

Company Registration No. 05102934 (England and Wales)

THE WESTMINSTER ACADEMY (WESTBOURNE GREEN)

(A COMPANY LIMITED BY GUARANTEE)

DIRECTORS' REPORT AND AUDITED ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2016

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THE WESTMINSTER ACADEMY (WESTBOURNE GREEN)

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THE WESTMINSTER ACADEMY (WESTBOURNE GREEN)

REFERENCE AND ADMINISTRATIVE DETAILS

Directors

Lina Alchami (Parent Governor) (Appointed 17 June 2016)
Mary Amayo
Smita Bora (Principal) (Resigned 30 September 2015)
Mark Beard
Helen Bunch
Faye Craster (Representing the Principal sponsors) (Appointed 2 January 2016)
David Dangoor (Representing the Principal sponsors)
Elizabeth Dangoor (Representing the Principal sponsors)
Judy Dangoor (Representing the Principal sponsors)
Mark English (Representing the Principal sponsors) (Appointed 15 October 2015)
Marc Furlonger (Resigned 30 November 2015)
Duncan Harman-Wilson (Vice Chair of Governors)
Shamsa Hersi (Parent Governor) (Appointed 17 June 2016)
Nigel Hugill (Resigned 16 October 2015)
Ljaureta Krasniqi (Staff Governor) (Appointed 23 March 2016)
Maz Majid (Representing the Principal sponsors)
Paul McCombie (Resigned 15 October 2015)
Alastair Metcalf
Angela Piddock (Appointed 2 January 2016)
Alice Pugh (Staff Governor) (Appointed 16 June 2016)
Dr Saima Rana (Principal) (Appointed 1 January 2016)
Shabir Randeree (Chair of Governors)
Grace Rigg (Staff Governor)

Members

- The Principal sponsor	The Exilarch Foundation
- Representing the principal sponsor	David Dangoor
- Representing the principal sponsor	Judy Dangoor
- Representing the principal sponsor	Elizabeth Dangoor
- Chair of Governors	Shabir Randeree

Senior management team

- Principal - Resigned 30 September 2015	Smita Bora
- Principal - Appointed 1 October 2015	Saima Rana
- Vice-Principal	Maka Baramidze
- Head of HR	Penny Collins

Company Secretary

Elie Dangoor

Company registration number

05102934 (England and Wales)

Registered office

Sir Naim Dangoor Centre
255 Harrow Road
London
W2 5EZ

THE WESTMINSTER ACADEMY (WESTBOURNE GREEN)

REFERENCE AND ADMINISTRATIVE DETAILS

Independent auditor

Citroen Wells
Devonshire House
1 Devonshire Street
London
W1W 5DR

Bankers

Barclays Bank Plc
Pall Mall Corporate Group
PO Box 15165
London
SW1A 1QF

THE WESTMINSTER ACADEMY (WESTBOURNE GREEN)

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2016

The Directors present their annual report together with the accounts and independent auditor's report of the charitable company for the period 1 September 2015 to 31 August 2016. The annual report serves the purposes of both a Trustees' report and a Directors' report under company law.

The Academy operates an academy for pupils aged 11 to 19 serving a catchment area in Westminster. It has a pupil capacity of 1,300 and had a roll of 1,109 in the school census on 1 October 2016.

Constitution

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 Foundation, and by the Secretary of State for Education.

The Directors are the Trustees of The Westminster Academy (Westbourne Green) and are also the Directors of the charitable company for the purposes of company law. Details of the Directors who served during the year are included in the Reference and Administrative Details on page 1.

Details of the governors who served throughout the year are included in the Governance Statement on page 9.

Members' Liability

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

Governors' Indemnities

The Academy has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects Trustees and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business, and provides cover up to an aggregate amount of £10,000,000 per year. It is not possible to quantify the Trustees and Officers indemnity element from the overall cost of the RPA scheme.

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 Governing Body is composed of highly experienced individuals. In terms of induction, all new Governors are provided with a Governor's induction pack and advised of available training. New Governors are also supported and mentored by experienced Governors and by members of the Senior Leadership team.

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 Senior Leadership team, of which the Principal is a member. The Senior Leadership team undertakes the key leadership role overseeing educational and administrative functions in consultation with Middle Leaders. 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.

THE WESTMINSTER ACADEMY (WESTBOURNE GREEN)

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Arrangements for setting pay and remuneration of key management personnel

When setting pay and remuneration of key management personnel, a review of similar educational establishments with similar characteristics and intake takes place. The Academy benchmarks via the appropriate educational groups, networking, but also researches current trends and adverts that are public. Any review of key management salaries is presented to representatives of the Governing Body for approval prior to implementation.

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 students of different abilities between the ages of 11 and 18. The Academy has an International Business and Enterprise specialism.

The main objectives of the Academy are summarised below:

- To raise the standard of education achievement and progress of all students;
- 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 maintain close links with the immediate and wider community;
- 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.

Strategic report

Achievements and Performance

The Academy started its ninth year of operation in September 2015. The post of Principal at this time was held by Ms. Smita Bora, until she resigned on 30 September 2015. Dr Saima Rana was appointed to the post of Principal on 1 January 2016, a position held for the remainder of the year.

The year has again been a challenging one for the Academy, combining joint objectives of continuing to control expenditure to maintain a surplus, whilst always maintaining a drive to provide the highest quality provision of education.

In 2016, 73% of students achieved A*-C grades in English and Maths and the Academy was ranked in the top 50 schools in the country for its 'Progress 8' score.

Our international Baccalaureate Diploma Programme and Career-related Programme once again resulted in a 100% success rate for Sixth Formers in 2016, with IBDP students surpassing the world average score. 88% of Sixth Form students achieved the equivalent of A*/A grades.

THE WESTMINSTER ACADEMY (WESTBOURNE GREEN)

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Curriculum Planning

- The curriculum model continued to support the Academy in its objective of delivering the Academy's specialism of International Business and Enterprise to a maximum of 1,175 students aged 11 - 18 in 2015-16.
- The timetable for the year beginning in September 2015 was produced through a consultation process with staff and students. This was issued to staff in July 2015.
- 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 2015-16, linked to the Academy's Personal and Professional Development (PPD) strategy.

Students

- The admissions process for Year 7 in September 2015 was administered by Westminster City Council, through the pan-London Central Admissions System. 360 applications had been received for 198 available places for the September 2015-16 intake.
- The Spring 2016 school census recorded a total of 1,114 students in Years 7 - 13. The Academy continues to take "Hard to Place" students and "Pupils without School Places" (PWSP).
- In the Spring 2016 census, 934 (out of 1,114) students had a first language other than English. 367 Students were eligible for free school meals on the Spring census day.
- The Academy Council 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.

The Wider Community

- Parents continued to be involved with their children's progress through regular progress review days and parents' evenings. Weekly 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 7,000 users a month coming from the wider community including local primary schools.
- Community use of the Sir 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 2015-16.

THE WESTMINSTER ACADEMY (WESTBOURNE GREEN)

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

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
- STARS Sustainable travel (bronze level accreditation) 2010
- Sustrans Bike it School Mark bronze 2010
- SSAT Most Improved School 2011
- SSAT Outstanding Continuous Improvement 2013
- SSAT Outstanding Student Progress 2013
- Volunteer Centre Organisation Award 2013
- TES Secondary School of the Year Award 2013
- Lord Adonis' Most Transformed Academy 2013
- Deputy Prime Minister's Pupil Premium Award 2013
- Mayor of London's Gold Club Award 2013
- British Empire Medal for member of support staff 2014
- Healthy Schools Bronze 2014
- International Schools Award 2015
- Mayor of London Gold Award 2015
- UWAS School of the Year 2015
- BTEC Student of the Year 2015
- Artsmark Gold 2015
- Music Mark 2015
- Certificate of Excellence (5 star School Guide rating) 2015
- Healthy Schools Silver - 2016
- SSAT Educational Outcomes Award 2015 for exceptional student progress 2016
- SSAT Educational Outcomes Award 2015 for exceptional student attainment 2016
- STARS Sustainable travel (gold level accreditation) 2016
- Food hygiene rating - 5 stars 2016

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:

	2016	2015
Staffing costs as a percentage of main grant income	82.60%	88.21%
Average teaching costs per pupil	£5,254	£5,719
Income per pupil	£9,110	£9,496
Total learning resources per pupil	£998	£1,309

THE WESTMINSTER ACADEMY (WESTBOURNE GREEN)

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Financial review

The Academy's main source of income is derived from the EFA. The grants received during the year ended 31 August 2016 and the associated expenditure are shown in the Statement of Financial Activities on pages 21 and 22.

No further grants 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 £583,971 against net expenses incurred of £473,541 resulting in a surplus for the year of £110,430. There is an overall surplus of £317,017 carried forward at the end of the year.

Restricted general funds received amounted to £9,564,430 and comprised mainly of the General Annual Grant (GAG) receivable from EFA. Restricted general fund expenditure for the year amounted to £9,505,547 giving rise to a surplus on restricted general funds of £58,883. Included in the current year expenditure is an adjustment of £1,832,000 in order to satisfy the requirements of FRS102, Retirement Benefits, in relation to the Academy's pension scheme liabilities.

If the pension adjustment of £1,832,000 is excluded, the surplus for the year was £169,313 which has been carried forward. At the year end, the Academy's pension liability is a proportion of the City of Westminster Fund and is valued in line with FRS102. Restricted general funds also include the Academy's share of these pension liabilities of £2,301,500. This is represented by the liability of £469,500 brought forward at 1 September 2015, resources expended of £97,000 and an actuarial loss of £1,735,000 on the pension scheme.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

At 31 August 2016, the net book value of fixed assets was £25,670,372 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.

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 £375,900. The level of reserves at the year end has increased compared to the previous year and the Academy intends to continue building up free reserves in the future.

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.

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.

THE WESTMINSTER ACADEMY (WESTBOURNE GREEN)

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Principal Risks and Uncertainties

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 Academy 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 Mr Umer Siddiqi as the Internal Auditor 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 any internal errors or irregularities are either prevented or detected in a timely basis.

In 2012-13 the Academy implemented a new Risk Management Strategy which continued in 2015-16. This improved the Academy's ability to manage risk. The major risks identified 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. Much work has focused on the transition process and the impact of this has seen our highest numbers of Year 7 starting the new academic year.
- Funding risk. This concerns current and future funding levels. The Academy is directly engaging with the Education Funding Agency (EFA) to mitigate this risk.
- Organisational Change risk. A restructure of the Senior Leadership team took place to ensure the Academy was equipped to deliver the changes that educational reform has placed on them.

Future Plans

It is the intention to raise the standards of Teaching and Learning within the Academy by catering for all students via personalised learning, meeting the needs of mainstream, gifted and talented and special educational needs students. The Academy will also be reviewing the use of literacy cross-curricular. Another priority is to continue to enhance the provision offered to students and staff via the use of IT.

Disclosure of Information to Auditors

In so far as the Directors are aware:

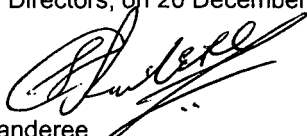
- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors

A resolution proposing that Citroen Wells be reappointed as auditor of the charitable company will be put to the members.

Approval

The Directors' report, incorporating a strategic report, was approved by order of the Governing Body, as the company Directors, on 20 December 2016 and signed on its behalf by:



Shabir Randeree
Chair of Governors

THE WESTMINSTER ACADEMY (WESTBOURNE GREEN)

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2016

Scope of responsibility

The Governing Body acknowledges that it has overall responsibility for ensuring that 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 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 Westminster Academy (Westbourne Green) and the Secretary of State for Education. They are 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 four times during the year.

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

Directors	Meetings attended	Out of possible
Lina Alchami (Parent Governor) (Appointed 17 June 2016)	0	1
Mary Amayo	4	4
Smita Bora (Principal) (Resigned 30 September 2015)	0	0
Mark Beard	2	4
Helen Bunch	1	4
Faye Craster (Representing the Principal sponsors) (Appointed 2 January 2016)	2	4
David Dangoor (Representing the Principal sponsors)	4	4
Elizabeth Dangoor (Representing the Principal sponsors)	3	4
Judy Dangoor (Representing the Principal sponsors)	4	4
Mark English (Representing the Principal sponsors) (Appointed 15 October 2015)	3	4
Marc Furlonger (Resigned 30 November 2015)	1	1
Duncan Harman-Wilson (Vice Chair of Governors)	4	4
Shamsa Hersi (Parent Governor) (Appointed 17 June 2016)	1	1
Nigel Hugill (Resigned 16 October 2015)	0	1
Ljaureta Krasniqi (Staff Governor) (Appointed 23 March 2016)	2	2
Maz Majid (Representing the Principal sponsors)	2	4
Paul McCombie (Resigned 15 October 2015)	1	1
Alastair Metcalf	4	4
Angela Piddock (Appointed 2 January 2016)	4	4
Alice Pugh (Staff Governor) (Appointed 16 June 2016)	1	1
Dr Saima Rana (Principal) (Appointed 1 January 2016)	4	4
Shabir Randeree (Chair of Governors)	4	4
Grace Rigg (Staff Governor)	1	2

There have been no key changes to the composition of the board of Trustees. The main challenges for the board have been recruiting experienced teachers in shortage subjects. Secondly the resolution of the incident relating to the baffles.

THE WESTMINSTER ACADEMY (WESTBOURNE GREEN)

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Governance reviews

The Governing Body met on 17 January 2016 to hold a Strategy Day. This included a review of the overall direction the development plan with its key strengths and weaknesses activity in Term 5, and targets for 15/16 academic year focusing on 3 key areas; Year 11/13 examinations, strengthening leadership - Principal's Group and Senior Leadership Team, and resource allocation - budget/staffing/restructuring and additionally consideration of a SWOT analysis together with a presentation by an Ofsted inspector of the Ofsted inspection process drawing attention to the importance of GB interpretation and knowledge of the Inspection Dashboard. Roles and responsibilities, key functions of a GB - holding to account, challenge and support the need for updating the Academy's website particularly with regard to statutory information required by the reference to the Academies Financial Handbook and Governors Handbook (with regard to statutory policies for which GB responsible). It was agreed that a further Strategy Day would be held in the summer 2016. This was subsequently arranged for 4 September 2016.

The Finance and General Purposes Committee is a sub-committee of the Governing Body. Its purpose is as follows:

- 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 in the year by the Members of the Committee was as follows:

Directors	Meetings attended	Out of possible
Smita Bora (Principal) (Resigned 30 September 2015)	0	0
David Dangoor (Representing the Principal sponsors)	2	3
Elizabeth Dangoor (Representing the Principal sponsors)	2	3
Judy Dangoor (Representing the Principal sponsors)	2	3
Marc Furlonger (Resigned 30 November 2015)	0	1
Duncan Harman-Wilson (Vice Chair of Governors)	3	3
Maz Majid (Representing the Principal sponsors)	1	3
Paul McCombie (Resigned 15 October 2015)	0	0
Alastair Metcalf	2	3
Dr Saima Rana (Principal) (Appointed 1 January 2016)	2	3

THE WESTMINSTER ACADEMY (WESTBOURNE GREEN)

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

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.

Dr Saima Rana is not a member of the Committee and attended the Committee's meeting on 19 November 2015 as Acting Principal and the meeting on 19 May 2016 as a Non-Committee member attendee.

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

Directors	Meetings attended	Out of possible
David Dangoor (Representing the Principal sponsors)	1	2
Marc Furlonger (Resigned 30 November 2015)	0	1
Duncan Harman-Wilson (Vice Chair of Governors)	2	2
Maz Majid (Representing the Principal sponsors)	1	2
Paul McCombie (Resigned 15 October 2015)	0	0
Alastair Metcalf	1	2
Shabir Randeree (Chair of Governors)	1	1

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:

Member	Meetings attended	Out of possible
Mark English (Chairman)	2	2
Smita Bora (Principal)	1	1
Saima Rana (Principal)	3	3
Mary Amayo	4	4
Helen Bunch	2	4
Judy Dangoor	3	4
Elizabeth Dangoor	1	4
Angela Piddock	4	4
Grace Rigg	2	4

Review of value for money

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

THE WESTMINSTER ACADEMY (WESTBOURNE GREEN)

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

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

The Governors' Approach

Governors have applied the four principles of best value:

- Challenge - Is the Academy's performance high enough? Why and how is a service provided? Do we still need it? Can it be delivered differently? What do parents want?
- Compare - How does the Academy's student performance and financial performance compare with all Academies? How does it compare with LEA schools? How does it compare with similar schools?
- Consult - How does the Academy seek the views of stakeholders about the services the Academy provides?
- Compete - How does the Academy secure efficient and effective services? Are services of appropriate quality, economic?

The Governors and Academy managers apply these principles when making decisions about:

- the allocation of resources to best promote the aims and values of the Academy.
- the targeting of resources to best improve standards and the quality of provision.
- the use of resources to best support the various educational needs of all students.

Governors, and the Academy managers, will:

- use data from other/similar schools using data provided by the LEA and the Government, e.g. benchmarking tools, quality of teaching & learning, levels of expenditure.
- challenge proposals, examining them for effectiveness, efficiency, and cost, e.g. setting of annual student achievement targets.
- require suppliers to tender, ensuring best value whilst maintaining quality/suitability of services/products/backup.
- consult with individuals and organisations on quality/suitability of the service we provide to parents and pupils, and services we receive from providers, e.g. Sex and Relationships Education, pupil reports, OFSTED, Finance consultant, LEA Energy Unit.

This will apply in particular to:

- staffing
- use of resources
- quality of teaching
- quality of learning
- purchasing
- pupils' welfare
- health and safety

Governors and Academy managers do not waste time and resources on investigating minor areas where few improvements can be achieved, e.g. on making minor savings in costs, or on seeking tenders for minor supplies and services. Governors recognise that the pursuit of minor improvements or savings is not cost effective if the administration involves substantial time or costs and that time wasted on minor improvements or savings can also distract management from more important or valuable areas.

THE WESTMINSTER ACADEMY (WESTBOURNE GREEN)

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

Teaching and Learning

Governors and Academy managers review the quality of curriculum provision and quality of teaching and review the quality of children's learning, by cohort, class and group, to provide teaching which enables children to achieve nationally expected progress, e.g. setting of annual student achievement targets and striving to improve on or maintain previous years' exam results and attendance.

Governors and Academy managers also review the quality of the Academy environment and the Academy ethos, in order to provide a supportive environment conducive to learning and recreation.

Allocation of Resources

Governors and Academy managers deploy staff to provide best value in terms of quality of teaching, quality of learning, adult to pupil ratio, and curriculum management and ensure appropriate facilities, equipment, materials and services to provide pupils and staff with resources which support quality of teaching and quality of learning is available.

The Governing Body have established finance policies to control purchasing and through the budget process agree the allocation of resources for the year.

Monitoring

In order to provide input and to monitor delivery of best value the Governing Body has established active curriculum, audit and finance and general purpose committees which are supported by a budget sub-committee and a Health & Safety group.

Health & Safety

Governors and Academy managers review the quality of the school environment and equipment, carrying out termly risk assessments supplemented by one off investigations where appropriate, in order to provide a safe working environment for pupils, staff and visitors.

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 in The Westminster Academy (Westbourne Green) for the period 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and accounts.

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 board of Directors 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 period 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the Governing Body.

THE WESTMINSTER ACADEMY (WESTBOURNE GREEN)

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

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;
- identification and management of risks.

The Governing Body has considered the need for a specific internal audit function and has decided to appoint Mr Umer Siddiqi as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. In particular the checks carried out in the current period included grants received, payroll and pensions, procurement activities, bank reconciliations and any correspondence with the EFA.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. The Internal Auditor reports to the Governing Body through the finance and general purposes committee and audit committee 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 internal audit function has been fully delivered in line with the EFA's requirements and that no material control issues arose as a result of the Internal auditor's work.

Review of effectiveness

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

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

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the finance and general purposes committee and audit 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 20 December 2016 and signed on its behalf by:



Dr Saima Rana
Principal



Shabir Randeree
Chair of Governors

THE WESTMINSTER ACADEMY (WESTBOURNE GREEN)

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2016

As accounting officer of The Westminster Academy (Westbourne Green) I have considered my responsibility to notify the Academy Governing Body and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Academy and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2015.

I confirm that I and the Academy's Governing Body are able to identify any material irregular or improper use of funds by the Academy, or material non-compliance with the terms and conditions of funding under the Academy's funding agreement and the Academies Financial Handbook 2015.

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

Approved on 20 December 2016 and signed by:



Dr Saima Rana
Accounting Officer

THE WESTMINSTER ACADEMY (WESTBOURNE GREEN)

STATEMENT OF DIRECTORS' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2016

The Directors (who also act as Trustees for The Westminster Academy (Westbourne Green)) are responsible for preparing the Directors' Report and the accounts in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the 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 charitable company 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:

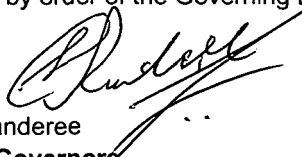
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting 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 charitable company will continue in business.

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

The Directors are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring that grants received from 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 charitable company'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 20 December 2016 and signed on its behalf by:


Shabir Randeree
Chair of Governors

THE WESTMINSTER ACADEMY (WESTBOURNE GREEN)

INDEPENDENT AUDITOR'S REPORT ON THE ACCOUNTS TO THE MEMBERS OF THE WESTMINSTER ACADEMY (WESTBOURNE GREEN)

We have audited the accounts of The Westminster Academy (Westbourne Green) for the year ended 31 August 2016 set out on pages 21 to 43. 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), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the 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 Directors' Responsibilities Statement set out on page 16, the Directors, who also act as Trustees for the charitable activities of The Westminster Academy (Westbourne Green), 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 charitable company'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' Report including the incorporated strategic report to identify material inconsistencies with the audited accounts and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on accounts

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2016 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 Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016.

Opinion on other matter prescribed by the Companies Act 2006

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

THE WESTMINSTER ACADEMY (WESTBOURNE GREEN)

INDEPENDENT AUDITOR'S REPORT ON THE ACCOUNTS TO THE MEMBERS OF THE WESTMINSTER ACADEMY (WESTBOURNE GREEN) (CONTINUED)

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 Directors' 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: 22/12/16

THE WESTMINSTER ACADEMY (WESTBOURNE GREEN)

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

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 2015 to 2016, 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 1 September 2015 to 31 August 2016 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 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 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 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 March 2007 and the Academies Financial Handbook, extant from 1 September 2015, 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 2015 to 2016. 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 1 September 2015 to 31 August 2016 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 2015 to 2016 issued by EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

THE WESTMINSTER ACADEMY (WESTBOURNE GREEN)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE WESTMINSTER ACADEMY (WESTBOURNE GREEN) AND THE EDUCATION FUNDING AGENCY (CONTINUED)

The work undertaken to draw to our conclusion includes:

- a review and evaluation of the general control environment of the Academy, with a particular focus on controls to ensure the regularity of transactions;
- the implementation and operation of controls by performing substantive testing and analytical review procedures, as part of our standard statutory audit engagement, that also gave us assurances relevant for this report on regularity;
- holding discussions with the Accounting Officer to determine evidence used to support her declaration with regard to regularity and impropriety;
- testing of a sample of payments to staff to confirm that all transactions requiring prior clearance from the Secretary of State were correctly approved (or that there were no such transactions);
- testing of a sample of payments to suppliers and other third parties regarding procurement activity, to ensure this has been in accordance with Annex 4.6 of Managing Public Money; and
- a review of minutes of various committees and other evidence made available to us relevant to our consideration of regularity.
- requesting and receiving confirmation from the EFA that there is no information that they are aware of that may impact upon the planning and subsequent delivery of the regularity assurance engagement.

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 1 September 2015 to 31 August 2016 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Stephen Simou FCA
Reporting Accountant
Citroen Wells
Devonshire House
1 Devonshire Street
London
W1W 5DR

Dated: 22/12/2016

THE WESTMINSTER ACADEMY (WESTBOURNE GREEN)

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2016

	Notes	Unrestricted Funds £	Restricted funds: General	Fixed asset £	Total 2016 £	Total 2015 £
Income and endowments from:						
Charitable activities:						
- Funding for educational operations	3	40,044	9,564,430	-	9,604,474	10,066,238
Other trading activities	4	543,195	-	-	543,195	524,564
Investments	5	732	-	-	732	1,885
Total income and endowments		583,971	9,564,430	-	10,148,401	10,592,687
Expenditure on:						
Charitable activities:						
- Educational operations	7	473,541	9,602,547	772,633	10,848,721	11,910,003
Total expenditure	6	473,541	9,602,547	772,633	10,848,721	11,910,003
Net income/(expenditure)		110,430	(38,117)	(772,633)	(700,320)	(1,317,316)
Other recognised gains and losses						
Actuarial (losses)/gains on defined benefit pension schemes	20	-	(1,735,000)	-	(1,735,000)	131,000
Net movement in funds		110,430	(1,773,117)	(772,633)	(2,435,320)	(1,186,316)
Reconciliation of funds						
Total funds brought forward		206,587	(469,500)	26,443,006	26,180,093	27,366,409
Total funds carried forward		317,017	(2,242,617)	25,670,373	23,744,773	26,180,093

THE WESTMINSTER ACADEMY (WESTBOURNE GREEN)

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

FOR THE YEAR ENDED 31 AUGUST 2016

Comparative year information		Unrestricted	Restricted funds:		Total
Year ended 31 August 2015		Funds	General	Fixed asset	2015
	Notes	£	£	£	£
Income and endowments from:					
Charitable activities:					
- Funding for educational operations	3	99,578	9,966,660	-	10,066,238
Other trading activities	4	524,564	-	-	524,564
Investments	5	1,885	-	-	1,885
Total income and endowments		<u>626,027</u>	<u>9,966,660</u>	<u>-</u>	<u>10,592,687</u>
Expenditure on:					
Charitable activities:					
- Educational operations	7	461,930	10,671,234	776,839	11,910,003
Total expenditure	6	<u>461,930</u>	<u>10,671,234</u>	<u>776,839</u>	<u>11,910,003</u>
Net income/(expenditure)		164,097	(704,574)	(776,839)	(1,317,316)
Transfers between funds		(204,296)	204,296	-	-
Other recognised gains and losses					
Actuarial gains on defined benefit pension schemes	20	-	131,000	-	131,000
Net movement in funds		(40,199)	(369,278)	(776,839)	(1,186,316)
Reconciliation of funds					
Total funds brought forward		246,786	(100,222)	27,219,845	27,366,409
Total funds carried forward		<u>206,587</u>	<u>(469,500)</u>	<u>26,443,006</u>	<u>26,180,093</u>

THE WESTMINSTER ACADEMY (WESTBOURNE GREEN)

BALANCE SHEET

AS AT 31 AUGUST 2016

	Notes	2016 £	2015 £
Fixed assets			
Tangible assets	12	25,670,372	26,443,005
Investments	13	1	1
		<u>25,670,373</u>	<u>26,443,006</u>
Current assets			
Stocks	14	8,480	47,979
Debtors	15	387,746	781,277
Cash at bank and in hand		795,761	919,337
		<u>1,191,987</u>	<u>1,748,593</u>
Current liabilities			
Creditors: amounts falling due within one year	16	(816,087)	(1,542,006)
Net current assets		<u>375,900</u>	<u>206,587</u>
Net assets excluding pension liability		<u>26,046,273</u>	<u>26,649,593</u>
Defined benefit pension liability	20	(2,301,500)	(469,500)
Net assets		<u><u>23,744,773</u></u>	<u><u>26,180,093</u></u>
Funds of the Academy:			
Restricted funds	18		
- Fixed asset funds		25,670,373	26,443,006
- Restricted income funds		58,883	-
- Pension reserve		(2,301,500)	(469,500)
Total restricted funds		<u>23,427,756</u>	<u>25,973,506</u>
Unrestricted income funds	18	<u>317,017</u>	<u>206,587</u>
Total funds		<u><u>23,744,773</u></u>	<u><u>26,180,093</u></u>

The accounts set out on pages 21 to 43 were approved by the Governing Body and authorised for issue on 20 December 2016 and are signed on its behalf by:

Shabir Randeree
Chair of Governors

Company Number 05102934

THE WESTMINSTER ACADEMY (WESTBOURNE GREEN)

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2016

	Notes	2016 £	£	2015 £	£
Cash flows from operating activities					
Net cash (used in)/provided by operating activities	21		(124,308)		181,142
Cash flows from investing activities					
Dividends, interest and rents from investments		732		1,885	
			732		1,885
Change in cash and cash equivalents in the reporting period			(123,576)		183,027
Cash and cash equivalents at 1 September 2015			919,337		736,310
Cash and cash equivalents at 31 August 2016			795,761		919,337

THE WESTMINSTER ACADEMY (WESTBOURNE GREEN)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

The Westminster Academy (Westbourne Green) is a charitable company. The address of its principal place of business is given on page 1 and the nature of its operations are set out in the Directors' report.

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgements and key sources of estimation uncertainty, is set out below.

1.1 Basis of preparation

The accounts of the Academy have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

The Westminster Academy (Westbourne Green) meets the definition of a public benefit entity under FRS 102.

These accounts for the year ended 31 August 2016 are the first accounts of The Westminster Academy (Westbourne Green) prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 September 2014. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 26.

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 significant doubt on the ability of the Academy to continue as a going concern. The Directors make this assessment in respect of a period of at least 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 Income

All incoming resources are recognised when the Academy has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

Grants

Grants are included in the statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

THE WESTMINSTER ACADEMY (WESTBOURNE GREEN)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

(Continued)

General Annual Grant is recognised in full in the statement of financial activities in the period for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.

Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

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 (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

Donations

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

Other income

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the Academy has provided the goods or services.

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

Expenditure on raising funds

This includes all expenditure incurred by the Academy to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Charitable activities

These are costs incurred on the Academy's educational operations, including support costs and costs relating to the governance of the Academy apportioned to charitable activities.

Governance costs

These include the costs attributable to the Academy's compliance with constitutional and statutory requirements, including audit, strategic management, Directors' meetings and reimbursed expenses.

All expenditure are shown net of VAT.

THE WESTMINSTER ACADEMY (WESTBOURNE GREEN)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

(Continued)

1.5 Tangible fixed assets

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.

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. Where there are specific conditions attached to the funding that require the continued use of the asset, 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 the relevant assets is charged directly to the restricted fixed asset fund in the statement of financial activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset over its expected useful life, as follows:

Long leasehold property	2% on a straight line basis
Computer equipment and software	16.667% on a straight line
Fixtures and fittings	25% on a 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 Liabilities

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

1.7 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.

1.8 Stock

Stock is valued at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less further costs to completion and disposal. Provision is made for obsolete and slow moving stock.

1.9 Taxation

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

THE WESTMINSTER ACADEMY (WESTBOURNE GREEN)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

(Continued)

1.10 Pensions benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 20, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

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 credit 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 the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses. Actuarial gains and losses are recognised immediately in other recognised gains and losses.

1.11 Fund accounting

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

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

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Education Funding Agency.

1.12 Critical accounting estimates and areas of judgement

Accounting estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The Academy makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

THE WESTMINSTER ACADEMY (WESTBOURNE GREEN)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

1 Accounting policies

(Continued)

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgement

The Academy's accounting policy for tangible fixed assets is set out in note 1.5. The carrying value of fixed assets as at 31 August 2016 was £25,670,372 and the depreciation charge for the year was £772,633. The estimated useful economic lives of fixed assets are based on management's judgement and experience. Asset lives and residual values are reviewed annually and an adjustment is made for any material difference arising from the difference between the actual and estimated useful lives. Historically, however, any changes to the estimates of useful economic lives of any assets have not been material.

2 General Annual Grant (GAG)

Under the funding agreement with the Secretary of State, the Academy was subject to limits at 31 August 2016 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

The Academy has not exceeded these limits during the year ended 31 August 2016.

3 Funding for the Academy's educational operations

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
DfE / EFA grants				
General annual grant (GAG)	-	8,792,736	8,792,736	9,036,707
Other DfE / EFA grants	-	612,517	612,517	746,382
	-	9,405,253	9,405,253	9,783,089
Other government grants				
Local authority grants	-	136,984	136,984	183,571
Other funds				
Other incoming resources	40,044	22,193	62,237	99,578
Total funding	40,044	9,564,430	9,604,474	10,066,238

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 FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

4 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Hire of facilities	392,418	-	392,418	351,302
Catering income	138,039	-	138,039	122,862
Other income	12,738	-	12,738	50,400
	<u>543,195</u>	<u>-</u>	<u>543,195</u>	<u>524,564</u>

5 Investment income

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Interest from short term deposits	732	-	732	1,885
	<u>732</u>	<u>-</u>	<u>732</u>	<u>1,885</u>

6 Expenditure

	Staff costs £	Premises & equipment £	Other costs £	Total 2016 £	Total 2015 £
Academy's educational operations					
- Direct costs	5,828,238	772,633	1,199,536	7,800,407	8,672,141
- Allocated support costs	1,514,343	369,159	1,164,812	3,048,314	3,237,862
	<u>7,342,581</u>	<u>1,141,792</u>	<u>2,364,348</u>	<u>10,848,721</u>	<u>11,910,003</u>
Total expenditure	<u>7,342,581</u>	<u>1,141,792</u>	<u>2,364,348</u>	<u>10,848,721</u>	<u>11,910,003</u>

Net income/(expenditure) for the year includes:

	2016 £	2015 £
Fees payable to auditor for:		
- Audit	20,000	16,000
- Other services	18,336	22,797
Operating lease rentals	29,017	30,290
Depreciation of tangible fixed assets	<u>772,633</u>	<u>776,839</u>

THE WESTMINSTER ACADEMY (WESTBOURNE GREEN)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

7 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Direct costs - educational operations	-	7,800,407	7,800,407	8,672,141
Support costs - educational operations	473,541	2,574,773	3,048,314	3,237,862
	<u>473,541</u>	<u>10,375,180</u>	<u>10,848,721</u>	<u>11,910,003</u>

Analysis of costs

	2016 £	2015 £
Direct costs		
Teaching and educational support staff costs	5,828,238	6,351,635
Depreciation and amortisation	772,633	754,767
Educational supplies and services	521,182	694,711
Examination fees	102,666	88,987
Educational consultancy	464,776	639,489
Other direct costs	110,912	142,552
	<u>7,800,407</u>	<u>8,672,141</u>
Support costs		
Support staff costs	1,514,343	1,697,280
Depreciation and amortisation	-	22,072
Technology costs	147,106	143,748
Maintenance of premises and equipment	369,159	240,690
Cleaning	25,960	16,129
Energy costs	155,980	164,665
Rent and rates	86,208	85,587
Insurance	37,301	105,363
Catering	182,920	187,426
Interest and finance costs	17,000	21,000
Other support costs	328,744	311,604
Governance costs	183,593	242,298
	<u>3,048,314</u>	<u>3,237,862</u>

THE WESTMINSTER ACADEMY (WESTBOURNE GREEN)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

8 Governance costs

	Unrestricted funds £	Restricted funds £	Total 2016 £	Total 2015 £
Amounts included in support costs				
Legal and professional fees	5,952	26,459	32,411	14,892
Auditor's remuneration				
- Audit of financial statements	-	20,000	20,000	16,000
- Other audit costs	-	18,336	18,336	22,797
Other governance costs	19,837	93,009	112,846	188,609
	<u>25,789</u>	<u>157,804</u>	<u>183,593</u>	<u>242,298</u>

9 Staff costs

	2016 £	2015 £
Wages and salaries	5,732,686	6,157,696
Social security costs	492,186	458,758
Operating costs of defined benefit pension schemes	785,405	695,820
Staff costs	<u>7,010,277</u>	<u>7,312,274</u>
Supply staff costs	346,804	582,896
Staff restructuring costs	(14,500)	153,745
Total staff expenditure	<u>7,342,581</u>	<u>8,048,915</u>

Staff numbers

The average number of persons employed by the Academy during the year was as follows:

	2016 Number	2015 Number
Teachers	102	101
Administration and support	45	53
Management	4	4
	<u>151</u>	<u>158</u>

THE WESTMINSTER ACADEMY (WESTBOURNE GREEN)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

9 Staff costs

(Continued)

Higher paid staff

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2016 Number	2015 Number
£60,001 - £70,000	3	2
£70,001 - £80,000	1	1
£80,001 - £90,000	-	2
£100,001 - £110,000	1	1
	<u> </u>	<u> </u>

All staff severance costs were either statutory or contractual.

Key management personnel

The key management personnel of the Academy comprise the Directors and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy was £324,062 (2015: £283,035).

10 Directors' remuneration and expenses

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 value of Governors' remuneration and other benefits was as follows:

Dr Saima Rana (Principal):

- Remuneration £110,000 - £115,000 (2015: £80,000 - £85,000)
- Employer's pension contributions £15,000 - £20,000 (2015: £10,000 - £15,000)

Smita Bora (Principal):

- Remuneration £70,000 - £75,000 (2015: £105,000 - £110,000)
- Employer's pension contributions £10,000 - £15,000 (2015: £15,000 - £20,000)

Alice Pugh (staff governor):

- Remuneration £30,000 - £35,000 (2015: £nil)
- Employer's pension contributions £10,000 - £15,000 (2015: £nil)

Grace Rigg (staff governor):

- Remuneration £45,000 - £50,000 (2015: £40,000 - £45,000)
- Employer's pension contributions £5,000 - £10,000 (2015: £5,000 - £10,000)

Ljaureta Krasniqi (staff governor):

- Remuneration £15,000 - £20,000 (2015: £0 - £5,000)
- Employer's pension contributions £0 - £5,000 (2015: £nil)

Other related party transactions involving the Directors are set out within the related parties note.

THE WESTMINSTER ACADEMY (WESTBOURNE GREEN)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

11 Directors and officers insurance

The Academy has opted into the Department of Education's risk protection arrangement (RPA), an alternative to insurance where the UK government funds cover losses that arise. This scheme protects Trustees and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business, and provides cover up to an aggregate amount of £10,000,000 per year. It is not possible to quantify the Trustees and Officers indemnity element from the overall cost of the RPA scheme.

12 Tangible fixed assets

	Long leasehold property	Computer equipment and software	Fixtures and fittings	Total
	£	£	£	£
Cost				
At 1 September 2015 and 31 August 2016	31,117,880	373,015	1,379,575	32,870,470
Depreciation				
At 1 September 2015	4,969,465	166,742	1,291,258	6,427,465
Charge for the year	622,358	70,601	79,674	772,633
At 31 August 2016	5,591,823	237,343	1,370,932	7,200,098
Net book value				
At 31 August 2016	25,526,057	135,672	8,643	25,670,372
At 31 August 2015	26,148,415	206,273	88,317	26,443,005

13 Fixed asset investments

	£
Market value	
At 1 September 2015 and at 31 August 2016	1
Historical cost:	
At 31 August 2016	1
At 31 August 2015	1

THE WESTMINSTER ACADEMY (WESTBOURNE GREEN)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

13 Fixed asset investments

(Continued)

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	%
Subsidiary undertakings			
Academy Community Limited (Co. Reg. No. 07005550)	England and 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:

Principal activities	Capital and reserves £	Profit/(loss) for the year £
Academy Community Limited (Co. Reg. No. 07005550)	Dormant 1	-

14 Stocks

2016
£

2015
£

School uniforms

8,480 47,979

15 Debtors

2016
£

2015
£

VAT recoverable

98,293 178,717

Other debtors

11,640 38,981

Prepayments and accrued income

277,813 563,579

387,746 781,277

16 Creditors: amounts falling due within one year

2016
£

2015
£

Trade creditors

62,743 394,804

Other taxation and social security

144,912 145,319

Accruals and deferred income

608,432 1,001,883

816,087 1,542,006

THE WESTMINSTER ACADEMY (WESTBOURNE GREEN)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

17	Deferred income	2016 £	2015 £
	Deferred income is included within:		
	Creditors due within one year	132,017	147,580
	Deferred income at 1 September 2015	147,580	77,127
	Released from previous years	(147,580)	(77,127)
	Amounts deferred in the year	132,017	147,580
	Deferred income at 31 August 2016	132,017	147,580

At the balance sheet date the Academy was holding funds received in advance for specific projects.

18	Funds	Balance at 1 September 2015 £	Income and endowments £	Expenditure £	Gains, losses & transfers £	Balance at 31 August 2016 £
	Restricted general funds					
	General Annual Grant	-	8,792,736	(8,756,046)	-	36,690
	Other DfE / EFA grants	-	612,517	(612,517)	-	-
	Other government grants	-	136,984	(136,984)	-	-
	Other restricted funds	-	22,193	-	-	22,193
	Funds excluding pensions	-	9,564,430	(9,505,547)	-	58,883
	Pension reserve	(469,500)	-	(97,000)	(1,735,000)	(2,301,500)
		(469,500)	9,564,430	(9,602,547)	(1,735,000)	(2,242,617)
	Restricted fixed asset funds					
	DfE / EFA capital grants	25,190,259	-	(610,029)	-	24,580,230
	Capital expenditure from GAG	241,747	-	(102,604)	-	139,143
	Private sector capital sponsorship	1,011,000	-	(60,000)	-	951,000
		26,443,006	-	(772,633)	-	25,670,373
	Total restricted funds	25,973,506	9,564,430	(10,375,180)	(1,735,000)	23,427,756
	Unrestricted funds					
	General funds	206,587	583,971	(473,541)	-	317,017
	Total funds	26,180,093	10,148,401	(10,848,721)	(1,735,000)	23,744,773

THE WESTMINSTER ACADEMY (WESTBOURNE GREEN)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

18 Funds

(Continued)

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. Under the funding agreement with the Secretary of State, the Academy was subject to a limit on the amount of GAG that it could carry forward at 31 August 2016. Note 2 discloses whether the limit was exceeded.

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.

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 by from the budgeted annual income. There is therefore no direct impact on the free reserves of the Academy because of recognising the deficit.

19 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total 2016 £
Fund balances at 31 August 2016 are represented by:				
Tangible fixed assets	-	-	25,670,372	25,670,372
Fixed asset investments	-	-	1	1
Current assets	328,657	838,330	25,000	1,191,987
Creditors falling due within one year	(11,640)	(779,447)	(25,000)	(816,087)
Defined benefit pension liability	-	(2,301,500)	-	(2,301,500)
	<u>317,017</u>	<u>(2,242,617)</u>	<u>25,670,373</u>	<u>23,744,773</u>

20 Pensions and similar obligations

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 Local Pension Fund Authority. Both are multi-employer defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012, and that of the LGPS related to the period ended 31 March 2013.

Contributions amounting to £9,256 (2015: £11,944) were payable to the schemes at 31 August 2016 and are included within creditors.

THE WESTMINSTER ACADEMY (WESTBOURNE GREEN)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

20 Pensions and similar obligations

(Continued)

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

The key elements of the valuation and subsequent consultation are:

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

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

The employer's pension costs paid to the TPS in the period amounted to £621,823 (2015: £530,734).

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

Under the definitions set out in FRS 102, the TPS is a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate Trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 12.5% for employers and 5.5% to 7.5% for employees.

THE WESTMINSTER ACADEMY (WESTBOURNE GREEN)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

20 Pensions and similar obligations

(Continued)

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of Academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

Total contributions made	2016 £	2015 £
Employer's contributions	87,000	85,000
Employees' contributions	44,000	43,000
Total contributions	131,000	128,000

Principal actuarial assumptions	2016 %	2015 %
Rate of increases in salaries	4.1	4.4
Rate of increase for pensions in payment	2.3	2.6
Discount rate	2.2	4.0
Inflation assumption (CPI)	3.2	3.5

Sensitivity analysis

	£'000s	£'000s	£'000s
Adjustment to discount rate	+0.1%	0.0%	-0.1%
Present value of total obligation	7,031	7,181	7,334
Projected service cost	241	246	251
Adjustment to long term salary increase	+0.1%	0.0%	-0.1%
Present value of total obligation	7,193	7,181	7,169
Projected service cost	246	246	246
Adjustment to pension increases and deferred revaluation	+0.1%	0.0%	-0.1%
Present value of total obligation	7,322	7,181	7,043
Projected service cost	251	246	241
Adjustment to life expectancy assumptions	+1 Year	None	-1 Year
Present value of total obligation	7,380	7,181	6,988
Projected service cost	252	246	240

THE WESTMINSTER ACADEMY (WESTBOURNE GREEN)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

20 Pensions and similar obligations

(Continued)

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

	2016 Years	2015 Years
Retiring today		
- Males	22.1	22.1
- Females	25.3	25.2
Retiring in 20 years		
- Males	24.4	24.2
- Females	27.7	27.6

The Academy's share of the assets in the scheme

	2016 Fair value £	2015 Fair value £
Equities	3,683,000	3,240,000
Gilts	124,000	109,000
Other bonds	564,000	534,000
Property	480,000	384,000
Other assets	28,000	102,000
Total market value of assets	4,879,000	4,369,000
Actual return on scheme assets - gain/(loss)	437,000	(188,000)

Amounts recognised in the statement of financial activities

	2016 £	2015 £
Current service cost (net of employee contributions)	167,000	163,000
Net interest cost	17,000	21,000
Total operating charge	184,000	184,000

Changes in the present value of defined benefit obligations

	2016 £
Obligations at 1 September 2015	4,838,500
Current service cost	167,000
Interest cost	193,000
Employee contributions	44,000
Actuarial loss	1,996,000
Benefits paid	(58,000)
At 31 August 2016	7,180,500

THE WESTMINSTER ACADEMY (WESTBOURNE GREEN)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

20 Pensions and similar obligations	(Continued)
Changes in the fair value of the Academy's share of scheme assets	2016 £
Assets at 1 September 2015	4,369,000
Interest income	176,000
Return on plan assets (excluding amounts included in net interest):	
Actuarial gain	261,000
Employer contributions	87,000
Employee contributions	44,000
Benefits paid	(58,000)
At 31 August 2016	<u>4,879,000</u>

The estimated value of employer contributions for the year ended 31 August 2017 is £84,000.

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.

21 Reconciliation of net expenditure to net cash flows from operating activities	2016 £	2015 £
Net expenditure for the reporting period	(700,320)	(1,317,316)
Adjusted for:		
Investment income	(732)	(1,885)
Defined benefit pension costs less contributions payable	80,000	78,000
Defined benefit pension net finance income	17,000	21,000
Depreciation of tangible fixed assets	772,633	776,839
Decrease in stocks	39,499	11,690
Decrease in debtors	393,531	443,912
(Decrease)/increase in creditors	(725,919)	168,902
Net cash (used in)/provided by operating activities	<u>(124,308)</u>	<u>181,142</u>

THE WESTMINSTER ACADEMY (WESTBOURNE GREEN)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

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 2016 the total future minimum lease payments under non-cancellable operating leases were as follows:

	2016 £	2015 £
Amounts due within one year	25,201	22,717
Amounts due in two and five years	44,101	-
	<u>69,302</u>	<u>22,717</u>

24 Related party transactions

There is no ultimate controlling party.

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.

During the year, the Academy received a donation of £15,450 (2015: £15,000) from The Exilarch Foundation, a charity in which David Dangoor is a Trustee.

25 Members' liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he or she is a member, or within one year after he or she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he or she ceases to be a member.

THE WESTMINSTER ACADEMY (WESTBOURNE GREEN)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2016

26 Reconciliations on adoption of FRS 102

The transition to FRS 102 affected the figures reported for the comparative period under previous UK GAAP for funds and net income or expenditure, as follows.

Reconciliation of funds for the previous financial period

	1 September 2014 £	31 August 2015 £
Funds as reported under previous UK GAAP and under FRS 102	27,366,409	26,180,093
Change in recognition of LGPS interest cost	1 -	-

Reconciliation of net loss for the previous financial period

	2015 £
Net expenditure as reported under previous UK GAAP and under FRS 102	(1,186,316)
Change in recognition of LGPS interest cost	1 -

Notes to reconciliations on adoption of FRS 102

1. Change in recognition of LGPS interest cost

Under previous UK GAAP the Academy recognised an expected return on defined benefit plan assets in income/expense. Under FRS 102 a net interest expense, based on the net defined benefit liability, is recognised in income/expense. There has been no change in the defined benefit liability at either 1 September 2014 or 31 August 2015. The effect of the change has been to reduce the debit to expense by £88,000 and increase the credit in other recognised gains and losses in the Statement of Financial Activities by an equivalent amount.