

WESTLANDS ACADEMIES TRUST
GOVERNORS' REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2011

7344732



WESTLANDS ACADEMIES TRUST

REFERENCE AND ADMINISTRATIVE DETAILS OF THE WESTLANDS ACADEMIES TRUST, ITS GOVERNORS AND ADVISORS

Governors (Trustees)

* = members of the Finance Committee

Mr G Clifton* (Chairman) (Appointed August 2010 on incorporation)
Mr J Whitcombe* (Appointed August 2010)
Mr K Woolley* (Appointed August 2010)
Mr J Fassenfelt* (Appointed August 2010)
Mrs K Walsh* (Appointed August 2010)
Mr J Day (Appointed June 2011)
Mrs E Hargreaves MBE (Appointed June 2011)
Mrs L Pearson* (Appointed June 2011)
Mrs J Goatham (Appointed September 2010)
Mr R Sage* (Appointed September 2010)
Mrs R Kane* (Appointed September 2010)
Mrs L Hook (Appointed September 2010)
Mr S Penney (Appointed June 2011)
Mrs M Brown (Appointed June 2011)
Mr S Wood* (Appointed September 2010)
Mrs C Tucker (Appointed September 2010)
Mr R Jobe* (Appointed September 2010)
Mrs P Liston* (Appointed September 2010)
Mr M Lewis* (Appointed September 2010)
Miss L Frost (Appointed September 2010)
Miss V Chant (Appointed September 2010)
Mrs S Terry (Appointed September 2010)
Miss N Barrow (Appointed June 2011)
Mr J Anders* (Appointed September 2010)
Mrs P Cullen (Appointed September 2010)
Mr C Dawes (Appointed September 2010)
Mr R Cruttenden (Appointed June 2011)

Mrs S Cheeseman* (Employed Responsible Officer)

Secretary

Brachers LLP (Appointed August 2010)

Senior Managers

Executive Principal – Westlands School
Head of School – Westlands Primary School
Head of School – Regis Manor Primary School
Deputy Principal – Westlands School
Deputy Principal – Westlands School
Business Manager

Mr J Whitcombe
Mrs L Pearson
Mr J Day
Mr S Cox
Mr N Golding
Mrs S Goddard

Registered Office

Westlands Avenue
Sittingbourne
Kent ME10 1PF
Tel 01795 477475

Company Registration Number

07344732 (England and Wales)

Auditors

Williams Giles Limited
Chartered Accountants and Registered Auditors
12 Conqueror Court
Sittingbourne
Kent ME10 5BH

WESTLANDS ACADEMIES TRUST

REFERENCE AND ADMINISTRATIVE DETAILS OF THE WESTLANDS ACADEMIES TRUST, ITS GOVERNORS AND ADVISORS (Continued)

Bankers	HSBC 115 High Street Sittingbourne Kent ME10 4AL
Solicitors	Brachers LLP Somerfield House 59 London Road Maidstone Kent ME16 8JH

WESTLANDS ACADEMIES TRUST

REPORT OF THE GOVERNORS 31 AUGUST 2011

The governors present their report together with the financial statements of the charitable company for the period ended 31 August 2011. The report has been prepared in accordance with Part VI of the Charities Act 1993.

The financial statements have been prepared in accordance with the accounting policies on pages 12 to 30 of the attached financial statements, and comply with the charitable company's Memorandum and Articles of Association, the Companies Act 2006, the requirements of the Statement of Recommended Practice "Accounting and Reporting by Charities" as issued in March 2005 ('SORP 2005') and the Academies Accounts Direction issued by the YPLA.

STRUCTURE, GOVERNANCE AND MANAGEMENT

On 1 September 2010 the Westlands Academies Trust took over Westlands School and on 2 September formed a hard federation with Westlands Primary School. On 1 June 2011 Regis Manor Primary School joined the federation. A single board of governor – directors oversee the activities of Westlands Academies Trust. Each school within the trust operates as a separate entity and is funded as a separate body by the Young People's Learning Agency (YPLA), however there is scope for sharing knowledge and best practice across the federation.

Constitution

The Westlands Academies Trust is a company limited by guarantee with no share capital (registration no. 07344732). The charitable company's Memorandum and Articles of Association are the primary governing documents of the Westlands Academies Trust. The Articles of Association require the members of the charitable company to appoint at least four governors to be responsible for the statutory and constitutional affairs of the charitable company and the management of the Westlands Academies Trust.

Members' liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £1, for the debts and liabilities contracted before he/she ceases to be a member.

Governors

The governors are directors of the charitable company for the purposes of the Companies Act 2006 and trustees for the purposes of charity legislation.

Governors are subject to retirement by rotation but are eligible for re-election at the meeting at which they retire. At each Annual General Meeting of the charitable company one third of the governors retire by rotation. The governors to retire are those who have been longest in office since their last election or appointment.

The governors who were in office at 31 August 2011 and served throughout the period, except where shown are listed on page 1.

During the year under review the governors held 5 Full Governing Body meetings and 17 Committee meetings covering 3 Curriculum, 3 Finance, 4 Pastoral, 4 Performance and Salaries and 4 Premises, Health and Safety. All new Governors will be given a tour of the Westlands Academies Trust and the chance to meet with staff and pupils. 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. As there are normally only two or three new governors a year, induction tends to be done informally and is tailored specifically to the individual. Where necessary induction will provide training on charity and educational legal and financial matters.

WESTLANDS ACADEMIES TRUST

REPORT OF THE GOVERNORS 31 AUGUST 2011

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Responsibilities of the Governors

Company law requires the governors to prepare financial statements for each financial period, which give a true and fair view of the state of affairs of the charitable company at the end of the financial period and of its incoming resources and application of resources, including its income and expenditure, for the financial period. In preparing financial statements giving a true and fair view, the governors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation

The governors are responsible for keeping proper accounting records which disclose with reasonable accuracy the financial position of the charitable company and which 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.

The governors are responsible for the maintenance and integrity of the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of accounts may differ from legislation in other jurisdictions.

The governors confirm that so far as they are aware, there is no relevant audit information of which the charitable company's auditors are unaware. They have taken all the steps that they ought to have taken as governors in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

Organisational Structure

During the period a unified management structure was introduced to help improve the way the Westlands Academies Trust is run. The structure consists of three levels: the Governors, The Senior Managers and the Management Team. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

The Governors are responsible for setting general policy, adopting an annual plan and budget, monitoring the Westlands Academies Trust by the use of budgets and making major decisions about the direction of the Westlands Academies Trust, capital expenditure and senior staff appointments.

The Senior Managers are the Executive Headteacher, 2 Deputy Headteachers, 2 Heads of School and the Business Manager. These managers control the Westlands Academies Trust at an executive level implementing the policies laid down by the Governors and reporting back to them. As a group the Senior Managers are responsible for the authorisation of spending within agreed budgets and the appointment of staff, though appointment boards for posts in the Management Team always contain a Governor who is also a Director. Some spending control is devolved to members of the Management Team, with limits above which a Senior Manager must countersign.

The Management Team includes the Senior Management and Curriculum Area Managers. These managers are responsible for the day to day operation of the Westlands Academies Trust, in particular organising the teaching staff, facilities and pupils.

WESTLANDS ACADEMIES TRUST

REPORT OF THE GOVERNORS 31 AUGUST 2011

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Risk management

The governors have assessed the major risks to which the Westlands Academies Trust is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Westlands Academies Trust and its finances. The governors have implemented a number of systems to assess risks that the school faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls (see below) in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover. The Westlands Academies Trust has an effective system of internal financial controls and this is explained in more detail in the following statement.

Statement on the system of internal finance control

As governors, we acknowledge we have overall responsibility for ensuring that the Westlands Academies Trust has an effective and appropriate system of control, financial and otherwise. We are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Westlands Academies Trust and enable us to ensure the financial statements comply with the Companies Act. We also acknowledge responsibility for safeguarding the assets of the Westlands Academies Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities and to provide reasonable assurance that -

- The Westlands Academies Trust 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 Westlands Academies Trust or for publication is reliable,
- The Westlands Academies Trust complies with relevant laws and regulations.

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the governing body,
- regular reviews by the Finance committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes,
- setting targets to measure financial and other performance,
- clearly defined purchasing (asset purchase or capital investment) guidelines
- delegation of authority and segregation of duties,
- identification and management of risks.

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 Westlands Academies Trust it should, as a publicly funded body, adopt these guidelines as best practice.

WESTLANDS ACADEMIES TRUST

REPORT OF THE GOVERNORS 31 AUGUST 2011

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Statement on the system of internal finance control (continued)

Accordingly they have

- set policies on internal controls which cover the following
 - the type of risks the Westlands Academies Trust faces,
 - the level of risks which they regard as acceptable,
 - the likelihood of the risks materialising,
 - the Westlands Academies Trust's ability to reduce the incidence and impact on the Westlands Academies Trust operations of risks that do materialise,
 - the costs of operating particular controls relative to the benefits obtained,
- clarified the responsibility of the Management Team to implement the governors' policies and to identify and evaluate risks for the governors' consideration,
- explained to employees that they have responsibility for internal control as part of their accountability for achieving objectives,
- embedded the control system in the Westlands Academies Trust's operations so that it becomes part of the culture of the Westlands Academies Trust,
- developed systems to respond quickly to evolving risks arising from factors within the Westlands Academies Trust and to changes in the external environment, and
- included 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 appointed Mrs S Cheeseman, a Kent County Council Employee for Finance and Audit as Responsible Officer (RO). The RO's role includes giving advice on financial matters and performing a range of checks on the Westlands Academies Trust's financial systems. On a termly basis, the RO reports to the governing body on the operation of the systems of control and on the discharge of the governing body's financial responsibilities.

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

OBJECTIVES AND ACTIVITIES

Objects, aims and objectives

The principal object and activity of the charitable company is the operation of the Westlands Academies Trust to provide education for pupils of different abilities between the ages of 11 and 19 with an emphasis on Mathematics, Computing and Science.

In accordance with the articles of association the charitable company has adopted a "Scheme of Government" approved by the Secretary of State for Education and Skills. The Scheme of Government specifies, amongst other things, the basis for admitting pupils to the Westlands Academies Trust, the catchment area from which the pupils are drawn, and that the curriculum should comply with the substance of the national curriculum with an emphasis on mathematics, computing and science and their practical applications.

WESTLANDS ACADEMIES TRUST

REPORT OF THE GOVERNORS 31 AUGUST 2011

OBJECTIVES AND ACTIVITIES (continued)

The main objectives of the Westlands Academies Trust during the period ended 31 August 2011 are summarised below

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

Strategies and activities

The Westlands Academies Trust's main strategy is encompassed in its mission statement which is 'Working together to succeed' To this end the activities provided include

- tuition and learning opportunities for all pupils to attain appropriate academic qualifications,
- training opportunities for all staff,
- a programme of sporting and after school leisure activities for all pupils,
- a system of after school clubs,
- a careers advisory service to help pupils obtain employment or move on to higher education

Equal opportunities policy

The governors recognise that equal opportunities should be an integral part of good practice within the workplace The Westlands Academies Trust 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 are installed and door widths are adequate to enable wheelchair access to all the main areas of the Westlands Academies Trust The policy of the Westlands Academies Trust is to support recruitment and retention of pupils and employees with disabilities The Westlands Academies Trust does this by adapting the physical environment, by making support resources available and through training and career development

ACHIEVEMENTS AND PERFORMANCE

The Westlands Academies Trust is in its first period of operation and has achieved the forecast numbers of pupils Total pupils in the period ended 31 August 2011 numbered 1737 and the Westlands Academies Trust has a full complement in year groups 7 to 10 There were 259 pupils in Year 11 due to pupils who relocated The Westlands Academies Trust has obtained agreement from the Department for Education and Skills (DfES) to admit 270 pupils each year from September 2011 From September 2012 it is planned to increase this to 285 which represents an increase of 15 pupils in each year group Westlands Primary School and Regis Manor both have a planned admissions number of 60, as in previous years

Examination results for 2011 were very pleasing At A and AS level candidates achieved an 99% pass rate and 62% of grades were A-C At GCSE 94% of grades were A-C and 83% of pupils achieved 5 or more passes at this level

WESTLANDS ACADEMIES TRUST

REPORT OF THE GOVERNORS 31 AUGUST 2011

ACHIEVEMENTS AND PERFORMANCE (continued)

To ensure that standards are continually raised the Westlands Academies Trust operates a programme of observation of lessons, is visited by inspectors, undertakes a comparison of results from entry to Key Stage 3 to GCSE and from GCSE to A level to assess the added value. The Westlands Academies Trust also participates in national programmes looking at added value through the key stages.

FINANCIAL REVIEW

Financial report for the period

Most of the Westlands Academies Trust's income is obtained from the DfES in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfES during the period ended 31 August 2011 and the associated expenditure are shown as restricted funds in the statement of financial activities.

During the period ended 31 August 2011, total expenditure of £12,622,413 was more than covered by recurrent grant funding from the DfES together with other incoming resources. The excess of income over expenditure for the period (excluding restricted fixed asset funds) was £1,371,368.

At 31 August 2011 the net book value of fixed assets was £27,748,638 and movements in tangible fixed assets are shown in note 14 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Westlands Academies Trust.

Reserves policy and financial position

Reserves policy

The governors review the reserve levels of the Westlands Academies Trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The governors have determined that the appropriate level of free reserves should be equivalent to two weeks expenditure, approximately £500,000. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. The Westlands Academies Trust's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £1,143,699.

Financial position

The Westlands Academies Trust held fund balances at 31 August 2011 of £27,230,311 comprising £28,114,612 of restricted funds and £1,143,699 of unrestricted general funds and a pension reserve deficit of £2,028,000.

PLANS FOR FUTURE PERIODS

The Westlands Academies Trust will continue striving to improve the levels of performance of its pupils in all of its schools focusing upon ensuring that as many pupils as practically possible achieve the Government benchmark standards at Key Stage 2 and 4 and at Post 16 after 2 years of study. It will do this within the context of operating within its financial means.

WESTLANDS ACADEMIES TRUST

REPORT OF THE GOVERNORS 31 AUGUST 2011

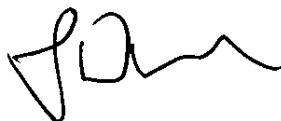
AUDITORS

The auditors, Williams Giles Limited, are willing to continue in office and a resolution to appoint them will be proposed at the annual general meeting

The report of the governors was approved by the governors on 20 December 2011 and signed on their behalf by



Mr G Clifton
Chairman



Mr J Whitcombe
Executive Headteacher

WESTLANDS ACADEMIES TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WESTLANDS ACADEMIES TRUST

We have audited the financial statements of Westlands Academies Trust for the period ended 31 August 2011 which comprise (specify the titles of the primary statements such as the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement) and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards, United Kingdom Generally Accepted Accounting Practice and the Annual Accounts Direction 2010/11 issued by the Young People's Learning Agency.

This report is made solely to the academy's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the academy's members those matters we are required to state to them in an 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 academy and its 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 set out on page 4, the governors (who are also the directors of the academy 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 (APB'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 academy'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 Governors' 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 academy's affairs as at 31 August 2011, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Annual Accounts Direction 2010/11 issued by the Young People's Learning Agency.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Governors' Annual Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Opinion on other matter prescribed by the academy's funding agreement with the Secretary of State for Education

In our opinion grants made by the Young People's Learning Agency have been applied for the purposes intended.

WESTLANDS ACADEMIES TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WESTLANDS ACADEMIES TRUST (CONTINUED)

Matters on which we are required to report by exception

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

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



Alastair C Crawford FCA
Senior Statutory Auditor
For and on behalf of
Williams Giles
Chartered Accountants and Statutory Auditors
12 Conqueror Court
Sittingbourne
Kent ME10 5BH

20 December 2011

WESTLANDS ACADEMIES TRUST
STATEMENT OF FINANCIAL ACTIVITIES FOR THE PERIOD TO 31 AUGUST 2011

(including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Notes	Un- restricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2011 £
Incoming resources					
<i>Incoming resources from generated funds</i>					
Voluntary income	3	327,632			327,632
Exceptional donation	3	-	-	28,323,778	28,323,778
Activities for generating funds	4	134,145	-	-	134,145
Investment income	5	1,719	-	-	1,719
<i>Incoming resources from charitable activities</i>					
Funding for the Academy's educational operations	6	761,247	11,531,839	625,020	12,918,106
Other incoming resources	7	67,044	61,300	-	128,344
Total incoming resources		1,291,787	11,593,139	28,948,798	41,833,724
Resources expended					
<i>Charitable activities</i>					
Academy's educational operations	9	110,062	11,239,333	653,590	12,002,985
Development costs	9	-	-	455,265	455,265
<i>Governance costs</i>	10		164,163	-	164,163
Total resources expended	7	110,062	11,403,496	1,108,855	12,622,413
Net incoming (outgoing) resources before transfers		1,181,725	189,643	27,839,943	29,211,311
Transfers					
Gross transfers between funds	18	(38,026)	38,026	-	-
Net incoming (outgoing) resources before other recognised gains and losses		1,143,699	227,669	27,839,943	29,211,311
Pension scheme asset (liability)	27		(2,276,000)	-	(2,276,000)
Actuarial (losses) gains on defined benefit pension schemes	27		295,000	-	295,000
Total funds carried forward at 31 August 2011		1,143,699	(1,753,331)	27,839,943	27,230,311

All of the Academy's activities derive from operations acquired during the financial period

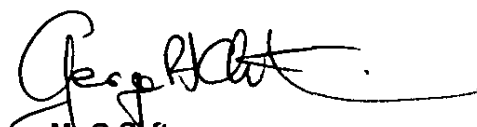
A Statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities


WESTLANDS ACADEMIES TRUST
BALANCE SHEET AS AT 31 AUGUST 2011

Company Number: 07344732

	Notes	£	2011 £
Fixed assets			
Tangible assets	14		27,748,638
Current assets			
Stock	15	7,091	
Debtors	16	498,000	
Cash at bank and in hand		<u>1,329,633</u>	
Total current assets		1,834,724	
Current liabilities:			
Creditors: Amounts falling due within one year	17	<u>(325,051)</u>	
Net current assets			<u>1,509,673</u>
Total assets less current liabilities and net assets excluding pension liability			<u>29,258,311</u>
Pension scheme liability	27		<u>(2,028,000)</u>
Net assets including pension liability			<u>27,230,311</u>
Funds of the academy.			
Restricted funds			
Fixed asset fund(s)	18		27,839,943
General fund(s)	18		274,669
Pension reserve	18		<u>(2,028,000)</u>
Total restricted funds			<u>26,086,612</u>
Unrestricted funds			
General fund(s)	18		<u>1,143,699</u>
Total unrestricted funds			<u>1,143,699</u>
Total Funds			<u>27,230,311</u>

The financial statements on pages 12 to 30 were approved by the Governors, and authorised for issue on 20 December 2011 and signed on their behalf by


Mr G Clifton
Chairman


Mr J Whitcombe
Executive Headteacher

WESTLANDS ACADEMIES TRUST
CASH FLOW STATEMENT FOR THE PERIOD ENDED 31 AUGUST 2011

		2011 £
Net cash inflow from operating activities	21	1,406,364
Returns on investments and servicing of finance	22	1,719
Purchase of fixed assets	23	(78,450)
(Decrease) / increase in cash in the year	24	<u>1,329,633</u>
Reconciliation of net cash flow to movement in net funds		
Net funds at 31 August 2011		<u>1,329,633</u>

1 Statement of Accounting Policies

Basis of accounting

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

Incoming resources

Grants receivable

Grants are included in the statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

Sponsorship income

Sponsorship income provided to the Academy which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable, where there is certainty of receipt.

Donations

Donations are recognised on a receivable basis where there is certainty of receipt and the amount can be reliably measured.

Other income

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

Donated services and gifts in kind

The value of donated services and gifts in kind provided to the Academy Trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the Academy Trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Academy Trust's policies.

Resources expended

All expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Costs of generating funds

These are incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities

These are costs incurred on the Academy Trust's educational operations.

1 Statement of Accounting Policies (continued)**Governance costs**

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

All resources expended are inclusive of irrecoverable VAT

Tangible fixed assets

Assets costing £5,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment

Where tangible fixed assets have been acquired with the aid of specific grants, either from the Government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities over the useful economic life of the related asset on a basis consistent with the Academy Trust's depreciation policy.

Depreciation

Depreciation is provided on all fixed assets at rates calculated to write off the cost of each asset on a straight line basis over its expected useful life, as follows

Leasehold land and buildings	2%
Furniture and equipment	10%
Motor vehicles	20%
Computer equipment and software	25%

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

The land and buildings are held under licence, pending the finalisation of a 125 year lease with Kent County Council. The value of the land and buildings has been determined by the governors with reference to valuations used for insurance purposes.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

Leased Assets

Rentals under operating leases are charged on a straight line basis over the lease term.

Taxation

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

1 Statement of Accounting Policies (continued)**Pensions Benefits**

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 27, the TPS is a multi employer scheme and the Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

Defined contribution scheme

The Academy also operates a defined contribution scheme. The assets of this scheme are held separately from those of the Academy, being invested with insurance companies. The pension costs for the scheme represent the contributions payable by the Academy in the year.

Fund accounting

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

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

Restricted general funds comprise all other restricted funds received and include grants from the YPLA/DfE.

2 General Annual Grant (GAG)**Results and Carry Forward for the period**

	Westlands Secondary	Westlands Primary	Regis Manor	Total 2011
	£	£	£	£
GAG allocation for current year	8,853,116	1,501,385	330,614	10,685,115
Recurrent expenditure from GAG	(9,229,048)	(1,702,618)	(380,548)	(11,312,214)
Income in other restricted general funds	375,932	201,233	11,908	589,073
Transfer from unrestricted funds	-	-	38,026	38,026
GAG carried forward to next year	-	-	-	-
Maximum permitted GAG carry forward at end of current year (12% of allocation for current year)	(1,062,374)	(180,166)	(39,674)	(1,282,214)
GAG to surrender to DfE (12% rule breached if result is positive)	(1,062,374)	(180,166)	(39,674)	(1,282,214)
	no breach	no breach	no breach	no breach

3 Voluntary Income

	Unrestricted Funds	Restricted Funds	Total 2011
	£	£	£
Other Donations	327,632	-	327,632
Exceptional donation	-	28,323,778	28,323,778
	327,632	28,323,778	28,651,410

The exceptional donation represents the value of the fixed assets acquired on conversion at valuation, consisting of leasehold land and buildings, furniture and equipment, computer equipment and motor vehicles

4 Activities for Generating Funds

	Unrestricted Funds	Restricted Funds	Total 2011
	£	£	£
Hire of Facilities	6,768	-	6,768
Catering Income	127,377	-	127,377
	134,145	-	134,145

5 Investment Income

	Unrestricted Funds	Restricted Funds	Total 2011
	£	£	£
Short term deposits	1,719	-	1,719
	1,719	-	1,719

6 Funding for Academy's educational operations

	Unrestricted Funds £	Restricted Funds £	Total 2011 £
DfE/YPLA capital grant			
Devolved Formula Capital allocations		27,505	27,505
Academies Capital Maintenance Grant	-	155,042	155,042
Capital income		282,927	282,927
Capital funding rolled over on conversion		159,546	159,546
	<u>-</u>	<u>625,020</u>	<u>625,020</u>
DfE / YPLA revenue grants			
General Annual Grant (GAG) (note 2)	-	10,685,115	10,685,115
Other DfE / YPLA grants	-	72,545	72,545
	<u>-</u>	<u>10,757,660</u>	<u>10,757,660</u>
Other Government grants			
School budget share rolled over on conversion	761,246	-	761,246
School Standards Funds	-	685,446	685,446
KCC Other income		20,655	20,655
Numbers Count		12,000	12,000
Reading recovery grant		5,390	5,390
Your Choice		28,477	28,477
Special educational projects	-	22,212	22,212
	<u>761,246</u>	<u>774,180</u>	<u>1,535,426</u>
	<u>761,246</u>	<u>12,156,860</u>	<u>12,918,106</u>

7 Other incoming resources

	Unrestricted Funds £	Restricted Funds £	Total 2011 £
Graduate Teacher Programme		61,300	61,300
Insurance claims	25,458		25,458
Academy trips	7,561		7,561
Sundry income	34,025		34,025
	<u>67,044</u>	<u>61,300</u>	<u>128,344</u>

WESTLANDS ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2011 (CONTINUED)

8 Resources Expended

	Staff Costs £	Non Pay expenditure Premises £	Other Costs £	Total 2011 £
Academy's educational operations				
Direct costs	8,512,950	-	716,889	9,229,839
Allocated support costs	791,889	1,347,244	634,013	2,773,146
Implementation costs			455,265	455,265
	9,304,839	1,347,244	1,806,167	12,458,250
Governance costs including allocated support costs	47,000		117,163	164,163
	9,351,839	1,347,244	1,923,330	12,622,413

Net Incoming/outgoing resources for the year include

	2011 £
Fees payable to auditor - audit	8,275
- other services	500
Fixed assets at valuation on conversion	28,232,778

9 Charitable Activities - Academy's educational operations

	Unrestricted Funds £	Restricted Funds £	Total 2011 £
Direct costs			
Teaching and educational support staff costs	5,668	8,507,282	8,512,950
Depreciation	-	161,695	161,695
Educational supplies	34,091	219,886	253,977
Examination fees	272	154,164	154,436
Staff development	230	28,844	29,074
Educational consultancy	4,267	62,877	67,144
Other direct costs	14,279	36,284	50,563
	58,807	9,171,032	9,229,839
Allocated support costs			
Support staff costs	303	791,586	791,889
Depreciation	-	491,895	491,895
Recruitment and support	773	42,866	43,639
Maintenance of premises and equipment	21,508	473,294	494,802
Cleaning	-	196,419	196,419
Rent & rates	-	114,268	114,268
Light and heat	-	164,008	164,008
Insurance	9,450	52,716	62,166
Security and transport	-	19,695	19,695
Catering	3,150	140,691	143,841
Bank interest and charges	61	111	172
Other support costs	16,010	234,342	250,352
	51,255	2,721,891	2,773,146
Development costs	-	455,265	455,265
	110,062	12,348,188	12,458,250

WESTLANDS ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2011 (CONTINUED)

10 Governance costs

	Unrestricted Funds £	Restricted Funds £	Total 2011 £
Legal and professional fees		108,388	108,388
Auditors' remuneration			
Audit of financial statements		8,775	8,775
Support costs		47,000	47,000
	-	164,163	164,163

11 Staff costs

Staff costs during the period were

	Total 2011 £
Wages and salaries	7,485,856
Social security costs	548,255
Other pension costs	1,062,880
	9,096,991
Supply teacher costs and other agency costs	207,848
	9,096,991

The average number of persons (including senior management team) employed by the Academy during the year expressed as full time equivalents was as follows

	2011 No
<i>Charitable Activities</i>	
Teachers	174
Administration and support	212
Management	5
	391

The number of employees whose emoluments fell within the following bands was

	2011 No
£60,001 - £70,000	3
£80,001 - £90,000	2
£120,000 - £130,000	1

The above employees participated in the Teachers' Pension Scheme. During the period ended 31 August 2011, pension contributions for these staff amounted to £60,914

12 Governors' remuneration and expenses

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 from the Academy in respect of their role as governors. The value of the staff governors' remuneration was £394,629.

During the year period ended 31 August 2011, no expenses were reimbursed to governors.

Related party transactions involving the trustees are set out in note 28.

13 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 £1,000,000 on any one claim and the cost for the period ended 31 August 2011 was £688.

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

14 Tangible Fixed Assets

	Leasehold Land and Buildings	Furniture and Equipment	Computer Equipment	Motor Vehicles	Total
	£	£	£	£	£
Cost					
Assets inherited on conversion	27,437,225	451,257	388,946	46,350	28,323,778
Additions	-	-	78,450	-	78,450
Disposals	-	-	-	-	-
At 31 August 2011	<u>27,437,225</u>	<u>451,257</u>	<u>467,396</u>	<u>46,350</u>	<u>28,402,228</u>
Depreciation					
Charged in year	491,895	42,856	109,569	9,270	653,590
Disposals	-	-	-	-	-
At 31 August 2011	<u>491,895</u>	<u>42,856</u>	<u>109,569</u>	<u>9,270</u>	<u>653,590</u>
Net book values					
At 31 August 2011	<u>26,945,330</u>	<u>408,401</u>	<u>357,827</u>	<u>37,080</u>	<u>27,748,638</u>

Inherited assets have been brought in at valuation on the date of conversion.

The land and buildings are held under licence, pending the finalisation of a 125 year lease with Kent County Council. The value of the land and buildings has been determined by the governors with reference to valuations used for insurance purposes.

Valuations for other classes of assets were estimated by the management and teaching staff of the Academy, having regard to the original cost and the age and condition of the assets on the date of conversion.

WESTLANDS ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2011 (CONTINUED)

15 Stock

	2011 £
Clothing	5,091
Catering	2,000
	<u>7,091</u>

16 Debtors

	2011 £
Trade debtors	12,359
Prepayments	37,470
Sundry debtors	13,243
Grant and other income	241,970
VAT recoverable	192,958
	<u>498,000</u>

17 Creditors: amounts falling due within one year

	2011 £
Trade creditors	8,509
Taxation and social security	243
Other creditors	90,679
Accruals and deferred income	81,599
VAT Loan	144,021
	<u>325,051</u>

Deferred income

	2011 £
Resources deferred in the year	57,561
Deferred Income at 31 August 2011	<u>57,561</u>

Deferred income represents funding received prior to 31 August 2011 in respect of anticipated expenditure in the following financial year

18 Funds

	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2011 £
Restricted general funds				
General Annual Grant (GAG)	10,685,114	(11,356,496)	671,382	-
Other DfE/YPLA grants	72,545	-	(72,545)	-
LEA and other grants	774,180	-	(499,511)	274,669
Other incoming resources	61,300	-	(61,300)	-
Pension reserve	-	(47,000)	(1,981,000)	(2,028,000)
	<u>11,593,139</u>	<u>(11,403,496)</u>	<u>(1,942,974)</u>	<u>(1,753,331)</u>
Restricted fixed asset				
DfE/YPLA capital grants	625,020	(455,265)	-	169,755
Assets acquired on conversion at valuation	28,323,778	(653,590)	-	27,670,188
	<u>28,948,798</u>	<u>(1,108,855)</u>	<u>-</u>	<u>27,839,943</u>
Total restricted funds	<u>40,541,937</u>	<u>(12,512,351)</u>	<u>(1,942,974)</u>	<u>26,086,612</u>
Unrestricted funds				
Unrestricted funds	1,291,787	(110,062)	(38,026)	1,143,699
Total unrestricted funds	<u>1,291,787</u>	<u>(110,062)</u>	<u>(38,026)</u>	<u>1,143,699</u>
Total funds	<u>41,833,724</u>	<u>(12,622,413)</u>	<u>(1,981,000)</u>	<u>27,230,311</u>

Restricted general funds are to be applied for the main educational activities of the Academy. Within this fund the General Annual Grant (GAG) must be used for the normal running costs of the Academy.

Restricted fixed asset funds are to be applied for the acquisition of new fixed assets and to the replacement and maintenance of existing assets, including land and buildings.

19 Analysis of net assets

Fund balances at 31 August

	Unrestricted general fund £	Restricted general fund £	Restricted fixed asset fund £	Total 2011 £
Tangible fixed assets	-	-	27,748,638	27,748,638
Current assets	1,145,306	585,671	103,747	1,834,724
Current liabilities	(1,607)	(311,002)	(12,442)	(325,051)
Pension scheme liability	-	(2,028,000)	-	(2,028,000)
Total net assets/(liabilities)	<u>1,143,699</u>	<u>(1,753,331)</u>	<u>27,839,943</u>	<u>27,230,311</u>

WESTLANDS ACADEMIES TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2011 (CONTINUED)

20 Financial commitments

Operating leases

At 31 August 2011 the Academy had annual commitments under non-cancellable operating leases

Land and buildings

The Academy currently occupies it's premises under licence, pending the finalisation of leases. It is anticipated that the leases will be for a period of 125 years at peppercorn rent

	2011 £
<u>Other</u>	
Expiring within two and five years inclusive	<u>13,582</u>

21 Reconciliation of consolidated operating (deficit)/surplus to net cash inflow from operating activities

	2011 £
(Deficit)/surplus on continuing operations after depreciation of assets at valuation	29,211,311
Depreciation (note 14)	653,590
Exceptional donation	(28,323,778)
Interest receivable (note 5)	(1,719)
FRS 17 pension cost less contributions payable (note 27)	(35,000)
FRS 17 pension finance income (note 27)	82,000
(Increase)/decrease in stocks	(7,091)
(Increase)/decrease in debtors	(498,000)
Increase/(decrease) in creditors	325,051
Net cash inflow from operating activities	<u>1,406,364</u>

22 Returns on investments and servicing of finance

	2011 £
Interest received	1,719
Net cash inflow from returns on investment and servicing of finance	<u>1,719</u>

23 Capital expenditure and financial investment

	2011 £
Purchase of tangible fixed assets	<u>78,450</u>

24 Analysis of changes in net funds

	2011 £
Cash in hand and at bank	<u>1,329,633</u>
	<u>1,329,633</u>

WESTLANDS ACADEMIES TRUST
NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2011 (CONTINUED)

25 Contingent Liabilities

During the period of the funding agreement, should any asset for which a capital grant was received be sold or otherwise disposed of, in the event of the Academy not reinvesting the proceeds, it will be required to pay the grant related proportion of the proceeds to the YPLA

Should the funding agreement be terminated for any reason, the Academy shall repay to the YPLA the current value of the Academy's land and buildings and other assets, to the extent that such assets were funded by sums received from the YPLA

26 Members' Liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £1 for the debts and liabilities contracted before he/she ceases to be a member

27 Pension 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 Kent County Council Both are defined-benefit schemes

The pension costs are assessed in accordance with the advice of independent qualified actuaries The latest actuarial valuation of the TPS was 31 March 2004 and of the LGPS 31 August 2011

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 per annum
Salary scale increases per annum	5.0 per cent per annum
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%

27 Pension and similar obligations (continued)

Teachers' Pension Scheme (continued)

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

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a 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 LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August 2011 was £422,000, (Westlands Secondary £328,000, Westlands Primary £75,000, Regis Manor Primary £19,000) of which employer's contributions totalled £201,000 (Westlands Secondary £261,000, Westlands Primary £60,000, Regis Manor Primary £15,000) and employees' contributions totalled £49,000 (Westlands Secondary £67,000, Westlands Primary £15,000, and Regis Manor Primary £4,000). The agreed contribution rates for future years are 23.1 per cent for employers and between 5.5 per cent and 7.5 per cent for employees.

Principal Actuarial Assumptions

**At 31 August
2011**

Rate of increase in salaries	4.40%
Rate of increase for pensions in payment / inflation	2.90%
Discount rate for scheme liabilities	5.80%
Inflation assumption (CPI)	2.90%
Commutation of pensions to lump sums	50%

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**

Retiring today

Males	21.2
Females	24

Retiring in 20 years

Males	22.4
Females	25.1

27 Pension and similar obligations (continued)

Local Government Pension Scheme (Continued)

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			Academy Total £
		Westlands Secondary £	Westlands Primary £	Regis Manor Primary £	
Equities	6.90%	732,000	221,000	107,000	1,060,000
Gilts	3.80%	10,000	3,000	1,000	14,000
Bonds	5.10%	140,000	42,000	20,000	202,000
Property	6.50%	90,000	27,000	13,000	130,000
Cash	3.00%	30,000	9,000	4,000	43,000
Total market value of		1,002,000	302,000	145,000	1,449,000
Present value of scheme liabilities					
- Funded		(2,289,000)	(806,000)	(382,000)	(3,477,000)
Surplus/(deficit) in the scheme		(1,287,000)	(504,000)	(237,000)	(2,028,000)

The expected return on assets is based on the long term future expected investment return for each asset class as at the beginning of the period (i.e. dates of conversion). The return on gilts and other bonds are assumed to be the gilt yield and corporate bond yield (with an adjustment to reflect default risk) respectively on the relevant date. The returns on equities and properties are then assumed to be a margin above gilt yields.

Actual return

	Westlands Secondary £	Westlands Primary £	Regis Manor Primary £	Academy Total £
The actual return on scheme assets was	15,000	5,000	1,000	21,000

Total expenditure recognised in the Statement of Financial Activities

	Total 2011 £
Current service cost (net of employee contributions)	301,000
Past service cost	0
Total operating charge	301,000

Analysis of pension finance income / (costs)

Expected return on pension scheme assets	(70,000)
Interest on pension liabilities	152,000
Pension finance income / (costs)	82,000

27 Pension and similar obligations (continued)

Local Government Pension Scheme (Continued)

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 FRS 17 is a £295,000 loss

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

	Westlands Secondary £	Westlands Primary £	Regis Manor Primary £	Academy Total £
Obligations on dates of conversion (see below)	2,117,000	798,000	391,000	3,306,000
Current service cost	233,000	55,000	13,000	301,000
Interest cost	108,000	39,000	5,000	152,000
Employee contributions	67,000	15,000	4,000	86,000
Actuarial (gain)/loss	(236,000)	(81,000)	(31,000)	(348,000)
Benefits paid		(20,000)		(20,000)
At 31 August 2011	2,289,000	806,000	382,000	3,477,000

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

	Westlands Secondary £	Westlands Primary £	Regis Manor Primary £	Academy Total £
Opening fair value of plans' assets at dates of conversion (see below)	661,000	243,000	126,000	1,030,000
Expected return on assets	51,000	17,000	2,000	70,000
Actuarial gains / (losses)	(38,000)	(13,000)	(2,000)	(53,000)
Employer contributions	261,000	60,000	15,000	336,000
Employee contributions	67,000	15,000	4,000	86,000
Benefits paid		(20,000)		(20,000)
At 31 August 2011	1,002,000	302,000	145,000	1,449,000

The estimated value of employer contributions for the year ended 31 August 2012 is £356,000
(Westlands Secondary £243,000, Westlands Primary £54,000 and Regis Manor £59,000)

The dates of conversion were Westlands Secondary School 1 September 2010, Westlands Primary School 2 September 2010 and Regis Manor Primary School 01 June 2011

27 Pension and similar obligations (continued)

Local Government Pension Scheme (Continued)

The five-year history of experience adjustments is as follows.

	Total 2011 £
Defined benefit obligation at end of year	(3,477,000)
Fair value of plan assets at end of year	<u>1,449,000</u>
Deficit	<u>(2,028,000)</u>
 Experience adjustments on share of scheme assets	
Amount	 <u>(53,000)</u>

28 Related Party 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.