS' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2012**

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The Directors present their annual report together with the accounts and auditors' report of the Westminster Academy (Westbourne Green) (the Academy) for the year ended 31 August 2012

**Constitution**

The Academy is a company limited by guarantee incorporated in England on 15 April 2004 (no 05102934) and is an exempt charity. 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.

The affairs of the Academy are conducted by the Directors. Governance of the Academy is achieved through the Governing Body of the Academy which is a committee of the Board of Directors.

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

Details of the Governors who served throughout the year except as noted are included in the Governance Statement on page 8.

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

**Directors**

Jeremy Witts

Nigel Hugill

David Dangoor

Judy Dangoor

Elizabeth Dangoor (appointed on 06/10/2011)

Smita Bora (appointed on 06/10/2011)

Mary Amayo

Helen Bunch (appointed on 06/10/2011)

Duncan Harman-Wilson (appointed on 06/10/2011)

Paul McCombie (appointed on 15/05/2012)

Neil McNaughton (appointed on 06/10/2011)

Edna Partridge (appointed on 06/10/2011 and resigned on 13/06/2012)

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

representing the sponsors, The Exilarch's Foundation

**Secretary**

Elie Dangoor

**Members' Liability**

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

**Governors' Indemnities**

In accordance with normal commercial practice, and in performing their role as Directors of the Academy, Governors have various statutory and common law duties, breaches of which could give rise to personal liability. An insurance policy is in place which, subject to the terms and limits of the policy, will indemnify Governors in respect of claims made against them and associated costs. This should mean that Governors who have acted honestly, reasonably and in good faith (both individually and collectively) will not have to meet out of their own personal resources any personal civil liability which may be incurred in execution or purported execution of their Governing Body functions. The insurance provides cover up to £5,000,000 on any one claim.

**THE WESTMINSTER ACADEMY (WESTBOURNE GREEN)**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**DIRECTORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2012**

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**Principal Activities**

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

**Method of recruitment and appointment or election of Governors**

The minimum number of Directors is 3. There is no maximum number. The Directors may appoint staff Governors through such process as they may determine, usually by secret ballot, provided that the total number of Governors (including the Principal) who are employees of the Academy does not exceed one third of the total number of Governors. The Local Authority may appoint up to 1 Governor. The Principal shall be treated for all purposes as being an ex-officio Governor. There may be up to 2 parent Governors who shall be elected by parents of registered students at the Academy. The Governors may appoint up to 3 co-opted Governors.

**Policies and Procedures Adopted for the Induction and Training of Governors**

The policies and procedures for the recruitment, induction and training of Governors are available from the Clerk to the Governors.

**Organisational Structure**

The Governing Body determines the general policies and procedures of the Academy. The internal organisation and management of the Academy is delegated to the Principal supported by the Principal's Group, of which the Principal is a member. The Principal's Group undertakes the key leadership role overseeing educational and administrative functions in consultation with senior staff. The day-to-day administration of the Academy is undertaken within the policies and procedures approved by the Governing Body. The Principal oversees the recruitment of all educational, administration and support staff. The Principal attends all Directors and Governing Body meetings as well as Committee meetings.

**Risk Management**

The Directors have assessed the major risks to which the Academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academy, and its finances (a register of risk is kept and is updated for each Audit Committee meeting). The Directors have implemented a number of systems to assess risks that the school faces, especially in the operational areas (e.g. in relation to professional, financial, legal, physical, contractual, technological and environmental) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. data protection and safeguarding information) and internal financial controls in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover.

The Directors have also carefully considered a specific internal audit function and appointed Umer Siddiqi as the Responsible Officer (RO) who performs a range of financial checks. He reports formally to the Audit Committee on the operation of the system of control. The Directors accept these arrangements to provide reasonable, but not absolute, assurance that assets are safeguarded and transactions are authorised and properly recorded and that internal errors or irregularities are either prevented or detected in a timely basis.

In 2011-12 the Academy implemented a new Risk Management Strategy. This improved the Academy's ability to manage risk. The major risks in 2011-12 were

- Demand risk. This concerns student numbers vis a vis new Free Schools and Sixth Form Academies. To manage these, the Academy has kept a watching brief and fostered strong links with Primary Schools and developed a robust Sixth Form curriculum.
- Funding risk. This concerns current and future funding levels. The Academy is directly engaging with the Education Funding Agency (EFA) to mitigate this risk.

**THE WESTMINSTER ACADEMY (WESTBOURNE GREEN)**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**DIRECTORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2012**

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- Organisational Change risk This concerns the Academy's Phase 3 restructuring The Academy has mapped this on its risk register to facilitate discussion at the Audit and Finance & General Purposes committees

**Connected Organisations, including Related Party Relationships**

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

**Objectives, Activities, Aims and Strategies**

The principal objectives and activities of the Academy are 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

**Public Benefit**

In setting the Academy's objectives and planning its activities, the Governors have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission

**Developments, Activities and Achievements**

The Academy started its sixth year of operation in September 2011 The post of Principal has been held throughout the year by Ms Smrita 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

The summer 2012 examination results were very good for both 6th form students and Year 11 students 87% 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 92% of Year 11 students achieved five or more A\*-C grades in their GCSEs with 75% achieving five or more A\*-C grades including English and Mathematics

**THE WESTMINSTER ACADEMY (WESTBOURNE GREEN)**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**DIRECTORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2012**

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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 2012-13
- The timetable for September 2012 was produced through a consultation process with staff and students. This was issued to staff in July 2012
- 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

- Staff training continued to be a high priority throughout 2011-12, linked to the Academy's Personal and Professional Development (PPD) strategy

Students

- The admissions process for Year 7 in September 2011 was administered by Westminster City Council, through the pan-London Central Admissions System. 425 applications had been received for 180 available places for the September 2011 intake
- The Spring 2012 school census recorded a total of 953 students in Years 7 - 13. The Academy continues to take "Hard to Place" students and "Pupils without School Places" (PWSP)
- In the Spring 2012 census, 866 (out of 953) students had a first language other than English. 508 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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**DIRECTORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2012**

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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 the Westbourne Forum and the 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)/EFA

- Meetings with the DfE continued throughout 2011-12. Ms Abi Rotimi became the Academy's Liaison Officer at the DfE/EFA during 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

**Going Concern**

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

**Key Financial Performance Indicators**

The Key Performance Indicators used by the directors to assess the performance of the Academy against their stated objectives are as follows:

Staffing costs as a percentage of main grant income	82.31%
Average teaching costs per pupil	£5,842
Income per pupil	£11,138
Total learning resources per pupil	£1,992

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**THE WESTMINSTER ACADEMY (WESTBOURNE GREEN)**  
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**DIRECTORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2012**

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**Operating and Financial Review**

The Academy's main source of income is derived from the EFA. The grants received during the year ended 31 August 2012 and the associated expenditure are shown in the Statement of Financial Activities on page 18.

No further capital grants (restricted) were received from the EFA 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 £370,059 against net expenses incurred of £379,268 resulting in a deficit for the year of £9,209. The deficit for the year was absorbed by the surplus brought forward of £15,685 which resulted in a net surplus of £6,476 carried forward at the end of the year.

Restricted general funds received amounted to £10,244,509 and comprised mainly of the General Annual Grant (GAG) receivable from EFA. Restricted general fund expenditure for the year amounted to £10,340,341. The deficit for the year was therefore £95,832. Included in the current year expenditure is an adjustment of £40,000 in order to satisfy the requirements of FRS17, Retirement Benefits, in relation to the Academy's pension scheme liabilities. If the pension adjustment of £40,000 is excluded, the deficit for the year was £55,832 and when taken together with the brought forward surplus of £148,071, there is a surplus of £92,239 carried forward on the restricted general funds (excluding pension adjustments).

Restricted general funds also include the Academy's share of pension liabilities of £1,280,500 carried forward at 31 August 2012. This is represented by the liability of £707,500 brought forward at 1 September 2011, the adjustment of £40,000 for the pension cost and an actuarial loss of £533,000 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 2012, there was a shortfall of £1,280,500 for the Academy's proportion of City of Westminster Pension Fund, an increase of £573,000 compared to the previous year. The Academy will continue to liaise with the EFA to determine how these commitments may be managed.

At 31 August 2012, the net book value of fixed assets was £28,030,217 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.

In order to comply with best accounting practice, the Academy's financial results for the year to 31 August 2012 include a provision for clawback of funding received from the EFA. The Governing Body are appealing against the clawback with the EFA and Ministers, as the Governors do not accept that this clawback should be applied.

**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 £6,476. 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 EFA in the coming years, they will be able to establish the undistributed reserves at an acceptable level.

The deficit on the Local Government Pension Scheme does not mean that an immediate liability crystallises. The deficit results in a cash flow effect for the Academy in the form of possible future increases in pension contributions, which, if required, will be met from the budgeted annual income. There is therefore no direct impact on the free reserves of the Academy because of recognising the deficit.

**THE WESTMINSTER ACADEMY (WESTBOURNE GREEN)**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**DIRECTORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2012**

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**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.

**Future Plans**

It is the intention to raise the standards of Teaching and Learning within the Academy. This is by catering for all students via personalised learning, meeting the needs of mainstream, gifted and talented and special educational needs students. Additionally, Science will be targeted next year.

**Disclosure of information to auditors**

In so far as the Directors are aware

- there is no relevant audit information of which the Academy's Auditors are unaware, and
- the Directors have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the Auditors are aware of that information.

**Auditors**

A resolution proposing that Citroen Wells be re-appointed as auditors will be put to the members.

**Approval**

Approved by order of the Governing Body on 13 December 2012 and signed on its behalf by



**Jeremy Witts**  
**Director and Chair of the Governing Body**

**THE WESTMINSTER ACADEMY (WESTBOURNE GREEN)**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**GOVERNANCE STATEMENT**  
**FOR THE YEAR ENDED 31 AUGUST 2012**

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**Scope of Responsibility**

The Governing Body acknowledges that it has overall responsibility for ensuring the Academy, being The Westminster Academy (Westbourne Green) and pursuant to the Funding Agreement dated 28 March 2007 made between the Secretary of State for Education and Skills and the Academy, has an effective and appropriate administrative system of financial control reporting requirements for the use of resources in place. 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.

Under Clause 68 of the Academy's Funding Agreement the Principal is the Accounting Officer and is responsible to the Academy for ensuring regularity and propriety, for the economic and efficient use of resources (i.e. ensuring value for money) and for the administration of the financial affairs of the Academy. The Principal is also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

**Governance**

The information on governance included here supplements that described in the Directors' Report and in the Statement of Directors' responsibilities. The Governing Body has formally met five times during the year.

Attendance during the year at meetings of the Governing Body was as follows:

<b>Governor</b>		<b>Meetings attended</b>	<b>Out of a possible</b>
Jeremy Witts	Chair of Governors	5	5
Neil McNaughton	Vice Chair of Governors	4	5
Smita Bora	Principal	5	5
Mary Amayo		4	5
Rezouk Boufas	(Appointed on 13/12/2011)	1	3
Helen Bunch		4	5
Marrion Crooks	(Appointed on 13/12/2011)	2	3
David Dangoor		4	5
Judy Dangoor		5	5
Elizabeth Dangoor		5	5
Deirdre Drew	(Resigned on 31/03/2012)	1	3
Duncan Harman-Wilson		5	5
Nigel Hugill		0	5
Paul McCombie		3	5
Edna Partridge	(Resigned on 13/06/2012)	3	3
Angela Piddock		4	5
Christopher Pitcher	(Resigned on 31/08/2012)	3	5

Deirdre Drew, Edna Partridge and Christopher Pitcher resigned as Governors during the year on the dates shown above.

**THE WESTMINSTER ACADEMY (WESTBOURNE GREEN)**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**GOVERNANCE STATEMENT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2012**

The Finance and General Purposes Committee is a sub-committee of the main Governing Body. Its purpose is to

- receive and monitor the Academy's financial reports,
- review the draft Budget Plan and make recommendations to the Governing Body for approval,
- agree contracts and purchases within the level of its delegated authority,
- agree virements within the Budget within the level of its delegated authority,
- ensure appropriate resourcing of the Strategic Plan targets,
- monitor reports with regard to the separate trading company, Academy Community (once it starts its trading activities),
- monitor the application of the Agreement with the City of Westminster Council with regard to the activities of Academy Sport,
- receive and review Reports of the Academy's Health and Safety Committee, of Health and Safety inspections with regard to the maintenance upkeep and renewal of the premises and equipment,
- receive and monitor reports with regard to HR/staffing matters including pay performance management, discipline and employment related issues, and
- review and approve from time to time all policy statutory or other documents relating to the Committee's roles and responsibilities

Attendance at meetings during the year by the Members of the Committee was as follows

<b>Member</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Smita Bora	4	4
David Dangoor	4	4
Judy Dangoor	4	4
Elizabeth Dangoor	3	4
Duncan Harman-Wilson (Chair)	4	4
Paul McCombie	3	4
Christopher Pitcher	2	4
Jeremy Witts	1	4

Neil McNaughton attended the Committee's meetings on 29 November 2011 and 2 February 2012

Christopher Pitcher and Deirdre Drew attended the Committee's meeting on 2 February 2012 as Non-Committee Governors

Christopher Pitcher was appointed to the Committee at the Governing Body meeting on 21 March 2012

Deirdre Drew resigned from the Committee on 31 March 2012

The Audit Committee is also a sub-committee of the main Governing Body and is an advisory body with no executive powers. Its main functions are to

- help promote the highest standards of propriety in the use of public funds and encourage proper accountability for the use of those funds,
- promote a climate of financial discipline and control which will help to reduce the opportunity for financial mismanagement,
- promote the development of internal controls systems which will help satisfy the Governing Body that the Academy will achieve its objectives and targets and is operating in accordance with any statutory requirements for the use of public funds within delegated authorities laid down by the Governing Body and the Academy's own rules on which matters should be referred to the Governing Body, and in a manner which will make most economic and effective use of resources available

**THE WESTMINSTER ACADEMY (WESTBOURNE GREEN)**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**GOVERNANCE STATEMENT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2012**

Attendance at meetings during the year by the Members of Audit Committee was as follows

<b>Member</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
David Dangoor	3	3
Duncan Harman-Wilson	3	3
Paul McCombie (Chair)	1	3
Neil McNaughton	3	3
Jeremy Witts	1	3

Elizabeth Dangoor attended the Committee's meetings on 29 November 2011 and 21 June 2012 as a Non-Committee Governor

The Curriculum Committee is a sub-committee of the Governing Body. Its purpose is to

- monitor the delivery of teaching and learning in relation to the Academy's Strategic Plan and the Academy's Self Evaluation with regard to the Ofsted Framework,
- receive and review assessment tracking and performance data in respect the progress of the Academy's students, and
- to review and adopt or recommend to the Governing Body for adoption the statutory policies with regard to teaching learning behaviour and discipline

Attendance at meetings during the year by the Members of the Committee was as follows

<b>Member</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Mary Amayo	4	4
Smita Bora	2	4
Helen Bunch	4	4
Judy Dangoor	4	4
Neil McNaughton (Chair)	4	4
Edna Partridge	2	4
Angela Piddock	2	4

On 6 December 2012 David Dangoor attended the Committee's meeting as a Non-Committee Governor

Edna Partridge resigned from the Committee on 13 June 2012

**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 on-going 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 2012 and up to the date of approval of the annual report and accounts

**THE WESTMINSTER ACADEMY (WESTBOURNE GREEN)**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**GOVERNANCE STATEMENT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2012**

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**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 on-going process for identifying, evaluating and managing the Academy's significant risks that has been in place for the year ended 31 August 2012 and up to the date of approval of the annual report and accounts. 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 Mr Umer Siddiqi as RO. The RO's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. The RO reports to the Governing Body three times a year on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities.

The Governing Body confirms that the RO function has been fully delivered in line with the EFA's requirements and that no material control issues arose as a result of the RO's work.

**Review of Effectiveness**

As Accounting Officer, Ms Smita Bora has responsibility for reviewing the effectiveness of the system of internal control. During the year in question, she has relied upon


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

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

Approved by order of the Governing Body on 13 December 2012 and signed on its behalf by



Jeremy Witts  
Director and Chair of the Governing Body



Smita Bora  
Accounting Officer

**THE WESTMINSTER ACADEMY (WESTBOURNE GREEN)**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**  
**FOR THE ENDED 31 AUGUST 2012**

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As Accounting Officer of the Westminster Academy I have considered my responsibility to notify the Academy Trust Governing Body and the EFA of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

I confirm that I and the Academy Governing Body are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's Funding Agreement and the Academies Financial Handbook.

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



13 December 2012  
Smita Bora  
**Accounting Officer**

**THE WESTMINSTER ACADEMY (WESTBOURNE GREEN)**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**STATEMENT OF DIRECTORS' RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2012**

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The Directors are responsible for preparing the Directors' Report and the accounts in accordance with the Annual Accounts Requirements issued by the EFA, 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. Under company law the Directors must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the Academy and of its incoming resources and application of resources, including its income and expenditure, for that period.

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 judgments and accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts, and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the Academy will continue in business.

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 EFA/DfE have been applied for the purposes intended.

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

Approved by order of the Governing Body on 13 December 2012 and signed on its behalf by



Jeremy Witts  
Director and Chair of the Governing Body



**THE WESTMINSTER ACADEMY (WESTBOURNE GREEN)**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**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 2012 set out on pages 18 to 41. 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 Academy's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Academy's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy and its members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of Directors and auditors**

As explained more fully in the statement of Directors' responsibilities on page 13, 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 2012 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, and
- have been prepared in accordance with the financial reporting framework including the Accounts Direction 2011/12 issued by the EFA.

**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)  
(A COMPANY LIMITED BY GUARANTEE)  
INDEPENDENT AUDITORS' REPORT (CONTINUED)**

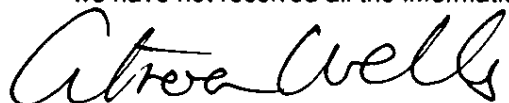
**TO THE MEMBERS OF THE WESTMINSTER ACADEMY (WESTBOURNE GREEN)**

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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 Governors' 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 13 December 2012

**THE WESTMINSTER ACADEMY (WESTBOURNE GREEN)  
(A COMPANY LIMITED BY GUARANTEE)  
INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT**

**ON REGULARITY TO THE WESTMINSTER ACADEMY (WESTBOURNE GREEN) AND  
THE EDUCATION FUNDING AGENCY**

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In accordance with the terms of our engagement letter and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2011/12, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Westminster Academy (Westbourne Green) during the period from 1 September 2011 to 31 August 2012 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them

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

**Respective responsibilities of The Westminster Academy (Westbourne Green)'s Accounting Officer  
and the Reporting Accountant**

The Accounting Officer is responsible, under the requirements of The Westminster Academy (Westbourne Green)'s funding agreement with the Secretary of State for Education dated 28 April 2011 and the Academies Financial Handbook as published by DfES in 2006, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2011/12. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period from 1 September 2011 to 31 August 2012 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

**Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2011/12 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

**THE WESTMINSTER ACADEMY (WESTBOURNE GREEN)**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT (CONTINUED)**  
**ON REGULARITY TO THE WESTMINSTER ACADEMY (WESTBOURNE GREEN) AND**  
**THE EDUCATION FUNDING AGENCY**

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**Conclusion**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period from 1 September 2011 to 31 August 2012 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them



**Citroen Wells**  
**Chartered Accountants**  
Devonshire House  
1 Devonshire Street  
London  
W1W 5DR

Dated 13 December 2012

**THE WESTMINSTER ACADEMY (WESTBOURNE GREEN)**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**INCLUDING INCOME AND EXPENDITURE ACCOUNT**  
**FOR THE YEAR ENDED 31 AUGUST 2012**

	Notes	Unrestricted funds £	Restricted fixed asset funds £	Restricted general funds £	Total 2012 £	Total 2011 £
<b><u>Incoming resources from generated funds</u></b>						
Sponsorship and other donations	3	205	-	-	205	2,400
Activities for generating funds	4	333,609	-	-	333,609	322,659
Investment income	5	746	-	-	746	321
		<u>334,560</u>	<u>-</u>	<u>-</u>	<u>334,560</u>	<u>325,380</u>
Funding for the Academy's educational operations	6	-	-	10,084,562	10,084,562	10,100,304
Other incoming resources		<u>35,499</u>	<u>-</u>	<u>159,947</u>	<u>195,446</u>	<u>156,487</u>
<b>Total incoming resources</b>		<u>370,059</u>	<u>-</u>	<u>10,244,509</u>	<u>10,614,568</u>	<u>10,582,171</u>
<b><u>Resources expended</u></b>						
<b>Charitable activities</b>						
Direct costs		-	654,256	7,811,194	8,465,450	8,373,688
Allocated support costs		<u>345,189</u>	<u>-</u>	<u>2,303,507</u>	<u>2,648,696</u>	<u>3,089,020</u>
Costs of generating funds		-	-	-	-	14,425
<b>Total charitable expenditure</b>		<u>345,189</u>	<u>654,256</u>	<u>10,114,701</u>	<u>11,114,146</u>	<u>11,477,133</u>
Governance costs		<u>34,079</u>	<u>-</u>	<u>225,640</u>	<u>259,719</u>	<u>240,341</u>
<b>Total resources expended</b>		<u>379,268</u>	<u>654,256</u>	<u>10,340,341</u>	<u>11,373,865</u>	<u>11,717,474</u>
<b>Net outgoing resources</b>		<u>(9,209)</u>	<u>(654,256)</u>	<u>(95,832)</u>	<u>(759,297)</u>	<u>(1,135,303)</u>
<b>Other recognised gains and losses</b>						
Actuarial loss on defined benefit pension schemes	16	-	-	(533,000)	(533,000)	(188,000)
<b>Net movement in funds</b>		<u>(9,209)</u>	<u>(654,256)</u>	<u>(628,832)</u>	<u>(1,292,297)</u>	<u>(1,323,303)</u>
Fund balances at 1 September 2011		<u>15,685</u>	<u>28,684,474</u>	<u>(559,429)</u>	<u>28,140,730</u>	<u>29,464,033</u>
<b>Fund balances at 31 August 2012</b>		<u>6,476</u>	<u>28,030,218</u>	<u>(1,188,261)</u>	<u>26,848,433</u>	<u>28,140,730</u>

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

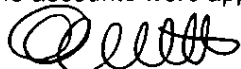
A Statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities

**THE WESTMINSTER ACADEMY (WESTBOURNE GREEN)**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**BALANCE SHEET**

**AS AT 31 AUGUST 2012**

	Notes	2012 £	£	2011 £	£
<b>Fixed assets</b>					
Tangible assets	12	28,030,217		28,684,473	
Investments	13	1		1	
		<u>28,030,218</u>		<u>28,684,474</u>	
<b>Current assets</b>					
Stocks		60,828		65,955	
Debtors	14	607,804		870,262	
Cash at bank and in hand		957,509		1,092,393	
		<u>1,626,141</u>		<u>2,028,610</u>	
<b>Creditors amounts falling due within one year</b>	15	<u>(1,527,426)</u>		<u>(1,864,854)</u>	
<b>Net current assets</b>		<u>98,715</u>		<u>163,756</u>	
<b>Total assets less current liabilities</b>		<u>28,128,933</u>		<u>28,848,230</u>	
<b>Pension scheme liability</b>		<u>(1,280,500)</u>		<u>(707,500)</u>	
<b>Net assets including pension liability</b>		<u>26,848,433</u>		<u>28,140,730</u>	
<b>Funds of the academy</b>					
Restricted funds					
General fund	17	92,239		148,071	
Pension reserve fund	17	<u>(1,280,500)</u>		<u>(707,500)</u>	
		<u>(1,188,261)</u>		<u>(559,429)</u>	
Restricted fixed assets fund	17	28,030,218		28,684,474	
Unrestricted general funds		<u>6,476</u>		<u>15,685</u>	
		<u>26,848,433</u>		<u>28,140,730</u>	

The accounts were approved by the Board on 13 December 2012 and signed on its behalf by



Jeremy Witts  
**Director**

**Company Registration No 05102934**

**THE WESTMINSTER ACADEMY (WESTBOURNE GREEN)**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31 AUGUST 2012**

	Notes	2012 £	2011 £
Net cash (outflow)/inflow from operating activities	19	(134,884)	103,551
(Decrease)/increase in cash	20	<u>(134,884)</u>	<u>103,551</u>

**THE WESTMINSTER ACADEMY (WESTBOURNE GREEN)**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED 31 AUGUST 2012**

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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 EFA 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 Going Concern**

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

The Academy's forecasts and projections, taking account of reasonable possible changes to student numbers and expenditure in the business plan, show that the Academy should be able to operate within its current available funds. The Directors therefore have a reasonable expectation that the Academy has adequate resources to continue for the foreseeable future and therefore adopt the going concern basis in preparing the annual accounts.

**1.3 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 and shown under debtors as accrued income.

**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 accrual basis where there is certainty of receipt and the amount can be reliably measured 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.



**THE WESTMINSTER ACADEMY (WESTBOURNE GREEN)**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2012**

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**1 Accounting Policies**

**(continued)**

**1.4 Resources expended**

Resources expended are recognised in the period in which they are incurred and are stated net of 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.

**1.5 Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less depreciation and any provision for impairment. Assets over £1,000 are capitalised, except for desks, chairs and computer equipment that are written off in full in the year irrespective of cost.

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. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as 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:

Leasehold property	2% on straight line basis
Computer equipment and software	33 33% on straight line basis
Fixtures and fittings	25% on straight line basis

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.

**1.6 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.

**1.7 Investments**

The Academy's shareholding in the wholly owned subsidiary, Academy Community Limited (ACL), is included in the balance sheet at the cost of the share capital owned. ACL has remained dormant since its incorporation.

**1.8 Stock**

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

**THE WESTMINSTER ACADEMY (WESTBOURNE GREEN)**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2012**

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**1 Accounting Policies**

**(continued)**

**1.9 Pensions**

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

**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 16, 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.

**1.10 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 Education Funding Agency, Department for Education or 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 Education Funding Agency and Department for Education.

**1.11 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)**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2012**

**2 General Annual Grant (GAG)**

	2012 £	2011 £
<b>a) Results and Carry Forward for the Year</b>		
GAG brought forward from previous year	(2,194,846)	(1,269,187)
Recurrent GAG allocation for current year	8,886,427	7,889,311
	<u>6,691,581</u>	<u>6,620,124</u>
Total GAG available to spend		
Recurrent expenditure from GAG	(9,710,960)	(8,814,970)
Fixed assets purchased from GAG	-	-
	<u>(3,075,379)</u>	<u>(2,194,846)</u>
GAG carried forward to next year		
Maximum permitted GAG carry forward at end of current year (12% of allocation for current year)	<u>1,059,651</u>	<u>946,717</u>
GAG to surrender to EFA (12% rule breached if result is positive)	(4,135,031)	(3,141,563)
	(no breach)	(no breach)

**b) Use of GAG brought Forward from Previous Year for Recurrent Purposes**

(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)

The Recurrent expenditure from GAG has exceeded the Recurrent GAG allocation for the last two years and therefore there is no brought forward or carried forward un-expended GAG

**3 Sponsorship and other donations**

	2012 £	2011 £
Miscellaneous donations	<u>205</u>	<u>2,400</u>

**THE WESTMINSTER ACADEMY (WESTBOURNE GREEN)**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2012**

**4 Activities for generating funds**

	2012 £	2011 £
Income generated from the use and hire of the Academy's facilities	<u>333,609</u>	<u>322,659</u>

**5 Investment income**

	2012 £	2011 £
Interest receivable	<u>746</u>	<u>321</u>

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

	2012 £	2011 £
EFA grants - General grants	9,629,440	9,737,499
Government grants - Other	<u>455,122</u>	<u>362,805</u>
	<u>10,084,562</u>	<u>10,100,304</u>

Included within income relating to EFA grants - General grants are the following grants -

General Annual Grants	8,830,427	7,889,312
Other Grants	<u>799,013</u>	<u>1,848,187</u>
	<u>9,629,440</u>	<u>9,737,499</u>

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

Special Educational Needs (SEN)	360,112	185,087
Other LA Grants	95,010	166,483
Other Government Grants	<u>-</u>	<u>11,235</u>
	<u>455,122</u>	<u>362,805</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)**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2012**

**7 Total resources expended**

	Staff costs £	Depreciation £	Other costs £	Total 2012 £	Total 2011 £
<b>Charitable activities</b>					
<u>Direct costs</u>					
Activities undertaken directly	5,912,640	654,256	1,898,554	8,465,450	8,373,688
<u>Allocated support costs</u>					
Activities undertaken directly	1,355,281	-	1,293,415	2,648,696	3,089,020
<u>Costs of generating funds</u>					
Activities undertaken directly	-	-	-	-	14,425
	<u>7,267,921</u>	<u>654,256</u>	<u>3,191,969</u>	<u>11,114,146</u>	<u>11,477,133</u>
<b>Governance costs</b>	-	-	259,719	259,719	240,341
	<u>7,267,921</u>	<u>654,256</u>	<u>3,451,688</u>	<u>11,373,865</u>	<u>11,717,474</u>

**THE WESTMINSTER ACADEMY (WESTBOURNE GREEN)**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2012**

**8 Activities undertaken directly**

	2012 £	2011 £
Other costs relating to direct costs comprise		
Books, learning resources and stationery	563,637	212,338
Examination fees	231,636	178,370
Awards and hospitality	13,143	32,811
Inclusion costs	954,511	347,615
Staff development	135,627	-
	<u><b>1,898,554</b></u>	<u><b>771,134</b></u>
Other costs relating to allocated support costs comprise		
Uniforms	28,215	41,385
Out of hours and agencies	15,237	36,029
Rent and rates	85,238	57,260
Insurance	144,758	140,297
Heat and light	161,507	247,377
Maintenance of premises and equipment	283,530	526,241
Cleaning	20,998	23,668
Printing postage and stationery	144,023	209,851
Technology costs	117,897	146,927
Catering	197,012	207,519
Provision for sports pitch resurfacing	30,000	30,000
Sports centre support	25,000	-
Other support costs	40,000	62,000
	<u><b>1,293,415</b></u>	<u><b>1,728,554</b></u>
Other costs relating to costs of generating funds comprise		
Other operating costs	-	14,425
	<u><b>-</b></u>	<u><b>14,425</b></u>

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**9 Governance costs**

	2012 £	2011 £
Other governance costs comprise		
Legal and professional fees	143,126	127,586
Auditors' remuneration	15,000	15,000
Auditors' fees for non-audit work	9,667	15,199
Sundry expenses	3,665	-
Management and administration	83,589	77,966
Bank charges	4,672	4,590
	<u>259,719</u>	<u>240,341</u>

**10 Governors and Directors**

The Principal, who is also a Governor of the Academy, only receives remuneration in respect of services she provides in undertaking her employment role for the Academy and not in respect of her services as a Governor. The other Governors did not receive any payments or expenses from the Academy in respect of their roles as Governors.

The Principal is the highest-paid Director and her remuneration was as follows

	2012 £	2011 £
Gross salary	105,000	105,000
Pension contributions	14,805	14,805
	<u>119,805</u>	<u>119,805</u>

In accordance with normal commercial practice, and in performing their role as Directors of the Academy, Governors have various statutory and common law duties, breaches of which could give rise to personal liability. An insurance policy is in place which, subject to the terms and limits of the policy, will indemnify Governors in respect of claims made against them and associated costs. This should mean that Governors who have acted honestly, reasonably and in good faith (both individually and collectively) will not have to meet out of their own personal resources any personal civil liability which may be incurred in execution or purported execution of their Governing Body functions. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2012 was £500.

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**11 Employees**

**Number of employees**

The average monthly number of employees (including the Senior Management team) employed by the Academy during the year on a full time basis was

	<b>2012</b>	<b>2011</b>
	<b>Number</b>	<b>Number</b>
Teachers	<b>103</b>	87
Support staff	<b>54</b>	62
Administration	<b>11</b>	11
	<b>168</b>	160

**Employment costs**

	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
Wages and salaries	<b>5,691,659</b>	5,655,558
Social security costs	<b>459,975</b>	431,232
Other pension costs	<b>571,526</b>	539,235
	<b>6,723,160</b>	6,626,025
Supply teacher costs	<b>199,284</b>	869,364
Compensation payments	<b>345,477</b>	282,000
	<b>7,267,921</b>	7,777,389

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

	<b>2012</b>	<b>2011</b>
	<b>Number</b>	<b>Number</b>
£60,001 - £70,000	6	1
£70,001 - £80,000	1	3
£100,001 - £110,000	1	1

Seven of the above employees earning more than £60,000 per annum participated in the Teachers' Pension Scheme. During the year ended 31 August 2012, pension contributions for these staff amounted to £70,499 (2011 £47,106). The remaining employee participated in the Local Government Pension Scheme and his pension contributions amounted to £6,452 (2011 £6,452).



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**12 Tangible fixed assets**

	Long leasehold property	Computer equipment and software	Fixtures and fittings	Total
	£	£	£	£
<b>Cost</b>				
At 1 September 2011 and at 31 August 2012	31,117,880	2,232,945	1,957,338	35,308,163
<b>Depreciation</b>				
At 1 September 2011	2,480,033	2,232,945	1,910,712	6,623,690
Charge for the year	622,358	-	31,898	654,256
<b>At 31 August 2012</b>	<b>3,102,391</b>	<b>2,232,945</b>	<b>1,942,610</b>	<b>7,277,946</b>
<b>Net book value</b>				
At 31 August 2012	28,015,489	-	14,728	28,030,217
At 31 August 2011	28,637,847	-	46,626	28,684,473

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

	£
EFA capital grants	32,583,204
Private sector funding	1,500,000
Other EFA Grants	1,224,959
<b>Cost of fixed assets at 31 August 2012</b>	<b>35,308,163</b>
Less Accumulated depreciation	(7,277,946)
<b>Net book value of fixed assets at 31 August 2012</b>	<b>28,030,217</b>

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**13 Fixed asset investments**

	£
<b>Market value at 1 September 2011 and at 31 August 2012</b>	<b>1</b>
	<u>1</u>
Historical cost	
At 31 August 2012	1
	<u>1</u>
At 31 August 2011	1
	<u>1</u>

**Holdings of more than 20%**

The company holds more than 20% of the share capital of the following companies

Company	Country of registration or incorporation	Shares held	
		Class	%
<b>Subsidiary undertakings</b>			
Academy Community Limited	England & Wales	Ordinary	100

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows

	Principle Activities	Capital and reserves	Profit/(loss) for the year
		£	£
Academy Community Limited	Dormant	1	-
		<u>1</u>	<u>-</u>

**14 Debtors**

	2012	2011
	£	£
Prepayments and other debtors	607,804	870,262
	<u>607,804</u>	<u>870,262</u>

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<b>15</b>	<b>Creditors, amounts falling due within one year</b>	<b>2012</b>	<b>2011</b>
		<b>£</b>	<b>£</b>
	Trade creditors	<b>335,122</b>	134,477
	Taxes and social security costs	<b>167,370</b>	147,529
	Accruals	<b>1,024,934</b>	1,582,848
		<hr/>	<hr/>
		<b>1,527,426</b>	1,864,854
		<hr/>	<hr/>

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**FOR THE YEAR ENDED 31 AUGUST 2012**

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**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 pension costs are assessed in accordance with the advice of independent qualified actuaries The latest actuarial valuation of the TPS was 31 March 2004 and of the LGPS 31 March 2010

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

**Teachers Pension Scheme**

The Teachers' Pension Scheme ("TPS") is a statutory, contributory, defined benefit scheme The regulations under which the TPS operates are the Teachers' Pensions Regulations 2010

Although teachers and lecturers are employed by various bodies, their retirement and other pension benefits, including annual increases payable under the Pensions (Increase) Acts are, as provided for in the Superannuation Act 1972, paid out of monies provided by Parliament Under the unfunded TPS, teachers' contributions on a 'pay-as-you-go' basis, and employers' contributions, are credited to the Exchequer under arrangements governed by the above Act

The Teachers' Pensions Regulations require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pensions' increases) From 1 April 2001, the Account has been credited with a real rate of return (in excess of price increases and currently set at 3.5%), which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return

The Government Actuary ("GA"), using normal actuarial principles, conducts formal actuarial reviews of the TPS The aim of the reviews is to specify the level of future contributions

The contribution rate paid into the TPS is assessed in two parts First, a standard contribution rate ("SCR") is determined This is the contribution, expressed as a percentage of the salaries of teachers and lecturers in service or entering service during the period over which the contribution rate applies, which if it were paid over the entire active service of these teachers and lecturers would broadly defray the cost of benefits payable in respect of that service Secondly, a supplementary contribution is payable if, as a result of the actuarial investigation, it is found that accumulated liabilities of the Account for benefits to past and present teachers, are not fully covered by standard contributions to be paid in future and by the notional fund built up from past contributions The total contribution rate payable is the sum of the SCR and the supplementary contribution rate

The last valuation of the TPS related to the period 1 April 2001 - 31 March 2004 The GA's report of October 2006 revealed that the total liabilities of the Scheme (pensions currently in payment and the estimated cost of future benefits) amounted to £166,500 million The value of the assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) was £163,240 million The assumed real rate of return is 3.5% in excess of prices and 2% in excess of earnings The rate of real earnings growth is assumed to be 1.5% The assumed gross rate of return is 6.5%

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**16 Pension costs**

**(continued)**

As from 1 January 2007, and as part of the cost-sharing agreement between employers' and teachers' representatives, the SCR was assessed at 19.75%, and the supplementary contribution rate was assessed to be 0.75% (to balance assets and liabilities as required by the regulations within 15 years). This resulted in a total contribution rate of 20.5%, which translated into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable. The cost-sharing agreement also introduced – effective for the first time for the 2008 valuation – a 14% cap on employer contributions payable.

From 1 April 2012 to 31 March 2013, the employee contribution rate will range between 6.4% and 8.8%, depending on a member's Full Time Equivalent salary. Further changes to the employee contribution rate will be applied in 2013-14 and 2014-15.

Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. Many of these are being discussed in the context of the design for a reformed TPS and scheme valuations are, therefore, currently suspended. The Government, however, has set out a future process for determining the employer contribution rate under the new scheme, and this process will involve a full actuarial valuation.

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The academy is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the academy has taken advantage of the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy has set out above the information available on the scheme and the implications for the academy in terms of the anticipated contribution rates.

The pension cost charged in the financial statements for this scheme for the year ended 31 August 2012 was £505,188 (2011: £438,528) 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 2012 was £109,593 (2011: £155,900) of which employer's contributions totalled £66,337 (2011: £100,706) and employees' contributions totalled £43,256 (2011: £55,194). The agreed contribution rates for the year ended 31 August 2012 were 10.3% for employers and between 5.8% and 6.8% for employees.

Regular employer contributions to the fund for the year ending 31 August 2012 are estimated to be £69,000. 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 2012 by a qualified independent actuary.

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**16 Pension costs**

**(continued)**

The major assumptions used by the actuary were	2012 %	2011 %	2010 %
Rate of increase in salaries	4.70	5.10	4.90
Rate of increase in pensions payment	2.20	2.70	2.70
Discount rate	4.20	5.40	4.90
Inflation assumption	3.20	3.60	3.40

**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, in years,		
- male aged 65	22.40	24.20
- female aged 65	24.50	26.50

The long term expected rates of return are as follows.

	2012 %	2011 %	2010 %
Equities	7.50	7.70	7.70
Bonds	2.90	4.30	3.70
Property	7.00	7.20	7.20
Other assets	4.40	4.70	7.70

The assets in the scheme are as follows:

	2012 £	2011 £	2010 £
Equities	2,314,410	2,064,848	662,450
Bonds	735,090	556,140	264,800
Property	147,660	139,748	-
Other assets	12,840	91,264	1,850
Total market value of assets	3,210,000	2,852,000	929,100
Present value of scheme liabilities	(4,490,500)	(3,559,500)	(1,386,600)
Deficit in scheme	(1,280,500)	(707,500)	(457,500)
Net pension liability	(1,280,500)	(707,500)	(457,500)

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**16 Pension costs**

**(continued)**

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:**

	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
Employer Service Cost (net of employee contributions)	103,000	151,000
Total Operating Charge	<u>103,000</u>	<u>151,000</u>

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

	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
Expected return on employer's share of pension scheme assets	196,000	60,000
Interest on pension scheme liabilities	<u>(193,000)</u>	<u>(72,000)</u>
Pension finance costs	<u>3,000</u>	<u>(12,000)</u>

**Analysis of amount recognised in the statement of total recognised gains and losses**

	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
Actual return less expected return on pension scheme assets	78,000	1,730,000
Experience gains and losses arising on scheme liabilities	<u>(611,000)</u>	<u>(1,918,000)</u>
Actual (loss)/gain recognised in the statement of total recognised gains and losses	<u>(533,000)</u>	<u>(188,000)</u>

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**16 Pension costs**

**(continued)**

**Movement in deficit during the year**

	<b>2012</b>	<b>2011</b>
	<b>£</b>	<b>£</b>
Deficit in scheme at 1 September 2011	(707,500)	(457,500)
Current service cost	(103,000)	(151,000)
Employer contributions	66,000	101,000
Past service costs	-	-
Pension finance costs	(3,000)	(12,000)
Actuarial (loss)/gain	(533,000)	(188,000)
Deficit in scheme at 31 August 2012	<u>(1,280,500)</u>	<u>(707,500)</u>

**History of experience gains and losses:**

	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Difference between the expected and actual return on scheme assets					
Amount	78,000	1,730,000	3,900	(95,400)	(57,600)
Percentage of scheme assets	2.4%	60.7%	0.4%	-13.5%	-8.95%
Experience gains and losses on scheme liabilities					
Amount	(611,000)	(1,918,000)	42,300	(334,300)	(1,500)
Percentage of the present value of the scheme liabilities	13.6%	53.9%	3.05%	-26.8%	-0.2%
Total amount recognised in statement of recognised gains and losses					
Amount	(533,000)	(188,000)	46,200	(429,700)	(59,100)
Percentage of the present value of scheme liabilities	<u>11.9%</u>	<u>5.3%</u>	<u>3.33%</u>	<u>-34.4%</u>	<u>-9.15%</u>

**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.



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**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 2011	Movement in funds			Balance at 31 August 2012
		Incoming resources	Resources expended	Investments losses	
	£	£	£	£	£
Restricted General Fund	148,071	10,244,509	(10,300,341)	-	92,239
Restricted Fixed Asset Fund	28,684,474	-	(654,256)	-	28,030,218
Restricted Pension Reserve Fund	(707,500)	-	(40,000)	(533,000)	(1,280,500)
	<u>28,125,045</u>	<u>10,244,509</u>	<u>(10,994,597)</u>	<u>(533,000)</u>	<u>26,841,957</u>

**Restricted General Fund**

The Restricted General Funds comprise of funds received from EFA and other local government bodies and are used to finance ongoing expenditure of the normal day to day educational activities of the Academy. The Academy is allowed to carry forward up to 12% of current General Annual Grant (GAG). If the carried forward amount, up to 2% of GAG can be used for recurrent purposes at the discretion of the Academy, but any balance over 2% may only be used for the upkeep and improvement of premises including the costs of equipment and routine repairs and maintenance and on capital expenditure.

**Restricted Fixed Asset Fund**

The Restricted Fixed Asset Funds comprise funds received from EFA 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 Fund**

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

The deficit on the LGPS does not mean that an immediate liability crystallises. The deficit results in a cash flow effect for the Academy in the form of possible future increases in pension contributions, which, if required, will be met from the budgeted annual income. There is therefore no direct impact on the free reserves of the Academy because of recognising the deficit.

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**18 Analysis of net assets between funds**

	Unrestricted fund	Restricted fixed asset fund	Restricted general fund	Total
	£	£	£	£
Fund balances at 31 August 2012 are represented by				
Tangible fixed assets	-	28,030,217	-	28,030,217
Investments	-	1	-	1
Current assets	6,476	25,000	1,594,665	1,626,141
Creditors amounts falling due within one year	-	(25,000)	(1,502,426)	(1,527,426)
Defined benefit pension liability	-	-	(1,280,500)	(1,280,500)
	<u>6,476</u>	<u>28,030,218</u>	<u>(1,188,261)</u>	<u>26,848,433</u>

**19 Net cash (outflow)/inflow from operating activities**

	2012 £	2011 £
Reconciliation to changes in resources		
Changes in resources before revaluations	(759,297)	(1,135,303)
Depreciation of tangible fixed assets	654,256	1,185,631
Difference between pension charge and cash contributions	40,000	62,000
Decrease/(increase) in stocks	5,127	(11,009)
Decrease/(increase) in debtors	262,458	(377,217)
(Decrease)/increase in creditors	(337,428)	379,449
	<u>(134,884)</u>	<u>103,551</u>

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

	2012 £	2011 £
(Decrease)/increase in cash	(134,884)	103,551
Net funds at 1 September 2011	<u>1,092,393</u>	<u>988,842</u>
Net funds at 31 August 2012	<u>957,509</u>	<u>1,092,393</u>

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**21 Analysis of net cash balances**

	At 1 September 2011 £	Cash flow £	Non-cash changes £	At 31 August 2012 £
Cash at bank and in hand	1,092,393	(134,884)	-	957,509
	<u>1,092,393</u>	<u>(134,884)</u>	<u>-</u>	<u>957,509</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 Education the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State

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

(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 2012 the company had annual commitments under non-cancellable operating leases as follows

	2012 £	2011 £
Expiry date		
Within one year	14,240	-
Between two and five years	-	18,987
	<u>14,240</u>	<u>18,987</u>

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**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.