

Registered Number 05598063

Merchants' Academy Withywood

**Annual report and consolidated financial statements
for the year ended 31 August 2011**

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MERCHANTS' ACADEMY WITHYWOOD

REPORT AND FINANCIAL STATEMENTS 2011

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MERCHANTS' ACADEMY WITHYWOOD

LEGAL AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS GOVERNORS AND ADVISERS

Present Trustees and Governors/Directors and those who have served during the year

D Burn – Chairman # ^ (resigned 31 August 2011)
C Curling – Chairman (appointed Chairman 31 August 2011)
R Morris
R Bernays
D Pretty (resigned 31 August 2011)
A Kenny
P McCarthy – Deputy Chairman
R Sutherland
S Wilks (resigned 31 August 2011)
D Crawford
M Speirs
M Clark (resigned 31 August 2011)
N Batchelar
R Davis (resigned 31 August 2011)
T Stelljes (resigned 31 August 2011)
C Willmore
N Hood
R Ansell
L Robinson
P Moseley
E Bailey

The individuals listed above are the trustees of the charity, and directors of the company, and they are also known as Governors

Throughout the Report of the Governors they will be referred to as Governors

Principal A Burrell

Academy Leadership Team A Cavaciuti
P Collins
M Cooke
P Higgins
G Meiklejohn
T Parnell
N Tamlyn
N Short
C Somers
J Stanley
P Widnall

Registered Office Merchants' Academy
Gatehouse Avenue
Withywood
Bristol
BS13 9AJ

MERCHANTS' ACADEMY WITHYWOOD

LEGAL AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS GOVERNORS AND ADVISERS (continued)

Company Registration Number 05598063

Responsible Officer F Brown

Auditor Deloitte LLP
3 Rivergate
Temple Quay
Bristol
BS1 6GD

Solicitors Veale Wasbrough
Orchard Court
Orchard Lane
Bristol
BS1 5WS

Darbys Solicitors LLP
52 New Inn Hall Street
Oxford
OX1 2DN

Bankers HSBC
62 George White Street
Cabot Circus
Bristol
BS1 3BA

Project advisers Capita Symonds
E C Harris

MERCHANTS' ACADEMY WITYWOOD

REPORT OF THE GOVERNORS

The Governors, 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 2011

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 2006

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

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

Members and members' liability

As set out in the Articles of Association, the members of the Academy comprise

- (a) up to six persons appointed by the Society of Merchant Venturers (Principal Sponsor),
- (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

The Academy is limited by guarantee and is a registered charity. The Academy does not have share capital. Every member of the Academy undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £10, for the debts and liabilities contracted before he/she ceases to be a member.

Directors/Governors/Trustees

The Board and the Committees detailed below are made up of Governors and other individuals. All committees operate under specific terms of reference, which delegate certain functions from the full board of Governors. Each committee has its recommendations considered by the full board and ratified as received.

As set out in the Governing Document, not more than 11 Governors will be nominated by the Society of Merchant Venturers and not more than two will be nominated by the University of Bristol. At least four Community Governors will be appointed by the Sponsor Governors. This includes one elected parent governor, one staff governor, one individual proposed by the LEA and individuals from the local community. Governors will have a term in office until the AGM following three years' service, when they may be eligible for re-election.

During the year under review the Governors held four full Governors' meetings. In addition, there was a full day's event covering the Academy's development plan and future strategic direction. The Governor committees meet as frequently as is necessary for the provision of oversight of their areas of responsibility. The governor committees are as follows:

- Planning and Resourcing Committee
- Opportunities and Horizons Committee
- Educational Excellence Committee
- Human Resources and Health and Safety Committee
- Student Support Committee
- Fund Development Group
- Merchants' Academy Services Limited

MERCHANTS' ACADEMY WITHYWOOD

REPORT OF THE GOVERNORS (continued)

The training and induction provided for new Governors depends on their existing experience. Where necessary, induction provides training on charity and educational, legal and financial matters. All new Governors are given a tour of the Academy and the chance to meet with staff and students. All Governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Governors. Induction is tailored specifically to the individual.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Organisational management

The Governors, as trustees of the Charity, are legally responsible for the overall management and control of the Academy. The committees, as listed on page 4, operate under specific terms of reference, which delegate the consideration of certain functions from the full Governing Body.

The Governors, all of whom served throughout the year to 31 August 2011 unless otherwise stated, are listed on page 1.

The day to day running of the Academy is delegated to the Principal and her team of Academy Directors, but major contracts and key strategic decisions must be referred back to the Governing Body.

Relationships with related parties

The Society of Merchant Venturers is the Academy's ultimate controlling party (see note 24). There were no transactions between the Academy and the Society of Merchant Venturers in the last two years.

Subsidiary and associated companies

The Academy owns 100% of the issued ordinary shares of Merchants' Academy Services Limited, a company registered in England and Wales (no 06707036). Once the subsidiary returns a profit it will donate the whole of its profits to the Academy. Further details about the subsidiary are given in note 18 to the accounts.

The Academy owns 20% of the issued ordinary shares of South West Academies Limited, a company registered in England and Wales (no 07297726). The results of South West Academies have not been incorporated into those of the group on the grounds of materiality.

Statement on the system of internal financial control

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

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

MERCHANTS' ACADEMY WITHYWOOD

REPORT OF THE GOVERNORS (continued)

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Statement on the system of internal financial control (continued)

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 Governors,
- regular reviews by the Planning and Resourcing Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes,
- setting targets to measure financial and other performance,
- clearly defined purchasing (asset purchase or capital investment) guidelines,
- delegation of authority and segregation of duties, and
- identification and management of risks

In addition, the Governors have considered the guidance for directors of public listed companies contained within the Turnbull Report. They believe that although it is not mandatory for the Academy it should, as a publicly funded body, adopt these guidelines as best practice. Accordingly they have set policies on internal controls which cover the following

- consideration of the type of risks the Academy faces,
- the likelihood of the risks materialising,
- the Academy's ability to reduce the incidence and impact on the business of risks that do materialise,
- the costs of operating particular controls relative to the benefit obtained,
- clarification of the responsibility of management to implement their policies, to identify and to evaluate risks for their consideration,
- communication that employees have responsibility for internal control as part of their accountability for achieving objectives,
- embedding the control system in the Academy's operations so that it becomes part of the culture of the Academy,
- developing systems to respond quickly to evolving risks arising from factors within the Academy and to changes in the external environment, and
- including procedures for reporting failings immediately to appropriate levels of management and the Governors together with details of corrective action being undertaken

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

These arrangements can provide only reasonable and not absolute assurance that assets are safeguarded, transactions authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected within a timely period.

MERCHANTS' ACADEMY WITHYWOOD

REPORT OF THE GOVERNORS (continued)

OBJECTIVES AND ACTIVITIES

Charitable objects

The Academy's objects 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

The Academy aims to meet this object 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,
- 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

The main objectives of the Academy during the year ended 31 August 2011 are summarised below

- improve teaching and learning within the Academy,
- monitor, review and improve Key Stage 3/4 standards and targets,
- raise standards in literacy and numeracy by working in partnership with primary schools,
- focus on a specialism of enterprise and skills,
- encourage professional development for all staff, and
- raise the profile of, and attendance at, co-curricular activities

Public benefit

The facilities of the Academy are free to the end users and therefore the Governors consider that the public benefit requirement has been met. The Governors have paid due regard to the guidance published by the Charity Commission in this respect.

MERCHANTS' ACADEMY WITHYWOOD

REPORT OF THE GOVERNORS (continued)

OBJECTIVES AND ACTIVITIES (continued)

Going concern

The Academy is in a net assets position, and has committed funding from the Young People's Learning Agency (YPLA) for the foreseeable future. On this basis the Governors have a reasonable expectation that the Academy has adequate resources to continue for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

Equal opportunities policy

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

Disabled persons

Lifts, ramps and disabled toilets have been installed and door widths have been built to enable wheelchair access to all the main areas of the Academy. The policy of the Academy is to support the employment of disabled persons both in recruitment and by retention of employees who become disabled whilst in the employment of the Academy, as well as generally through training and career development.

Achievements and performance

GCSE Results 2011

The number of students achieving 5 A*-C grades, including English and Mathematics, has increased to 32%, representing a 7% improvement against 2010. 61% of students gained 5 or more A*-C passes at either GCSE or BTEC level which is a 1% improvement on 2010.

Year	5 A* to C %	5 A* to C inc English and maths %	FFT D for A* to C inc English and maths %
2010	60	25	21
2011	61	32	32

MERCHANTS' ACADEMY WITHYWOOD

REPORT OF THE GOVERNORS (continued)

ACHIEVEMENTS AND PERFORMANCE (continued)

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

The majority of the Academy's income is received from the Department for Children, Schools and Families (DCSF) which, during the year, changed its name to the Young People's Learning Agency (YPLA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received during 2010/2011 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Academy also receives grants for fixed assets from the YPLA. In accordance with the Charity Commissioners' Statement of Recommended Practice, grants and donations are shown in the Statement of Financial Activities as restricted fixed asset funds. The balance sheet restricted fixed asset fund is reduced by transfers of amounts equivalent to any depreciation charges over the expected life of the assets concerned.

Expenditure for the year was covered by grants from the YPLA. As shown in the statement of financial activities on page 13, there was a net surplus of £182,000 (2010 net deficit of £354,000) being the net incoming resources, before transfers and other recognised gains and losses, for unrestricted and restricted funds.

Financial position

The fund balances are adequate to fulfil the obligations of the Academy and provide a balance against most unforeseen events. To achieve the development plan objectives and for other major capital projects the Academy remains dependent on the provision of grants from the YPLA and commercial supporters.

Investment powers, policy and performance

The Governors 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 13 of the financial statements.

Note 15 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.

MERCHANTS' ACADEMY WITHYWOOD

REPORT OF THE GOVERNORS (continued)

FINANCIAL REVIEW AND RESULTS FOR THE YEAR (continued)

Reserves policy

The Governors review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. As a state funded secondary school the Governors have assumed that state funding will continue at least at current levels in real terms. The Governors will ensure that the reserves policy continues to conform to the requirements laid down in the Academies Financial Handbook produced by the DCSF and YPLA, namely Academies are allowed to carry forward grants representing 12% of the current year's general annual grant (GAG). The amount that can be carried forward must be split as follows: up to 2% of GAG as unrestricted funds and up to 10% as restricted funds. The unrestricted funds can be allocated for any relevant purposes and the restricted funds must be allocated for the up-keep and improvement of premises, including capital expenditure.

Reserves at the year ended 31 August 2011 include £368,000 of start-up funding. This is because start-up funding was not fully expended in the first three years of operation and, in line with the YPLA agreement, may be carried forward for five years. The reserves will be used to fund current commitments to start up expenditure as well as expenditure required to implement the vision for the Academy.

Risk management

In the light of Corporate Governance guidance contained within the Charities Statement of Recommended Practice issued in March 2005, the Governors 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 have been established to mitigate risks. The risk assessment is subject to review at each Committee meeting. The Governors are responsible for the management of the risks faced by the Academy and are satisfied that the major risks identified are being appropriately mitigated. The Governors recognise that any system can only provide reasonable but not absolute assurance that major risks have been appropriately managed.

PLANS FOR FUTURE PERIODS

The Academy will continue striving to improve the levels of performance of its students at all levels and will continue its efforts to ensure its students get jobs or a place in higher education once they leave.

MERCHANTS' ACADEMY WITHYWOOD

ACCOUNTING AND REPORTING RESPONSIBILITIES

Statement of Governors' responsibilities

The Governors (who are also directors of Merchants' Academy Withywood for the purposes of company law) are responsible for preparing the Report of the Governors and the financial statements in accordance with applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Accounts Direction 2010/2011 issued by the YPLA

Company law requires the Governors to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the charitable company and of the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Governors are required to

- select suitable accounting policies and then apply them consistently,
- observe the methods and principles in the Charities SORP,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable United Kingdom Accounting Standards have been followed, and
- prepare the financial statements on the going concern basis unless it is inappropriate to assume that the charitable company will continue in business

The Governors are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements 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.

Statement on disclosure of information to the auditor

In so far as the Governors are aware

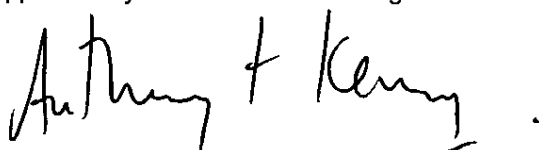
- (1) there is no relevant audit information of which the charitable company's auditor is unaware, and
- (2) the Governors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006

Auditor

A resolution to reappoint Deloitte LLP as auditor to the Academy will be proposed at the next Annual General Meeting

Approved by the Governors and signed on behalf of the Board



A Kenny
Director

7 December 2011

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MERCHANTS' ACADEMY WITYWOOD

We have audited the financial statements of Merchants' Academy Witywood for the year ended 31 August 2011 which comprise the Consolidated and Academy Statements of Financial Activities (including Income and Expenditure Account), the Consolidated and Academy Balance Sheets, the Consolidated Cash Flow Statement and the related notes 1 to 25. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), the Charities Statement of Recommended Practice 2005 (SORP) and the Annual Accounts Direction 2010/11 issued by the Young Person's Learning Agency (YPLA).

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 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 Governors and auditor

As explained more fully in the Statement of Governors' responsibilities, the Governors (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements 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 financial statements

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

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group and parent company's affairs as at 31 August 2011 and of the group's 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 and the Annual Accounts Direction 2010/11 issued by the YPLA, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

In our opinion, in all material respects, income from the YPLA has been applied for the purposes for which it was intended.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
MERCHANTS' ACADEMY WITHYWOOD (continued)**

**Opinion on other matters prescribed by the Companies Act 2006 and the Annual Accounts Direction
2010/11 issued by the YPLA**

In our opinion

- the information given in the Report of the Governors for the financial year for which the financial statements are prepared is consistent with the financial statements

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 by the parent charity or returns adequate for our audit have not been received from branches not visited by us, or
- the parent charity financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of Governors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Mark Hill (Senior statutory auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Bristol, United Kingdom

8 December 2011

MERCHANTS' ACADEMY WITHYWOOD

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (including the income and expenditure account) Year ended 31 August 2011

	Note	Unrestricted funds £000	Restricted general funds £000	Restricted fixed asset funds £000	Total 2011 £000	Total 2010 £000
INCOMING RESOURCES						
Incoming resources from generated funds						
Voluntary income	3	-	224	824	1,048	639
Activities for generating funds	4	310	-	-	310	274
Investment income	5	3	-	-	3	4
Incoming resources from Charitable activities						
Funding for the Academy's educational operations	6	-	5,589	75	5,664	5,271
Other incoming resources	7	3	-	-	3	7
Total incoming resources		<u>316</u>	<u>5,813</u>	<u>899</u>	<u>7,028</u>	<u>6,195</u>
RESOURCES EXPENDED						
Cost of generating funds						
Cost of generating voluntary income	8	-	382	784	1,166	784
Fundraising trading	8	164	-	-	164	155
Charitable activities						
Academy's educational operations	8	-	5,633	-	5,633	5,384
Governance costs	8	-	192	-	192	162
Total resources expended	8	<u>164</u>	<u>6,207</u>	<u>784</u>	<u>7,155</u>	<u>6,485</u>
Net incoming/(outgoing) resources before transfers		<u>152</u>	<u>(394)</u>	<u>115</u>	<u>(127)</u>	<u>(290)</u>
Gross transfers between funds		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net income/(expenditure) for the year		<u>152</u>	<u>(394)</u>	<u>115</u>	<u>(127)</u>	<u>(290)</u>
Other recognised gains and losses						
Actuarial gains/(losses) on defined benefit pension schemes	16	-	309	-	309	(64)
Net movement in funds		<u>152</u>	<u>(85)</u>	<u>115</u>	<u>182</u>	<u>(354)</u>
Reconciliation of funds						
Funds brought forward at 1 September 2010	14	<u>275</u>	<u>820</u>	<u>24,728</u>	<u>25,823</u>	<u>26,177</u>
Funds carried forward at 31 August 2011	14	<u>427</u>	<u>735</u>	<u>24,843</u>	<u>26,005</u>	<u>25,823</u>

All of the Academy's activities derive from continuing operations during the above two financial periods

A statement of total recognised gains and losses is not required as all gains and losses are included in the statement of financial activities

MERCHANTS' ACADEMY WITHYWOOD

ACADEMY STATEMENT OF FINANCIAL ACTIVITIES (including the income and expenditure account) Year ended 31 August 2011

	Note	Unrestricted funds £000	Restricted general funds £000	Restricted fixed asset funds £000	Total 2011 £000	Total 2010 £000
INCOMING RESOURCES						
Incoming resources from generated funds						
Voluntary income	3	-	224	824	1,048	639
Activities for generating funds	4	115	-	-	115	126
Investment income	5	3	-	-	3	4
Incoming resources from Charitable activities						
Funding for the Academy's educational operations	6	-	5,589	75	5,664	5,271
Other incoming resources	7	28	-	-	28	32
Total incoming resources		<u>146</u>	<u>5,813</u>	<u>899</u>	<u>6,858</u>	<u>6,072</u>
RESOURCES EXPENDED						
Cost of generating funds						
Cost of generating voluntary income	8	-	382	784	1,166	784
Fundraising trading	8	-	-	-	-	6
Charitable activities						
Academy's educational operations	8	-	5,633	-	5,633	5,384
Governance costs	8	-	192	-	192	162
Total resources expended	8	<u>-</u>	<u>6,207</u>	<u>784</u>	<u>6,991</u>	<u>6,336</u>
Net incoming/(outgoing) resources before transfers		146	(394)	115	(133)	(264)
Gross transfers between funds		-	-	-	-	-
Net income/(expenditure) for the year		<u>146</u>	<u>(394)</u>	<u>115</u>	<u>(133)</u>	<u>(264)</u>
Actuarial gains/(losses) on defined benefit pension schemes	16	-	309	-	309	(64)
Net movement in funds		<u>146</u>	<u>(85)</u>	<u>115</u>	<u>176</u>	<u>(328)</u>
Reconciliation of funds						
Funds brought forward at 1 September 2010	14	400	820	24,728	25,948	26,276
Funds carried forward at 31 August 2011	14	<u>546</u>	<u>735</u>	<u>24,843</u>	<u>26,124</u>	<u>25,948</u>

All of the Academy's activities derive from continuing operations during the above two financial periods

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

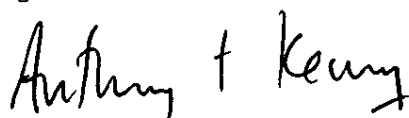
MERCHANTS' ACADEMY WITHYWOOD

CONSOLIDATED BALANCE SHEET As at 31 August 2011

	Note	2011 £000	2010 £000
Fixed assets			
Tangible assets	13	24,908	24,674
Current assets			
Trade debtors	19	30	22
Prepayments	19	56	130
Other debtors	19	101	22
Cash at bank and in hand		1,446	1,712
		<u>1,633</u>	<u>1,886</u>
Creditors amounts falling due within one year			
Trade creditors	20	156	208
Other taxation and social security	20	107	101
Other creditors	20	89	-
Accruals and deferred income	20	76	62
		<u>(428)</u>	<u>(371)</u>
Net current assets		1,205	1,515
Total assets less current liabilities		<u>26,113</u>	<u>26,189</u>
Net assets excluding pension scheme liability		26,113	26,189
Pension scheme liability		(108)	(366)
Net assets including pension scheme liability		<u>26,005</u>	<u>25,823</u>
Consolidated funds			
Restricted funds			
Fixed asset funds	14	24,843	24,728
Pension reserve	14	(108)	(366)
General funds	14	600	651
Other	14	243	535
Total restricted funds	14	<u>25,578</u>	<u>25,548</u>
Unrestricted funds			
General funds	14	427	275
Total unrestricted funds	14	<u>427</u>	<u>275</u>
Total funds		<u>26,005</u>	<u>25,823</u>

The financial statements of Merchants' Academy Withywood, registered number 05598063, were approved by the Board of Governors and authorised for issue on 7 December 2011

Signed on behalf of the Board of Directors



A Kenny
Director

MERCHANTS' ACADEMY WITHYWOOD

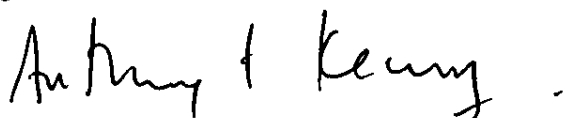
ACADEMY BALANCE SHEET

As at 31 August 2011

	Note	2011 £000	2010 £000
Fixed assets			
Tangible assets	13	24,725	24,566
Current assets			
Trade debtors	19	29	18
Prepayments	19	56	130
Other debtors	19	101	22
Due from subsidiary undertaking	19	376	336
Cash at bank and in hand		1,345	1,590
		<u>1,907</u>	<u>2,096</u>
Creditors amounts falling due within one year			
Trade creditors	20	152	199
Other taxation and social security	20	107	101
Other creditors	20	86	-
Accruals and deferred income	20	55	48
		<u>400</u>	<u>348</u>
Net current assets		<u>1,507</u>	<u>1,748</u>
Total assets less current liabilities		<u>26,232</u>	<u>26,314</u>
Net assets excluding pension scheme liability		<u>26,232</u>	<u>26,314</u>
Pension scheme liability		(108)	(366)
Net assets including pension scheme liability		<u>26,124</u>	<u>25,948</u>
Consolidated funds			
Restricted funds			
Fixed asset funds	14	24,843	24,728
Pension reserve	14	(108)	(366)
General funds	14	600	651
Other	14	243	535
Total restricted funds	14	<u>25,578</u>	<u>25,548</u>
Unrestricted funds			
General funds	14	546	400
Total unrestricted funds	14	<u>546</u>	<u>400</u>
Total funds		<u>26,124</u>	<u>25,948</u>

The financial statements of Merchants' Academy Withywood, registered number 05598063, were approved by the Board of Governors and authorised for issue on 7 December 2011

Signed on behalf of the Board of Directors



A Kenny
Director

MERCHANTS' ACADEMY WITHYWOOD

CONSOLIDATED CASH FLOW STATEMENT Year ended 31 August 2011

	Note	2011 £000	2010 £000
Net cash outflow from operating activities			
Net expenditure for the year		(127)	(290)
Depreciation	13	814	784
Capital grant from DfE and other capital income		(899)	(515)
Interest receivable	5	(3)	(4)
FRS 17 pension cost less contributions payable	16	46	(76)
FRS 17 pension finance income	16	5	15
Increase in debtors		(13)	(36)
Increase in creditors		57	12
		<u>(120)</u>	<u>(110)</u>
Returns on investments and servicing of finance			
Interest received		<u>3</u>	<u>4</u>
Capital expenditure			
Purchase of tangible fixed assets		(1,048)	(450)
Capital grants from DCSF/YPLA		899	515
		<u>(149)</u>	<u>65</u>
Net decrease in cash		<u>(266)</u>	<u>(41)</u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENTS IN NET FUNDS Year ended 31 August 2011

Analysis of changes in net funds

	1 September 2010 £000	Cash flows £000	31 August 2011 £000
Cash at bank and in hand	<u>1,712</u>	<u>(266)</u>	<u>1,446</u>

MERCHANTS' ACADEMY WITHYWOOD

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 August 2011

1 PRINCIPAL ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom, the Companies Act 2006, the YPLA Handbook 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 throughout the current and prior years and are shown below

Format of accounts

The standard formats for the accounts as required by the Companies Act 2006 have been adapted to provide more appropriate information which complies with the Statement of Recommended Practice "Accounting and Reporting by Charities" issued in March 2005 ('SORP') and reflects the activities of the company

Going concern

These accounts have been prepared on the going concern basis. Please see the Report of the Governors for further details.

Basis of consolidation

The Group financial statements consolidate the financial statements of the charitable company (The Merchants' Academy Withywood) and its subsidiary (Merchants' Academy Services Limited) for the year ended 31 August 2011.

Fund accounting

General funds are those monies which may be used towards meeting the objectives of the Academy at the discretion of the directors. Restricted funds comprise grants, mainly from YPLA, to be used for specific purposes.

Grants receivable

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

Donations

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

Donated services and gifts in kind

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

MERCHANTS' ACADEMY WITHYWOOD

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 August 2011

1 PRINCIPAL ACCOUNTING POLICIES (continued)

Sponsorship

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

Costs of generating funds

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

Governance

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

Allocation of costs

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

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

Tangible fixed assets

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

Depreciation

Depreciation has been provided at the following annual rates in order to reduce each asset to its estimated residual value at the end of its estimated useful life. A full year's depreciation is charged in the first year of acquisition

Land and buildings	2% on cost
Furniture and equipment	10% on cost
Computer equipment	25% on cost
Assets in the course of construction	Not depreciated

Operating leases

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

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 August 2011

1. PRINCIPAL ACCOUNTING POLICIES (continued)

Taxation

The company is a registered charity and as such is exempt from income and corporation taxes under the provisions of the Income and Corporation Taxes Act 1988. The cost of value added tax incurred by the company has been included in the income and expenditure account.

Pensions

Full-time and part-time teaching staff employed under a contract of service are eligible to contribute to the Teachers' Pension Scheme (TPS). The TPS, a statutory, contributory, final salary scheme, is administered by Capita Teachers' Pensions on behalf of the Department for Education and Skills. Costs include normal and supplementary contributions. The regular cost is the normal contribution, expressed as a percentage of salary of a teacher newly entering service, which would defray the cost of benefits payable in respect of that service. Variations from the regular pension cost are met by a supplementary contribution. This occurs if, as a result of the actuarial investigation, it is found that the accumulated liabilities for benefits to past and present teachers are not fully covered by normal contributions to be paid in the future and by the fund built up from past contributions. The normal and supplementary contributions are charged to the income and expenditure account in the year.

Non-teaching members of staff are offered membership of the Local Government Pension Scheme (LGPS). The LGPS is a defined benefit pension scheme and it is possible to identify the Academy's share of assets and liabilities and the requirements of FRS 17, Retirement Benefits, have been followed. The Academy's share of the LGPS assets are measured at fair value at each balance sheet date. Liabilities are measured on an actuarial basis using the projected unit method. The net of these two figures is recognised as an asset or liability on the balance sheet. Any movement in the asset or liability between balance sheet dates is reflected in the statement of financial activities.

Liquid resources

Term deposits of less than one year are classified as investments within current assets.

2 GENERAL ANNUAL GRANT (GAG)

(a) Results and carry forward for the year	2011 £000	2010 £000
GAG brought forward from previous year	32	81
GAG allocation for current year	4,074	4,053
Total GAG available to spend	4,106	4,134
Recurrent expenditure from GAG	(3,903)	(4,102)
GAG carried forward to next year	203	32
Maximum permitted GAG carry forward at end of current year (12% of allocation for current year)	(489)	(486)
GAG to surrender to DfE (12% rule breached if result is positive)	(286)	(454)
	no breach	no breach

MERCHANTS' ACADEMY WITHYWOOD

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 August 2011

2 GENERAL ANNUAL GRANT (GAG) (continued)

(b) Use of GAG brought forward from previous year for recurrent purposes

(Of the amount carried forward each year, a maximum of 2% of GAG can be used for recurrent purposes. Any balance, up to a maximum of 12%, can only be used for capital purposes)

	2011 £000	2010 £000
Recurrent expenditure from GAG in current year	3,903	4,102
GAG allocation for current year	(4,074)	(4,053)
GAG allocation for previous year x 2%	(81)	(163)
GAG brought forward from previous year in excess of 2%, used on recurrent expenditure in current year (2% rule breached if result is positive)	(252)	(114)
	no breach	no breach

3 VOLUNTARY INCOME

Consolidated and Academy

	Unrestricted funds £000	Restricted funds £000	Total 2011 £000	Total 2010 £000
Donations – capital	-	954	954	639
Other donations	-	94	94	-
	-	1,048	1,048	639

4. ACTIVITIES FOR GENERATING FUNDS

Consolidated

	Unrestricted funds £000	Restricted funds £000	Total 2011 £000	Total 2010 £000
Hire of facilities	195	-	195	148
Catering income	81	-	81	85
Uniform sales	17	-	17	11
Other income	17	-	17	30
	310	-	310	274

MERCHANTS' ACADEMY WITHYWOOD

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 August 2011

4. ACTIVITIES FOR GENERATING FUNDS (continued)

Academy	Unrestricted funds £000	Restricted funds £000	Total 2011 £000	Total 2010 £000
Catering income	81	-	81	85
Uniform sales	17	-	17	11
Other income	17	-	17	30
	<u>115</u>	<u>-</u>	<u>115</u>	<u>126</u>

5 INVESTMENT INCOME

Consolidated and Academy	Unrestricted funds £000	Restricted funds £000	Total 2011 £000	Total 2010 £000
Short-term deposits	<u>3</u>	<u>-</u>	<u>3</u>	<u>4</u>

6 FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

Consolidated and Academy	Unrestricted funds £000	Restricted funds £000	Total 2011 £000	Total 2010 £000
Partnership For Schools grant	<u>-</u>	<u>75</u>	<u>75</u>	<u>-</u>
	£000	£000	£000	£000
DCSF/YPLA revenue grants				
General Annual Grant (GAG) (note 2)	-	4,074	4,074	4,161
School Standards Fund	-	304	304	221
Other DfE/YPLA grants	-	1,124	1,124	709
	<u>-</u>	<u>5,502</u>	<u>5,502</u>	<u>5,091</u>
	£000	£000	£000	£000
Other government grants				
SEN from LA	<u>-</u>	<u>87</u>	<u>87</u>	<u>180</u>

MERCHANTS' ACADEMY WITHYWOOD

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 August 2011

7. OTHER INCOMING RESOURCES

Consolidated

	Unrestricted funds £000	Restricted funds £000	Total 2011 £000	Total 2010 £000
Recoveries for trips and supplies	3	-	3	7

Academy

	Unrestricted funds £000	Restricted funds £000	Total 2011 £000	Total 2010 £000
Management charge	25	-	25	25
Recoveries for trips and supplies	3	-	3	7
	28	-	28	32

8 RESOURCES EXPENDED

Consolidated

	Staff costs £000	Non-pay expenditure			2011 £000	2010 £000
		Premises £000	Supplies and services £000	Other costs £000		
Costs of generating voluntary income	34	1,023	-	109	1,166	784
Costs of activities for generating funds	88	67	9	-	164	155
Academy's educational operations						
- direct costs	3,699	-	230	138	4,067	3,829
- allocated support costs	1,011	309	170	76	1,566	1,555
	4,832	1,399	409	323	6,963	6,323
Governance costs including allocated support costs	51	-	141	-	192	162
Total	4,883	1,399	550	323	7,155	6,485

MERCHANTS' ACADEMY WITHYWOOD

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 August 2011

8. RESOURCES EXPENDED (continued)

Consolidated

	2011 £000	2010 £000
Net incoming resources for the year include		
Opening leases	-	-
Fees payable to auditor		
- audit	16	17
- other services	1	5
	<u>17</u>	<u>22</u>

The method used for the apportionment of support costs is disclosed in the accounting policies on pages 18 to 20

Academy

	Staff costs £000	Non-pay expenditure			2011 £000	2010 £000
		Premises £000	Supplies and services £000	Other costs £000		
Costs of generating voluntary income	34	1,023	-	109	1,166	784
Costs of activities for generating funds	-	-	-	-	-	6
Academy's educational operations						
- direct costs	3,699	-	230	138	4,067	3,829
- allocated support costs	1,011	309	170	76	1,566	1,555
	<u>4,744</u>	<u>1,332</u>	<u>400</u>	<u>323</u>	<u>6,799</u>	<u>6,174</u>
Governance costs including allocated support costs	51	-	141	-	192	162
Total	<u>4,795</u>	<u>1,332</u>	<u>541</u>	<u>323</u>	<u>6,991</u>	<u>6,336</u>

MERCHANTS' ACADEMY WITHYWOOD

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 August 2011

9. CHARITABLE ACTIVITIES – ACADEMY'S EDUCATIONAL OPERATIONS

Consolidated and Academy

	Unrestricted funds £000	Restricted funds £000	Total 2011 £000	Total 2010 £000
Direct costs				
Teaching and educational support staff costs	-	3,699	3,699	3,402
Educational supplies	-	123	123	164
Examination fees	-	83	83	66
Staff development	-	23	23	19
Educational consultancy	-	1	1	2
Other direct costs	-	138	138	176
	-	4,067	4,067	3,829
	£000	£000	£000	£000
Allocated support costs				
Support staff costs	-	1,011	1,011	1,004
Recruitment and support	-	24	24	33
Maintenance of premises and equipment	-	87	87	112
Fuel	-	99	99	95
Cleaning	-	18	18	16
Rent and rates	-	19	19	25
Insurance	-	86	86	82
Security and transport	-	48	48	48
Catering	-	98	98	93
Bank interest and charges	-	7	7	10
Other support costs	-	69	69	37
	-	1,566	1,566	1,555
	£000	£000	£000	£000
Governance costs				
Legal and professional fees	-	120	120	140
Auditor's remuneration				
Audit of financial statements	-	16	16	17
Other services	-	1	1	-
Support costs	-	54	54	5
Governor training	-	-	-	-
Governors' reimbursed expenses	-	1	1	-
	-	192	192	162

MERCHANTS' ACADEMY WITHYWOOD

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 August 2011

10 INFORMATION REGARDING TRUSTEES AND EMPLOYEES

	2011 £	2010 £
Employee costs during the year.		
Wages and salaries	4,041,105	3,774,806
Social security costs	291,305	281,289
Pension costs	425,387	368,804
	<u>4,757,797</u>	<u>4,424,899</u>
Average number of persons employed.	No.	No
Teaching	70	70
Administrative and support	79	79
	<u>149</u>	<u>149</u>

No trustees received remuneration from the Academy during the year (2010 £nil)

Two employees earned more than £60,000 per annum (including taxable benefits but excluding employer's pension contributions) during the year ended 31 August 2011 (2010 three) The total emoluments of these employees were in the following ranges

	Number	Number
£60,001 to £70,000	-	1
£70,001 to £80,000	1	1
£100,001 to £110,000	1	-
£120,001 to £130,000	-	1

All of the above employees earning more than £60,000 per annum participated in either the TPS or the LGPS During the year ended 31 August 2011, employer's pension contributions for these staff amounted to £25,845 (2010 £36,494)

11 GOVERNORS' REMUNERATION AND EXPENSES

The principal and staff governors only receive remuneration in respect of services they provide undertaking the roles of Principal and staff and not in respect of their services as governors Other governors did not receive any payments, other than expenses, from the Academy in respect of their role as governors The value of the Principal's remuneration was £110,000 in 2011 (2010 £119,000) No governor received expenses during the year (2010 £nil) The apportioned value of staff governors' remuneration was £12,000 (2010 £12,000)

MERCHANTS' ACADEMY WITHYWOOD

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 August 2011

12 GOVERNORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £2,000,000 on any one claim and the cost for the year ended 31 August 2011 was £1,900 (2010 £7,478)

The cost of this insurance is included in the total insurance cost

13 TANGIBLE FIXED ASSETS

Consolidated

	Land and buildings £000	Furniture and equipment £000	Computer equipment £000	Assets under con- struction £000	Total £000
Cost					
At 1 September 2010	24,718	250	1,025	222	26,215
Additions	476	15	-	557	1,048
Transfers	779	-	-	(779)	-
At 31 August 2011	25,973	265	1,025	-	27,263
Depreciation					
At 1 September 2010	976	58	507	-	1,541
Charged in year	523	35	256	-	814
Disposals	-	-	-	-	-
At 31 August 2011	1,499	93	763	-	2,355
Net book value					
At 31 August 2011	24,474	172	262	-	24,908
At 31 August 2010	23,742	192	518	222	24,674

MERCHANTS' ACADEMY WITHYWOOD

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 August 2011

13 TANGIBLE FIXED ASSETS (continued)

Academy

	Land and buildings £000	Furniture and equipment £000	Computer equipment £000	Assets under con- struction £000	Total £000
Cost					
At 1 September 2010	24,714	102	1,025	222	26,063
Additions	480	5	-	458	943
Transfers	680	-	-	(680)	-
At 31 August 2011	25,874	107	1,025	-	27,006
Depreciation					
At 1 September 2010	976	14	507	-	1,497
Charged in year	518	10	256	-	784
Disposals	-	-	-	-	-
At 31 August 2011	1,494	24	763	-	2,281
Net book value					
At 31 August 2011	24,380	83	262	-	24,725
At 31 August 2010	23,738	88	518	222	24,566

MERCHANTS' ACADEMY WITHYWOOD

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 August 2011

14 FUNDS

Consolidated

	Balance at 1 September 2010 £000	Incoming resources £000	Resources expended £000	Gains, losses and transfers £000	Balance at 31 August 2011 £000
Restricted general funds					
General Annual Grant (GAG)	32	4,074	(3,954)	-	152
Pension reserve	(366)	-	(51)	309	(108)
Start up grants	619	249	(420)	-	448
Other	-	1,360	(1,360)	-	-
	<u>285</u>	<u>5,683</u>	<u>(5,785)</u>	<u>309</u>	<u>492</u>
Restricted other funds					
Army Cadet Centre	309	-	(239)	-	70
Merchants' Academy Hall	71	-	(51)	-	20
Youth worker	26	30	(34)	-	22
L Sherwood	25	-	(25)	-	-
Hargreaves	32	-	(3)	-	29
Osborne Clarke	10	5	(1)	-	14
Extended Schools Programme	13	12	(3)	-	22
All Through Academy Grant	-	25	(9)	-	16
Other	49	58	(57)	-	50
	<u>535</u>	<u>130</u>	<u>(422)</u>	<u>-</u>	<u>243</u>
Restricted fixed asset funds					
Partnership for Schools	-	75	-	-	75
DCSF/YPLA capital grants	24,728	824	(784)	-	24,768
	<u>24,728</u>	<u>899</u>	<u>(784)</u>	<u>-</u>	<u>24,843</u>
Total restricted funds	<u>25,548</u>	<u>6,712</u>	<u>(6,991)</u>	<u>309</u>	<u>25,578</u>
Unrestricted funds					
Unrestricted funds	275	316	(164)	-	427
Total unrestricted funds	<u>275</u>	<u>316</u>	<u>(164)</u>	<u>-</u>	<u>427</u>
Total funds	<u>25,823</u>	<u>7,028</u>	<u>(7,155)</u>	<u>309</u>	<u>26,005</u>

MERCHANTS' ACADEMY WITHYWOOD

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 August 2011

14. FUNDS (continued)

Academy	Balance at 1 September 2010 £000	Incoming resources £000	Resources expended £000	Gains, losses and transfers £000	Balance at 31 August 2011 £000
Restricted general funds					
General Annual Grant (GAG)	32	4,074	(3,954)	-	152
Pension reserve	(366)	-	(51)	309	(108)
Start up grants	619	249	(420)	-	448
Other	-	1,360	(1,360)	-	-
	<u>285</u>	<u>5,683</u>	<u>(5,785)</u>	<u>309</u>	<u>492</u>
Restricted other funds					
Army Cadet Centre	309	-	(239)	-	70
Merchants' Academy Hall	71	-	(51)	-	20
Youth worker	26	30	(34)	-	22
L Sherwood	25	-	(25)	-	-
Hargreaves	32	-	(3)	-	29
Osborne Clarke	10	5	(1)	-	14
Extended Schools Programme	13	12	(3)	-	22
All Through Academy Grant	-	25	(9)	-	16
Other	49	58	(57)	-	50
	<u>535</u>	<u>130</u>	<u>(422)</u>	<u>-</u>	<u>243</u>
Restricted fixed asset funds					
Partnership for Schools	-	75	-	-	75
DCSF/YPLA capital grants	24,728	824	(784)	-	24,768
	<u>24,728</u>	<u>899</u>	<u>(784)</u>	<u>-</u>	<u>24,843</u>
Total restricted funds	<u>25,548</u>	<u>6,712</u>	<u>(6,991)</u>	<u>309</u>	<u>25,578</u>
Unrestricted funds					
Unrestricted funds	400	146	-	-	546
Total unrestricted funds	<u>400</u>	<u>146</u>	<u>-</u>	<u>-</u>	<u>546</u>
Total funds	<u>25,948</u>	<u>6,858</u>	<u>(6,991)</u>	<u>309</u>	<u>26,124</u>

MERCHANTS' ACADEMY WITHYWOOD

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 August 2011

15 ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances at 31 August 2011 are represented by

	Unrestricted funds £000	Restricted funds £000	Total 2011 £000	Total 2010 £000
Tangible fixed assets	183	24,725	24,908	24,674
Current assets	277	1,356	1,633	1,886
	460	26,081	26,541	26,560
Creditors amounts falling due within one year	(33)	(395)	(428)	(371)
Creditors amounts falling due after more than one year	-	-	-	-
Pension fund deficit	-	(108)	(108)	(366)
Total net assets	427	25,578	26,005	25,823

The specific purposes for which the funds are to be applied are as follows

Restricted general funds

This fund represents grants received for the Academy's operational activities and development

Restricted other funds

From time to time, additional funds are applied as set out above for specific purposes laid down by the grant provider and to be used in the short-term

Fixed asset fund

These grants relate to funding received from the DfE, YPLA and private sponsors to carry out works of a capital nature as part of the School Building project

Unrestricted funds

The unrestricted funds represent funds available to the Governors to apply for the general purposes of the academy. The pension reserve relates to the Academy's share of the deficit to the Local Government Pension Scheme administered by Avon Pension

DfE/YPLA capital grants is capital funding for the construction of the new Academy buildings, including fixtures and fittings, received from the Department for Children, Schools and Families. However, some of the Academy facilities, such as the Whitehall playing fields and the tennis courts were funded by other bodies such as the Football Foundation and the Lawn Tennis Association, so these are shown as Other Capital Fund

The General Annual Grant (GAG) represents the core educational funding for the Academy from the YPLA

MERCHANTS' ACADEMY WITHYWOOD

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 August 2011

16. 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 Avon Pension Fund Both are defined benefit schemes

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

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

Teachers' Pension Scheme

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

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

Latest actuarial valuation (under the new provisions)	31 March 2004
Actuarial method	Prospective benefits
Investment returns per annum	6.5 per cent
Salary scale increases per annum	5.0 per cent
Notional value of assets at date of last valuation	£162,650 million

Proportion of members' accrued benefits covered by the notional value of the assets	98.88%
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Following the implementation of Teacher's Pension (Employers' Supplementary Contributions) Regulations 2000, the Government Actuary carried out a further review on the level of employer contributions For the period from 1 September 2010 to 31 August 2011 the employer contribution was 14.1% The employee rate was 6.4% for the same period

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

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

Local Government Pension Scheme

The figures included in this section are illustrative only

The LGPS is a funded defined benefit scheme, with the assets held in separate trustee-administered funds The total contribution made for the year ended 31 August 2011 was £137,000, of which employer's contributions totalled £92,000 and employees' contributions totalled £45,000 The agreed contribution rates for future years are 11.2 per cent for employers and 5.5 to 7.5 per cent for employees depending on salary banding

MERCHANTS' ACADEMY WITHYWOOD

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 August 2011

16 PENSIONS AND SIMILAR OBLIGATIONS (continued)

Principal Actuarial Assumptions

	At 31 August 2011	At 31 August 2010
Rate of increase in salaries	4.2%	4.65%
Rate of increase for pensions in payment/inflation	2.7%	2.5%
Discount rate for scheme liabilities	5.3%	4.9%
Inflation assumption (CPI)	2.7%	3.0%
Commutation of pensions to lump sums	50.0%	50.0%

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

	At 31 August 2011 years	At 31 August 2010 years
Retiring today		
Males	22.7	21.2
Females	25.6	24.1
Retiring in 20 years		
Males	25	23
Females	28	25

The Academy's share of the assets and liabilities in the scheme and the expected rates of return were

	Expected return at 31 August 2011	Fair value at 31 August 2011 £000	Expected return at 31 August 2010	Fair value at 31 August 2010 £000
Equities	7.0%	1,015	7.0%	843
Government bonds	3.7%	218	3.7%	213
Other bonds	4.5%	131	4.5%	124
Property	6.0%	111	6.0%	69
Cash/liquidity	0.5%	28	0.5%	31
Other assets	7.5%	133	7.5%	128
Total market value of assets		1,636		1,408
Present value of scheme liabilities – funded		(1,744)		(1,774)
Deficit in the scheme		(108)		(366)

MERCHANTS' ACADEMY WITHYWOOD

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 August 2011

16 PENSIONS AND SIMILAR OBLIGATIONS (continued)

Amounts recognised in the statement of financial activities	2011 £000	2010 £000
Current service cost (net of employee contributions)	138	136
Past service cost net of effects of curtailments or settlements	-	-
Total operating charge	138	136
	£000	£000
Analysis of pension finance income/(costs)		
Expected return on pension scheme assets	86	72
Interest on pension liabilities	(91)	(87)
Pension finance income	(5)	(15)

The actual gains and losses for the current year are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS17 is a £262,000 loss (2010: £129,000 loss).

Movements in the present value of defined benefit obligations were as follows

	£000	£000
At 1 September	(1,774)	(1,449)
Current service cost	(138)	(136)
Interest cost	(91)	(87)
Employee contributions	(45)	(48)
Actuarial loss/(gain)	303	(112)
Benefits paid	1	(19)
Past Service cost	-	77
Curtailments and settlements	-	-
At 31 August	(1,744)	(1,774)

Movements in the fair value of academy's share of scheme assets

	£000	£000
At 1 September	1,408	1,086
Expected return on assets	86	72
Actuarial gain	6	48
Employer contributions	92	135
Employee contributions	45	48
Benefits (received)/paid	(1)	19
At 31 August	1,636	1,408

The estimated value of employer contributions for the year ended 31 August 2012 is £154,000.

MERCHANTS' ACADEMY WITHYWOOD

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 August 2011

16 PENSIONS AND SIMILAR OBLIGATIONS (continued)

The five-year history of experience adjustments is as follows

	2011 £000	2010 £000	2009 £000	2008 £000	2007 £000
Defined benefit obligation at end of year	(1,744)	(1,774)	(416)	-	-
Fair value of plan assets at end of year	1,636	1,408	346	-	-
Deficit	<u>(108)</u>	<u>(366)</u>	<u>(70)</u>	<u>-</u>	<u>-</u>
	£000	£000	£000	£000	£000
Experience adjustments on share of scheme assets	6	43	-	-	-
Experience adjustments on scheme liabilities	39	17	-	-	-

17. NET MOVEMENT IN FUNDS

	2011 £	2010 £
Net movement in funds is stated after charging		
Auditor's remuneration		
- for audit services	15,744	17,051
- for pension audit services	750	881
- for corporation tax services	750	900
- for VAT services	-	3,231
	<u>17,244</u>	<u>22,063</u>

18 INVESTMENT IN SUBSIDIARY (CHARITY)

	2011 £
Subsidiary undertaking	<u>1</u>

Merchants' Academy Withywood owns 100% of the share capital of Merchants' Academy Services Limited, a Company incorporated in the United Kingdom

The trading results of the subsidiary, and year-end balance sheet position are

	£
Turnover	202,281
Expenditure	(195,200)
Profit for the year	7,081
Net liabilities	<u>(118,059)</u>

MERCHANTS' ACADEMY WITHYWOOD

NOTES TO THE FINANCIAL STATEMENTS Year ended 31 August 2011

19. DEBTORS

	Group 2011 £'000	Group 2010 £'000	Academy 2011 £'000	Academy 2010 £'000
Grants receivable	39	22	39	22
VAT Recoverable	57	-	57	-
Prepayments	56	128	56	128
Other debtors	5	2	5	-
Trade debtors	30	22	29	20
Intercompany debtors	-	-	376	336
	<u>187</u>	<u>174</u>	<u>562</u>	<u>506</u>

20. CREDITORS. AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2011 £'000	Group 2010 £'000	Academy 2011 £'000	Academy 2010 £'000
Taxation and social security	107	101	107	101
Due to the YPLA	74	-	74	-
Accruals and other creditors	91	62	67	48
Trade creditors	156	208	152	199
	<u>428</u>	<u>371</u>	<u>400</u>	<u>348</u>

21. CREDITORS AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2011 £	2010 £
Retentions on building work	<u>-</u>	<u>-</u>

22. RELATED PARTIES TRANSACTIONS

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.

With effect from 1 September 2011, the Academy procures some financial, facilities management and educational services from South West Academies Limited, a company in which the Academy is a 20% shareholder.

MERCHANTS' ACADEMY WITHYWOOD

NOTES TO THE FINANCIAL STATEMENTS

Year ended 31 August 2011

23 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 2011 is £180 (2010: £180).

24 ULTIMATE CONTROLLING PARTY

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

25 CONTINGENT LIABILITIES

During the period of the Funding Agreement, in the event of the sale or disposal by other means of any asset for which a Government capital grant was received, the Academy is required either to re-invest the proceeds or to repay to the Secretary of State for Education and Skills the same proportion of the proceeds of the sale or disposal as equates to 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.