

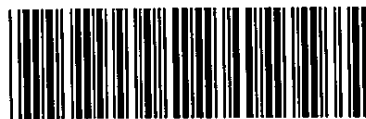
Registered Number 5598063
Registered Charity Number 1112261

MERCHANTS' ACADEMY WITHEYWOOD

Report and Financial Statements

31 August 2008

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MERCHANTS' ACADEMY WITHYWOOD

REPORT AND FINANCIAL STATEMENTS 2008

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MERCHANTS' ACADEMY WITHYWOOD

TRUSTEES AND DIRECTORS

The Trustees, who are also Directors of the company for the purpose of the Companies Act, and who were all appointed as Directors and Trustees on incorporation and registration with the Charity Commission (being 20 October 2005 and 24 November 2005 respectively), serving during the year and since the year end were as follows:

D A S Burn + ^ - / Chairman
P L M Sherwood + = - Deputy Chairman
K T Pearce + /
R J Morris + ~ ^ - = #
S C B Cooper +
R E J Bernays + ^ -
D Pretty + #

+ denotes member of the Academy Project Board
denotes member of the Finance Committee
~ denotes member of the Community and Stakeholder Committee
^ denotes member of the Education Committee
- denotes member of the H R Committee
= denotes member of the Partnership Committee
/ denotes member of the Building Committee

OFFICERS AND ADVISERS

Project Managers

Faber Maunsell
E C Harris
Capita Symonds

Registered Office

Merchants' Hall
The Promenade
Clifton
Bristol
BS8 3NH

Auditors

Deloitte LLP
3 Rivergate
Temple Quay
Bristol
BS1 6GD

Solicitors

Veale Wasbrough
Orchard Court
Orchard Lane
Bristol
BS1 5WS

Bankers

HSBC
49 Corn Street
Bristol
BS99 7PP

MERCHANTS' ACADEMY WITHYWOOD

REPORT OF THE TRUSTEES

The Trustees, who are also directors of the company for the purposes of the Companies Act, present their report and the audited financial statements for the year ended 31 August 2008.

The financial statements comply with current statutory requirements; the Memorandum and Articles of Association, applicable Accounting Standards in the United Kingdom, the Statement of Recommended Practice issued in March 2005 (SORP 2005) and the Companies Act 1985.

REFERENCE AND ADMINISTRATIVE INFORMATION

The information with respect to the Trustees, officers and advisers set out on page 1 forms part of this report.

The Academy is a company limited by guarantee, and a registered charity governed by its Memorandum and Articles of Association dated 20 October 2005.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Principal activity

The charitable company's principal activity is to establish and maintain an Academy in Bristol known as Merchants' Academy, Withywood. During the year, the Trustees have been engaged on the construction of the Academy at Withywood, Bristol. The sponsor of the Academy is the Society of Merchant Venturers with the University of Bristol.

The building project was successfully completed over the Summer and opened to students on 15 September 2008.

Governing document

The Academy is a company limited by guarantee, a registered charity governed by its Memorandum and Articles of Association dated 20 October 2005.

Trustees

The Board and Committees detailed on page 1 are made up of Trustees and other individuals. All committees operate under specific terms of reference, which delegate certain functions from the full board of Trustees. Each committee has its recommendations considered by the full board and ratified as received. During the year under review the Trustees met monthly as part of the Project Board Meetings (see below for details of the Project Board).

Project Board

The Project Board was established separately from the charitable company. It is responsible for ensuring the successful construction and opening of the Academy to cost, quality and time and for instituting governance and appropriate systems to enable the Academy to achieve its objectives.

Recruitment and training of Trustees

As set out in the Articles of Association, the Trustees of the Academy comprise:

- (a) Up to six persons appointed by the Society of Merchant Venturers;
- (b) One person appointed by the University of Bristol;
- (c) One person appointed by the Secretary of State;
- (d) The chairman of the Academy Governing Body; and
- (e) Any person unanimously agreed in writing.

MERCHANTS' ACADEMY WITHYWOOD

REPORT TO THE TRUSTEES (continued)

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Recruitment and training of Trustees (continued)

As set out in the Governing Document, not more than 11 Governors will be nominated by the Society of Merchant Venturers and two will be nominated by the University of Bristol. At least four Community Governors will be appointed by the Sponsor Governors. Governors will have a term in office until the AGM following three years service, when they may be eligible for re-election.

Trustees were members of the Project Board for over 18 months and therefore have a detailed understanding of the activities and plans of the Academy. On becoming a Trustee, new members are provided with a Trustee's responsibilities handbook

Organisational management

The Trustees of the Charity are legally responsible for the overall management and control of the Academy. They meet monthly as part of the Project Board and Progress meetings. The committees, as listed on page 1, operate under specific terms of reference, which delegate the consideration of certain functions from the Trustees. The Buildings Committee is chaired by Mr K T Pearce and comprises project managers and is responsible for the construction of the Academy. The Buildings Committee is empowered to make executive decisions on behalf of the Project Board.

The Trustees, all of whom served throughout the year to 31 August 2008 and since the year end, are listed on page 1.

The Academy recognises the importance of good communication to ensure that it is aware of the needs of all of its stakeholders. The Community and Stakeholder committee considers, identifies and reflects the views of the wider Withywood Community on all matters concerning the Academy, reporting and making recommendations to the Project Board.

The day to day running of the Academy is delegated to Faber Maunsell and the Principal for the operational project management and Capita Symonds (Trust Contract Manager) for the construction project management.

Relationships with related parties

The Society of Merchant Venturers is the entities ultimate controlling party (see note 14). During the year, the Society made a donation to the Academy of £1,000,000.

Risk management

In the light of Corporate Governance guidance contained within the Charities Statement of Recommended Practice issued on March 2005, the Trustees have spent time in identifying the major risks to which the Academy is exposed. These have been thoroughly reviewed and examined in detail and systems are being established to mitigate risks. The risk assessment is subject to review at each Board meeting. The Trustees are responsible for the management of the risks faced by the Academy and are satisfied that the major risks identified are being adequately mitigated. The Trustees recognise that any system can only provide reasonable but not absolute assurance that major risks have been adequately managed.

The key risk impacting on the Academy is insufficient revenue funding to meet the Academy's aspirations. The risk of insufficient funding is managed by regular meetings of the finance committee.

MERCHANTS' ACADEMY WITHYWOOD

REPORT TO THE TRUSTEES (continued)

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Risk management (continued)

The following statements summarise the Academy's policy in managing identified forms of financial risk:

Credit risk

Credit risk on amounts owed to the Academy by its funders is low as all the current debtors relate to the Department for Children, Schools and Families funding.

Liquidity risk and interest rate cash flow risk

The Academy will place surplus funds on short term deposit accounts with the Academy's bankers.

OBJECTIVES AND ACTIVITIES

Charitable objects

The Academy's objectives are:

- To advance, for the public benefit, education in the United Kingdom by establishing, maintaining, carrying on, managing and developing an Academy offering a broad curriculum with a strong emphasis on, but in no way limited to, enterprise and skills; and
- In so far as ancillary or incidental to the advancement of education, such other purposes for the benefit of the local community as shall be exclusively charitable.

Aims and intended impact

The Academy aims to meet this objective by the provision of an excellent independent education, through both academic success and wider social awareness and participation, to a broad spectrum of the community.

The Academy will also help regenerate Withywood by providing its young people with a first class education, developing their ambition, skills, confidence and potential.

This will be achieved through:

- Recognising the needs of every student;
- Engaging with students, parents and carers;
- A focus on enterprise and skills;
- Academic rigour with a vocational emphasis;
- Investment in information and communications technology to support staff, students and parents; and
- Being an innovative community of learning for adults and young people.

Objectives for the year

This is the third period of financial statements for the Academy and the key objective has been to ensure the building work commenced and was completed on time for opening in September 2008. This was successfully achieved and the Academy welcomed its first students on 15 September 2008.

MERCHANTS' ACADEMY WITHYWOOD

REPORT TO THE TRUSTEES (continued)

REVIEW OF ACHIVEMENTS AND PERFORMANCE FOR THE YEAR (continued)

Objectives for the year (continued)

The priorities for the Academy in 2008/09 are to:

- Raise standards in literacy and numeracy by working in partnership with Primary Schools;
- Focus on a specialism of enterprise and skills; and
- Monitor, review and improve KS3/4 standards and targets;
- Improve teaching and learning within the Academy and undertake a full curriculum review for probable implementation in September 2009;
- Encourage professional development for all staff;
- Raise the profile and attendance at co curricular and session 3 activities; and
- Encourage plans for connection with other cultures.

Operational performance of the Academy

During the year to 31 August 2008, construction work was continued on the Academy and educational and operational strategies were in the process of development.

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

Capital and project expenditure for the year was covered by grants from the DCSF. The excess of income over running costs for the year was £15,792,678 (2007: £6,999,973), broadly reflecting the amount spent on fixed assets in the year.

Investment powers, policy and performance

The Trustees may invest in such investments as they shall in their absolute discretion think fit. In practice, the Academy does not currently hold any long term investments. Short term deposits are held with the Academy's bankers.

Change in fixed assets

The movement in fixed assets during the year is set out in note 6 of the financial statements.

Asset cover for funds

Note 11 to the financial statements sets out an analysis of the assets attributable to the various funds. These assets are sufficient to meet the Academy's obligations in respect of each individual fund.

Reserves policy

It is recognised at present that the Academy is not in a position to generate surplus funds. All of the income has been utilised in the building of the Academy. During 2008/09, the Trustees will determine the amount of reserves required for future educational purposes and this will be reviewed on an annual basis.

MERCHANTS' ACADEMY WITHYWOOD

REPORT TO THE TRUSTEES (continued)

GOVERNANCE

Statement of Trustees' responsibilities

The Trustees are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the governors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the net incoming/outgoing resources for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

AUDITORS

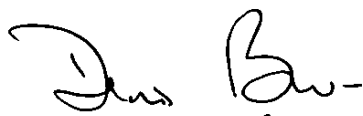
Each of the persons who is a director at the date of approval of this report confirms that:

- (1) so far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware; and
- (2) the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s234ZA of the Companies Act 1985.

A resolution to reappoint Deloitte & Touche LLP as the company's auditor will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board



D A S Burn
Chairman

9/12/08

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF

MERCHANTS' ACADEMY WITHYWOOD

We have audited the financial statements of Merchants' Academy Withywood for the year ended 31 August 2008 which comprise the Statement of Financial Activities (including the income and expenditure account), the balance sheet and the related notes 1 to 14. These financial statements have been prepared under the accounting policies set out therein.

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

Respective responsibilities of trustees and auditors

The responsibilities of the trustees (who are also the directors of Merchants' Academy Withywood for the purposes of company law) for preparing the Annual Report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Trustees' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Trustees' Report is consistent with the financial statements.

In addition we report to you if, in our opinion, the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and other transactions is not disclosed.

We read the Trustees' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

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

Opinion

In our opinion:

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the charitable company's affairs as at 31 August 2008 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- the financial statements have been properly prepared in accordance with the Companies Act 1985; and
- the information given in the Trustees' Report is consistent with the financial statements.



DELOITTE LLP
Chartered Accountants and Registered Auditors
Bristol, United Kingdom

11 December 2008

MERCHANTS' ACADEMY WITHYWOOD

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT) Year ended 31 August 2008

	Note	Unrestricted general fund £	Unrestricted designated fund £	Restricted capital fund £	Restricted income fund £	Other Restricted funds £	Total 2008 £	Total 2007 £
INCOMING RESOURCES								
Incoming resources from generated funds								
Bank interest		10,879	-	-	-	7,042	17,921	4,536
Voluntary income	2	-	301,050	14,838,210	767,057	643,773	16,550,090	7,328,508
Total incoming resources		<u>10,879</u>	<u>301,050</u>	<u>14,838,210</u>	<u>767,057</u>	<u>650,815</u>	<u>16,568,011</u>	<u>7,333,044</u>
RESOURCES EXPENDED								
Charitable activities								
Academy development		-	-	-	(761,358)	(8,276)	(769,634)	(327,549)
Governance costs		-	-	-	(5,699)	-	(5,699)	(5,522)
Total resources expended	3	<u>-</u>	<u>-</u>	<u>-</u>	<u>(767,057)</u>	<u>(8,276)</u>	<u>(775,333)</u>	<u>(333,071)</u>
Net movement in funds	5	<u>10,879</u>	<u>301,050</u>	<u>14,838,210</u>	<u>-</u>	<u>642,539</u>	<u>15,792,678</u>	<u>6,999,973</u>
Total funds brought forward	-	<u>4,536</u>	<u>-</u>	<u>7,103,582</u>	<u>-</u>	<u>-</u>	<u>7,108,118</u>	<u>108,145</u>
Fund balances carried forward		<u>15,415</u>	<u>301,050</u>	<u>21,941,792</u>	<u>-</u>	<u>642,539</u>	<u>22,900,796</u>	<u>7,108,118</u>

The statement of financial activities analyses all the incoming resources and expenditures of the Academy during the year and reconciles the movements in funds. Therefore there is no requirement to include a separate reconciliation of net income for the year, for the purposes of the Companies Act 1985.

All items dealt with in arriving at the net incoming resources for the financial year for 2008 relate to continuing operations.

There is no material difference between the net movement in funds for the year stated above and their historical cost equivalent.


MERCHANTS' ACADEMY WITHYWOOD

BALANCE SHEET At 31 August 2008

	Note	2008	2007
		£	£
FIXED ASSETS			
Tangible assets	6	21,941,792	7,103,582
CURRENT ASSETS			
Cash		991,873	9,992
Debtors	7	2,233,072	1,321,520
		<u>3,224,945</u>	<u>1,331,512</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	8	<u>(2,235,705)</u>	<u>(1,134,286)</u>
NET CURRENT ASSETS		<u>989,240</u>	<u>197,226</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>22,931,032</u>	<u>7,300,808</u>
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	9	<u>(30,236)</u>	<u>(192,690)</u>
NET ASSETS		<u>22,900,796</u>	<u>7,108,118</u>
REPRESENTED BY			
Unrestricted general funds	10	15,415	4,536
Unrestricted designated funds	10	301,050	-
Restricted capital fund	10	21,941,792	7,103,582
Other restricted Funds	10	642,539	-
	10	<u>22,900,796</u>	<u>7,108,118</u>

The financial statements were approved by the Board of Directors on 9/12/08

Signed on behalf of the Board of Directors


D A S Burn
Chairman

MERCHANTS' ACADEMY WITHYWOOD

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 August 2008

1. PRINCIPAL ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom, the Companies Act 1985 and the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005.

The accounting policies that the charitable company has adopted to determine the amounts included in respect of material items shown in the balance sheet and also to determine the income and expenditure have been applied consistently and are shown below.

Basis of accounting

The financial statements have been prepared in accordance with the historical cost convention.

The Academy has availed itself of Paragraph 3(3) of Schedule 4 of the Companies Act 1985 and adapted the Companies Act formats to reflect the special nature of the Academy's activities.

Voluntary income

Incoming resources are included in the statement of financial activities when the charitable company is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Grant income and grants for premises and equipment are recognised in the statement of financial activities and income and expenditure account in the period in which it is receivable.

Expenditure

- (a) All expenditure is accounted for on an accruals basis, inclusive of irrecoverable VAT, and is recognised when there is a legal or constructive obligation to pay for expenditure.
- (b) Charitable activities expenditure relates to costs incurred in the management of the development of the Academy.
- (c) Governance costs relate to the management of the charitable company and compliance with constitutional and statutory requirements.

All costs have been directly attributed to one of the functional categories of resources expended in the statement of financial activities.

Fund accounting

The unrestricted fund can be used in accordance with the charitable objects at the discretion of the Trustees.

Designated funds comprise unrestricted funds which have been set aside by the Trustees for a particular purpose.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors.

MERCHANTS' ACADEMY WITHYWOOD

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 August 2008

1. PRINCIPAL ACCOUNTING POLICIES (continued)

Cash flow statement

In the previous year the charitable company qualified as a small company under the terms of Section 247 of the Companies Act 1985. Consequently the charitable company has taken the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard 1 (revised 1996).

Tangible fixed assets

Tangible fixed assets acquired since the Academy was established are included in the financial statements at cost and are depreciated over their expected useful economic life. The related grants are credited to the statement of financial activities when they are receivable and included as a restricted fund. The depreciation is charged to the restricted fund consistent with the depreciation policy.

Assets under construction are not depreciated.

The de-minimis limit for capitalisation of fixed assets is £1,000.

Taxation

No corporation tax has been provided in the financial statements of the Academy as the income of the charity is covered by the exemption granted by Section 505 of the Income and Corporation Taxes Act 1988.

The Academy cannot recover value added tax and expenditure, where applicable, is therefore included gross of the related value added tax.

2.	VOLUNTARY INCOME	2008 £	2007 £
	Department for Children, Schools and Families capital grant	13,838,210	6,995,437
	Other capital donations	1,000,000	-
	Department for Children, Schools and Families implementation grant	767,057	333,071
	Other restricted Funds	643,773	-
	Designated funds	301,050	-
		<u>16,550,090</u>	<u>7,328,508</u>

3. TOTAL RESOURCES EXPENDED

	Staff costs £	Other professional fees £	Project management £	Others £	2008 Total £	2007 Total £
Academy development	252,992	445,040	63,326	8,276	769,634	327,549
Governance costs	-	-	-	5,699	5,699	5,522
	<u>252,992</u>	<u>445,040</u>	<u>63,326</u>	<u>13,975</u>	<u>775,333</u>	<u>333,071</u>

MERCHANTS' ACADEMY WITHYWOOD

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 August 2008

4. INFORMATION REGARDING TRUSTEES AND EMPLOYEES	2008 £	2007 £
Employee costs during the year:		
Wages and salaries	212,810	41,500
Social security costs	22,270	4,342
Pension costs	19,912	5,288
At 31 August 2008	254,992	51,130
 Average number of persons employed:	 No.	 No.
Teaching	2	1
Administrative and support	2	1
	4	2

No trustees received remuneration from the Academy during the year (2007: £nil).

There was one employee with emoluments in excess of £60,000 during the financial year.

5. NET MOVEMENT IN FUNDS	2008 £	2007 £
Net movement in funds is stated after charging:		
Auditors' remuneration (including unrecoverable VAT):		
for audit services	5,522	5,522
for pension audit services	177	177
	5,699	5,699

6. TANGIBLE FIXED ASSETS	Assets under construction £
Cost and net book value	
At 1 September 2007	7,103,582
Additions	14,838,210
At 31 August 2008	21,941,792

The net book value at 31 August 2008 represents fixed assets used for direct charitable purpose:

	£
Education provision	21,941,792

MERCHANTS' ACADEMY WITHYWOOD

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 August 2008

7.	DEBTORS	2008 £	2007 £		
	Grants receivable	2,021,181	1,321,520		
	Prepayments	204,648	-		
	Other debtors	7,243	-		
		<u>2,233,072</u>	<u>1,321,520</u>		
8.	CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2008 £	2007 £		
	Taxation and social security	11,486	3,837		
	Capital creditors	1,927,766	1,124,927		
	Accruals	40,268	5,522		
	Implementation	245,482	-		
	Deferred income	10,703	-		
		<u>2,235,705</u>	<u>1,134,286</u>		
9.	CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	2008 £	2007 £		
	Retentions on building work	<u>30,236</u>	<u>192,690</u>		
10.	STATEMENT OF FUNDS				
	Balance at 1 September 2007 £	Incoming resources £	Resources expended £	Balance at 31 August 2008 £	
	Unrestricted general funds	4,536	10,879	-	15,415
	Unrestricted designated funds	-	301,050	-	301,050
	Restricted funds:				
	Restricted capital fund	7,103,582	14,838,210	-	21,941,792
	Restricted income fund	-	767,057	(767,057)	-
	Army Cadet Centre	-	305,152	-	305,152
	Merchants Academy Hall	-	121,518	-	121,518
	Youth Worker	-	50,000	-	50,000
	Mentoring/Outdoor Pursuits	-	19,750	(8,276)	11,474
	Other	-	11,976	-	11,976
	WSC School Fund	-	108,643	-	108,643
	Computers for Pupils	-	33,776	-	33,776
	Total funds	<u>7,108,118</u>	<u>16,568,011</u>	<u>(775,333)</u>	<u>22,900,796</u>

MERCHANTS' ACADEMY WITHYWOOD

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 August 2008

10. STATEMENT OF FUNDS (continued)

Restricted funds

The restricted capital fund comprises funds received from the Department for Children, Schools and Families and the Society of Merchant Venturers for the purpose of building the Academy.

The restricted income fund comprises funds received from the Department for Children, Schools and Families for the purpose of other non-capital start-up costs for the Academy.

The Army Cadet Centre fund comprises funds received from Ministry of Defence for the purpose of developing an Army Cadet Centre.

The Merchants Academy Hall fund comprises funds received from Imperial Tobacco for the purpose of developing the Merchants Academy Hall

The Youth Worker fund comprises funds received for a three year appointment of a youth worker at the Academy.

The Mentoring/Outdoor pursuits fund comprises funds received for the purpose of providing a programme to all students that will develop individual and team skills within an outdoor, adventurous and challenging environment.

The WCS School Fund comprises funds received from WCS relating to the John James Foundation.

The Computers for Pupils fund comprises funds received from BCC for the purpose of providing students with computers.

Other restricted funds comprise of various funds received individually totalling less than £5k for restricted purposes.

Designated funds

The Merchants Academy Hall fund comprises funds received from Bristol City Council for the purpose of developing the Merchants Academy Hall.

11. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted general fund £	Unrestricted designated fund £	Restricted capital fund £	Restricted income fund £	Restricted funds £	Total £
Tangible fixed assets	-	-	21,941,792	-	-	21,941,792
Current assets	15,415	301,050	-	2,265,941	642,539	3,224,945
Current liabilities	-	-	-	(2,235,705)	-	(2,235,705)
Non-current liabilities	-	-	-	(30,236)	-	(30,236)
	<u>15,415</u>	<u>301,050</u>	<u>21,941,792</u>	<u>-</u>	<u>642,539</u>	<u>22,900,796</u>

MERCHANTS' ACADEMY WITHYWOOD

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 August 2008

12. CAPITAL

The Academy is a company limited by guarantee. Each member has undertaken to contribute £10 to the assets of the company to meet its liabilities if called to do so. The amount guaranteed by the Members as 31 August 2008 is £50 (2007: £50).

13. PENSIONS AND PENSION SCHEMES

Teachers' Pension scheme

The Academy is a member of the Teachers' Pension Scheme ('TPS'), a defined benefit pension scheme, to which both the Academy and staff contribute. The TPS is an unfunded scheme. Contributions on a 'pay-as-you-go' basis are credited to the exchequer under arrangements governed by the Superannuation Act 1972.

The pensions cost is assessed not less than every four years in accordance with the advice of the government actuary. The latest valuation for the period from 1 April 2003 to 31 March 2004 was issued in October 2007. The assumptions and other data that have the most significant effect on the determination of the contribution levels are shown on the table overleaf:

Actuarial method	Prospective benefits
Assumed gross rate of return per annum	6.5% per annum
Assumed real rate of return	3.5% in excess of prices and 2% in excess of earnings
Assumed rate of real earning growth per annum	1.5% per annum
Assumed gross rate of return	6.5% per annum
Market value of assets at date of last valuation	£163.2 billion
Total value of liabilities at date of last valuation	£166.5 billion

Under definitions set out in Financial Reporting Standard 17 (Retirement Benefits), the TPS is a multi-employer pension scheme. The Academy is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the Academy has accounted for its contributions as if it were a defined contribution scheme. The superannuation costs representing the costs payable to the fund in the year amounted to £19,912 (2007: £5,288).

From 1 January 2008, and as part of the cost sharing agreement between employer and union representatives, the standard contribution rate is 19.75% plus a supplementary contribution rate of 0.75% making a total contribution rate of 20.5%. This will be payable as follows: employer 14.1% and employee 6.4%. The cost sharing agreement will also introduce, for the first time from the 2008 valuation, a 14% cap on employer contributions payable.

14. ULTIMATE CONTROLLING PARTY

The Academy is controlled by the Society of Merchant Venturers as they nominate the majority of the members of the Trustees. As set out in the governing document, up to six of the Trustees are nominated by the Society of Merchant Venturers, one Trustee is appointed by the University of Bristol, one Trustee is appointed by the Secretary of State, one trustee is the Chairman of the Academy Governing Body and one person is unanimously appointed by the Board.