

Company Registration No. 07559439 (England and Wales)

REGISTRAR'S COPY

**WHITEHILL COMMUNITY ACADEMY**  
(A Company Limited by Guarantee)

**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE PERIOD 1 APRIL 2011 TO 31 AUGUST 2012**

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# **WHITEHILL COMMUNITY ACADEMY**

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# WHITEHILL COMMUNITY ACADEMY

## REFERENCE AND ADMINISTRATIVE DETAILS

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### Governors

Sally Wilson	Chair
Roy Hepplestone	Principal (Ex officio)
Paul Welch	Vice Chair
*Vicki Banks	Parent Governor
Andrew Gornall	Parent Governor (appointed 15/9/11)
*Adam Hudson	Parent Governor
*Richard Mulhall	Parent Governor
Jonathan Armitage	Staff Governor
Helen Leng	Staff Governor
*Jimmy Sayles	Staff Governor
Davina Szilvasy	Staff Governor
Alex Berry	Community Governor
Shane Taylor	Local Authority Governor
Gary Firth	Local Authority Governor (resigned 30 June 2011)
Ian Chappell	Whitehill Learning Trust Governor

\* denotes members of the Finance and General Purpose Committee

All the Governors listed above are also Trustees and Directors of the Company Limited by Guarantee

### Company Secretary

Diane Farrar

### Leadership & Management Team

Roy Hepplestone	Principal
Jimmy Sayles	Vice Principal
Linda Waugh	Vice Principal
Suzanne Aston	Director for Training & Development
Jonathan Armitage	Assistant Vice Principal
Jon Boyle	Assistant Vice Principal
June Fairbank	Assistant Vice Principal
Jacque Roche	Assistant Vice Principal
Muna Tariq	Teaching & Learning Facilitator
Catherine Oade	Teaching & Learning Support Facilitator
Davina Szilvasy	Teaching & Learning Support Facilitator
Kate Irlam	Foundation Stage Leader (appointed Feb 2012)
Anne Farnell	Business Manager (appointed Sept 2011)
Dean Williams	ICT Manager
Martin Boothroyd	Site Manager

### Director of Finance and Administration

Anne Farnell

### Principal and Registered Office

Roy Hepplestone  
Occupation Lane  
Illingworth  
Halifax  
HX2 9RL

### Company Registration Number

07559439 (England and Wales)

# **WHITEHILL COMMUNITY ACADEMY**

## **REFERENCE AND ADMINISTRATIVE DETAILS**

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### **Independent Auditor**

Simpson Wood  
Chartered Accountants  
Bank Chambers  
Market Street  
Huddersfield  
HD1 2EW

### **Bankers**

Yorkshire Bank plc  
7 Waterhouse Street  
Halifax  
HX1 1XZ

### **Solicitors**

Anthony Collins Solicitors  
134 Edmund Street  
Birmingham  
B3 2ES

# **WHITEHILL COMMUNITY ACADEMY**

## **GOVERNORS' REPORT**

***FOR THE PERIOD 1 APRIL 2011 TO 31 AUGUST 2012***

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The governors present their annual report together with the financial statements and auditors' report of the charitable company for the period 1 April 2011 to 31 August 2012

### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

#### **Constitution**

The Academy is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy.

The Academy Trust was incorporated on 10 March 2011 and opened as an Academy on 1 April 2011.

The governors act as the trustees for the charitable activities of Whitehill Community Academy and are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Whitehill Community Academy.

Details of the governors who served throughout the year except as noted are included in the reference and administrative details on page 1.

#### **Members' Liability**

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

#### **Governors' Indemnities**

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 £5 million on any one claim and the cost for the period 1 April 2011 to 31 August 2012 was £3,660.

#### **Principal Activities**

The principal activity of the charitable company is the operation of Whitehill Community Academy to provide education for pupils of different abilities between the ages of 3 and 11.

#### **Method of Recruitment and Appointment or Election of Governors**

On 1 April 2011 the Trustees appointed all those Governors that served the predecessor school to be Governors of the newly formed Academy. These Governors were appointed on a term of office that would end when their original term at the predecessor school would have ended, thus ensuring a staggered re-election or replacement process.

The number of Governors shall be not less than three but (unless otherwise determined by ordinary resolution) shall not be subject to any maximum.

The Academy Trust shall have the following Governors as set out in its Articles of Association and funding agreement:

- up to 2 Governors who are appointed by members
- a minimum of 2 Parent Governors who are elected by parents of registered pupils at the Academy
- up to 1 LA Governor who is appointed by the Local Authority
- any staff Governors appointed by members (providing that the total number of Governors, including the Principal, who are employees of the Academy Trust, does not exceed one third of the total number of Governors)
- Up to 2 Co-opted Governors who are appointed by Governors

# **WHITEHILL COMMUNITY ACADEMY**

## **GOVERNORS' REPORT (continued)**

**FOR THE PERIOD 1 APRIL 2011 TO 31 AUGUST 2012**

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Governors are appointed for a four year period, except that this time limit does not apply to the Principal Subject to remaining eligible to be a particular type of Governor, any Governor can be re-appointed or re-elected When appointing new Governors, the Board will give consideration to the skills and experience mix of existing Governors in order to ensure that the Board has the necessary skills to contribute fully to the Academy's development

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

All Governors receive a Governors Handbook which details, amongst other things, Governor expectations, roles of Governors Academy has a Governor Recruitment, Induction and Training policy available from the Clerk to the Governors

The training and induction provided for new Governors will depend upon their existing experience but would always include a tour of the Academy and a chance to meet 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 few new appointments a year, induction tends to be done informally and is tailored specifically to the individual Advantage is taken of specific courses offered by the Local Authority and other bodies

There is a staff and governor training session at the start of each academic year

### **Organisational Structure**

The Board of Governors normally meets once each term The Board establishes an overall framework for the governance of the Academy and determines membership, terms of reference and procedures of Committees and other groups It receives reports including policies from its Committees for ratification It monitors the activities of the Committees through the minutes of their meetings The Board may from time to time establish Working Groups to perform specific tasks over a limited timescale

There are three committees as follows,

- Finance, General Purposes and Audit Committee - this meets at least three times a year and is responsible for advising the Governing Body on priorities for the maintenance and development of the school's premises, establishing and reviewing the Building Development and Accessibility plans and ensuring the relevant insurances are in place The committee reviews the budget plans and makes recommendations to the Governing Body, establishes and maintains a three year financial plan, reviews budgets positions, approves financial policies and makes decisions on expenditure following recommendations from other committees It also incorporates the role of an audit committee
- Staffing and Children Committee – this meets - this meets at least four times a year and is responsible for drafting and reviewing the staffing structure, establishing and reviewing pay and other staffing related policies, overseeing the procedures for the appointment of staff and making recommendations to Finance Committee on personnel related expenditure
- Curriculum and School Life Committee – this meets at least four times a year and is responsible for considering matters relating to the school's curriculum, overseeing arrangements for individual governors to take leading roles in specific curriculum areas, establish and review curriculum policies and deal with all pastoral issues

The following decisions are reserved to the Board of Governors, to consider any proposals for changes to the status or constitution of the Academy and its committee structure, to appoint or remove the Chair and/or Vice Chair, to appoint the Principal and Clerk to the Governors, to approve the Annual Development Plan and budget

# **WHITEHILL COMMUNITY ACADEMY**

## **GOVERNORS' REPORT (continued)**

### ***FOR THE PERIOD 1 APRIL 2011 TO 31 AUGUST 2012***

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The Governors are responsible for setting general policy, adopting an annual plan and budget, approving the statutory accounts, monitoring the Academy by the use of budgets and other data, and making major decisions about the direction of the Academy, capital expenditure and staff appointments

The Board of Governors have devolved responsibility for day to day management of the Academy to the Headteacher and Senior Leadership Team (SLT) The SLT comprises the Principal, Vice Principals, Assistant Vice Principals, Teaching & Learning Facilitators, Foundation Stage Leader and the Business Manager The SLT implement the policies laid down by the Governors and report back to them on performance

The SLT controls the Academy at an executive level, implementing the policies laid down by the Governors and reporting back to them The Principal, Business Manager and Finance and General Purposes Committee are responsible for the authorisation of spending within agreed budgets, a summary of this is in the Scheme of Delegation Some spending control is devolved to Budget Holders which must be authorised in line with the Scheme of Delegation The Principal is responsible for the appointment of staff, though appointment panels for teaching posts always include a Governor The Principal is the Accounting Officer

#### **Risk Management**

The governors have assessed the major risks to which the Academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academy and its finances, all of which are outlined in the Risk Register which is reviewed on a regular basis Systems have been introduced to minimise and manage the major risks, including health and safety and child protection policies and procedures The governors have ensured that adequate insurance cover is in place in areas where there is still a significant risk The Academy has an effective system of internal financial controls and this is explained in more detail in the Statement on Internal Control

#### **Connected Organisations, including Related Party Relationships**

Whitehill Community Learning Trust is a related party but is a separate company The Learning Trust has Governor representation on Whitehill Community Academy's Governing Body

Whitehill Community Academy is part of an academy chain which includes eight other academies from within Calderdale MBC We collaborate in a number of ways including strategic, bursar, SEN, early years meetings This is an informal arrangement

Whitehill Community Academy has strong links with local groups and organisations including Elim Pentecostal Church and Illingworth and Bradshaw over 50's Group, and has also strong but informal links with nine other academies within our Local Authority

# **WHITEHILL COMMUNITY ACADEMY**

## **GOVERNORS' REPORT (continued)**

***FOR THE PERIOD 1 APRIL 2011 TO 31 AUGUST 2012***

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### **OBJECTIVES AND ACTIVITIES**

The principal object and activity of Whitehill Community Academy is to provide free education for pupils of different abilities between the ages of 3 and 11, to be at the heart of our community and share facilities with other schools and the wider community

All schools have their own characteristics, strengths, areas for development and individual systems which give them their identity. We believe that it is important to build on strengths and manage change carefully and effectively.

Our vision is for a school which provides equality of opportunity for all in partnership with the whole community, seeking to promote and develop every child's potential to the full in a positive and meaningful way.

The parents, governors and staff at Whitehill Community Academy wish to see evidence of quality and high standards of the teaching and learning within our Academy.

Below is a summary of what we believe are the characteristics of a successful Academy. At all times we will be working towards achieving these broad aims and objectives.

- Well-developed and clear child centred aims and objectives, which are part of all curriculum and pastoral policies
- A welcoming, open and friendly Academy with a positive ethos and tone where the views of the children and parents are valued. We develop flourishing home and community links with our Academy. Positive interpersonal relationships between all staff, parents and children are extremely important within this partnership.
- Exciting and well managed classrooms in which the teachers and support staff use a variety of strategies and approaches which provide a smooth transition of children from Whitehill Community Academy to the High School/Academy of their choice.

We have well-documented and clear effective curriculum planning, assessment, reporting and recording policies and schemes of work. The role of the curriculum co-ordinator is important.

The governing body and staff as a team ensure that the school's resources are well organised and managed. The key to this is a collegial management style. When the OFSTED Inspection team visits Whitehill they should see this partnership in action. The Academy Development Plan has been collaboratively produced with achievable targets for the coming year and with forecasts for the coming three years will clearly show what we have achieved and indeed will highlight areas, which need to be developed. The Academy Development Plan is a tool that we will use to organise developments and ensure that they are maintained at a realistic pace.



# **WHITEHILL COMMUNITY ACADEMY**

## **GOVERNORS' REPORT (continued)**

**FOR THE PERIOD 1 APRIL 2011 TO 31 AUGUST 2012**

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### **Objects and Aims**

Our school aims to -

- Develop a caring child centred curriculum which is broad, balanced and differentiated to meet and develop the needs of all children
- Ensure progression and coverage of all National Curriculum core and foundation subjects
- Develop an understanding of all regarding race, gender, ability and disability
- Develop the child's self image and esteem
- Develop children as independent learners
- Develop a caring attitude towards each other by behaving in a positive and responsible manner
- Develop a community spirit between the child, parent, school and the wider environment
- Develop from early years the attitudes, values, skills and knowledge so that transfer to High school is smooth one
- Provide experiences, which will develop our pupils' spiritual and moral understanding
- For all staff to feel happy to come to our Academy to work with children and develop them to their full potential

At Whitehill Community Academy we want all children to reach their full academic, creative and physical potential and to develop positive social and moral values. Our Academy is a community in which children, staff and parents should be part of a happy and caring environment.

Raising standards is at the forefront of everything we do at Whitehill Academy. Children have one chance and the education that we offer at Whitehill must be the best.

### **Objectives, Strategies and Activities**

Key priorities for the year are contained in our Academy Development Plan which is available from the Academy Office. Improvement focuses identified for this year include

- To co-ordinate and monitor the impact of the Trust partners in developments throughout the Academy and Multi Academy Trust
- To develop fund raising capacity within the Academy by working with the Whitehill Community Learning Trust
- To respond to NLE and NSS Academy support for other schools
- To continue our programme of policy review
- To gain accreditation of quality marks
- To set ambitious 2012 KS1 and KS2 targets
  - KS1 English L2+ 92% L3 20%, Maths L2+92% L3 30%
  - KS2 English L4+ 88% L5 30%, Maths L4+85% L5 41%

Alongside the whole school development targets the Academy the Development included targets within the following sections

- Self Evaluation – maintain an Academy SEF, continue staff observations to support Performance Management processes, review staff deployment
- Buildings – create independent learning area in KS1, develop infant play area, improve security for nursery children, continue with decorating programme, develop staff car park with security fencing, improve Nursery flooring
- ICT - update wireless network in KS2, roll out Apple Mac books for staff, replace projectors, create storage space in ICT department
- Curriculum and Planning – Analyse RAISE online and work towards SATs points for action, review the role of subject co-ordinators, develop the use of CAD Cam technology and implement the 2D Jaguar challenge with Trust partner, Denfords, review whole school assessment grid, develop a new website and VLE

# WHITEHILL COMMUNITY ACADEMY

## GOVERNORS' REPORT (continued)

**FOR THE PERIOD 1 APRIL 2011 TO 31 AUGUST 2012**

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### Objectives, Strategies and Activities (continued)

- Pastoral – set a 96% attendance target and 0% Exclusion target, develop annual travel plan, gain reaccreditation of Investor in Pupils award, hold a joint staff/governor workshop
- Parent – hold curriculum overview meetings, hold annual 'Back to school' day
- CPD – Performance manage all staff in line with new Appraisal policy, complete threshold applications, produce an annual CPD report, develop a twilight programme for the Academic year, consider Specialist Leaders of Education and National Leaders in Governance applications for Academy leaders and governors, develop peer-to-peer observations within the Academy
- Business and Administration – Create a Business Manager post to ensure financial responsibilities as an Academy are met
- Extended School / Community Cohesion – Create a Community Co-ordinator post to enhance & develop community cohesion by developing a community newsletter, establishing a youth club, organising courses and activities for parents and develop the use of the Academy for Community groups.

### Public Benefit

The Governors confirm that they have complied with their duty in Section 4 of the Charities Act 2006 to have due regard to the Charity Commissioner's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Academy's aims and objectives and in planning its future activities.

### ACHIEVEMENTS AND PERFORMANCE

Total pupils on roll in the period ended 31 August 2012 numbered 498, this is split between the year groups as follows

Nursery	52
Reception	61
Year 1	60
Year 2	59
Year 3	67
Year 4	63
Year 5	67
Year 6	69

There were 75 applicants for the 60 places available in Reception. As a result of our popularity and being oversubscribed, the Governors are planning to apply to the Education Funding Agency for an increase in the pupil admission number (PAN), subject to funding being obtained for the construction of additional accommodation.

RAISEonline and current data from the schools tracking system shows that attainment is above the LA and national averages in Maths, English and Science at level 4 and level 5. We also achieved 12% level 6 results in Maths. Taking into account the majority of children being on the Inclusion register and other deprivation indicators, mentioned earlier, we are proud of this attainment across all groups. As a result we would judge attainment as good but approaching a grade boundary of outstanding.

At the end of Key Stage 1, a particularly challenging year group achieved very high results for their cohort considering the high percentage of SEN and children on the Inclusion register. This reflects the high level of need in the year group. Despite this they managed to perform significantly above the targets set for them. This high level of attainment was also seen at the end of Key Stage 2 where children performed highly across all subjects and maintained record high results. This demonstrates the excellent teaching of the staff at Whitehill Community Academy.

# **WHITEHILL COMMUNITY ACADEMY**

## **GOVERNORS' REPORT (continued)**

***FOR THE PERIOD 1 APRIL 2011 TO 31 AUGUST 2012***

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### **ACHIEVEMENTS AND PERFORMANCE (continued)**

KS1 and KS2 SATs results 2012 were

- KS1 English L2+ 90% L3 36%, Maths L2+93% L3 37%
- KS2 English L4+ 88% L5 39%, Maths L4+87% L5 44%
- KS2 Science results were maintained at a very high level at 97% level 4 plus and 45% level 5

The Academy has managed to maintain small class sizes with the creative use of Level 6 teaching assistants and three teachers across Years 5 and 6. In addition all classes have a teaching assistant which is a valuable addition to the classroom.

To ensure that standards are continually assessed, the Academy operates a programme of lesson observations and rigorous work scrutiny, which are undertaken by the Leadership and Management team.

Many parent volunteers have been helping in the Academy this year. Their commitment to the children and Academy is inspirational. They have helped with reading, writing, maths, sporting events and trips out of school. Over 100 parents attended the Annual 'back to school' day to experience a day in the life of their child and attended afternoon workshops run by the Whitehill staff.

#### **Going Concern**

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

#### **Key Financial Performance Indicators**

This is the first year that the Academy has produced accounts in this fashion. KFPI's will be set for the next year following expected guidance from the EFA on completion / submission of the Abbreviated Accounts Return.

Throughout the year Governors have monitored expenditure against the original budget. The end of year position was as forecast. Governors have agreed the distribution of the end-of-year surplus.

# **WHITEHILL COMMUNITY ACADEMY**

## **GOVERNORS' REPORT (continued)**

**FOR THE PERIOD 1 APRIL 2011 TO 31 AUGUST 2012**

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### **FINANCIAL REVIEW**

Most of the Academy's income is obtained from DfE in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the period 1 April 2011 to 31 August 2012 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 DfE. In accordance with the Charities Statement of Recommended Practice, "Accounting and Reporting by Charities" (SORP 2005), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund.

The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the period ended 31 August 2012, the total expenditure of £3,366,027 was more than covered by recurrent grant funding from the DfE together with other incoming resources. The excess of income over expenditure for the period (excluding restricted fixed asset funds and pension deficit) was £81,154. The deficit balance of the former school's budget of £74,950 was transferred across on conversion and has been repaid to the Education Funding Agency within this accounting period.

At 31 August 2012 the net book value of fixed assets was £5,771,287 and movement in tangible fixed assets are shown in Note 13 to the financial statements.

The Academy has taken on the deficit in the Local Government Pension Scheme in respect of its non-teaching staff transferred on conversion. The deficit is incorporated within the Statement of Financial Activity with details in Note 26 to the financial statements.

The assets were used exclusively for providing education and the associated support services to pupils of the Academy.

### **Financial and Risk Management Objectives and Policies**

The governors have assessed the major risks to which the Academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academy and its finances, all of which are outlined in the Risk Register which is reviewed on a regular basis. Systems have been introduced to minimise and manage the major risks, including health and safety and child protection policies and procedures. The governors have ensured that adequate insurance cover is in place in areas where there is still a significant risk. The Academy has an effective system of internal financial controls and this is explained in more detail in the Statement on Internal Control.

### **Principal Risks and Uncertainties**

The principal risks and uncertainties facing the Academy are as follows:

**Financial** - the Academy has considerable reliance on continued Government funding through the EFA. In the last year 88%, excluding assets transferred from predecessor school (33% including), of the Academy's incoming resources was ultimately Government funded and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

# **WHITEHILL COMMUNITY ACADEMY**

## **GOVERNORS' REPORT (continued)**

**FOR THE PERIOD 1 APRIL 2011 TO 31 AUGUST 2012**

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### **Principal Risks and Uncertainties (continued)**

Failures in governance and/or management - the risk in this area arises from potential failure to effectively manage the Academy's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Governors continue to review and ensure that appropriate measures are in place to mitigate these risks

Reputational - the continuing success of the Academy is dependent on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Governors ensure that pupil success and achievement are closely monitored and reviewed

Safeguarding and child protection - the Governors continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline

Staffing - the success of the Academy is reliant on the quality of its staff and so the Governors monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning

Fraud and mismanagement of funds - The Academy had appointed Simpson Wood, its auditor, as Responsible Officer, to carry out checks on financial systems and records as required by the Academy Financial Handbook. Since the year end and following latest guidance issued by EFA, the Academy is reviewing its independent checking procedures as Simpson Wood have resigned as Responsible Officer

All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area

The Academy has continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness. A risk register is maintained and reviewed and updated on a regular basis

### **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. The Governors take into consideration the future plans of the Academy, the uncertainty over future income streams and other key risks identified during the risk review

The value of free reserves which are available for general purposes as at 31 August 2012 are £18,058

### **Investment Policy**

Due to the nature of funding, the Academy may at times hold cash balances surplus to its short term requirements. The Governors have authorised the opening of additional short term bank investment accounts to take advantage of higher interest rates. No other form of investment is authorised

# WHITEHILL COMMUNITY ACADEMY

## GOVERNORS' REPORT (continued)

**FOR THE PERIOD 1 APRIL 2011 TO 31 AUGUST 2012**

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### PLANS FOR FUTURE PERIODS

Key priorities for the next year are contained in our Academy Development Plan which is available from the Academy Office and include

- To co-ordinate and monitor the impact of the Trust partners in developments throughout the Academy and Multi Academy Trust
- To develop fund raising capacity within the Academy by working with the Whitehill Community Learning Trust
- To respond to NLE and NSS Academy support for other schools
- To develop into becoming a DfE Sponsor Academy
- To apply for teaching school status, a Multiple Teaching School Alliance, with Greetland Academy
- To consult on increasing the planned admission number (PAN) to 90 for the Academy
- To secure funding for the construction of new classrooms if the decision is taken to increase the PAN
- To set ambitious 2013 KS1 and KS2 SATs targets

### FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The Academy and its Governors do not act as the Custodian Trustees of any other Charity

### AUDITOR

In so far as the governors are aware -

- there is no relevant audit information of which the charitable company's auditor is unaware, and
- 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

Approved by order of the members of the Governing Body on 7 December 2012 and signed on its behalf by

Signed 

Sally Wilson, Chair

# WHITEHILL COMMUNITY ACADEMY

## GOVERNANCE STATEMENT

**FOR THE PERIOD 1 APRIL 2011 TO 31 AUGUST 2012**

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### SCOPE OF RESPONSIBILITY

As governors, we acknowledge we have overall responsibility for ensuring that Whitehill Community Academy has an effective and appropriate system of control, financial and otherwise. However such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

The Governing Body has delegated the day-to-day responsibility to the principal, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Whitehill Community Academy and the Secretary of State for Education. They are also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

### GOVERNANCE

The information on governance included here supplements that described in the governors' report and in the statement of governors' responsibilities. The governing body has formally met six times during the period. Attendance during the period 1 April 2011 to 31 August 2012 at meetings of the full governing body was as follows -

<b>Governor</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Sally Wilson	6	6
Roy Hepplestone	6	6
Paul Welch	5	6
Vicki Banks	5	6
Andrew Gornall	3	4
Adam Hudson	3	6
Richard Mulhall	5	6
Jonathan Armitage	6	6
Helen Leng	6	6
Jimmy Sayles	6	6
Davina Szilvasy	5	6
Alex Berry	2	6
Shane Taylor	6	6
Gary Firth	0	2
Ian Chappell	6	6

# WHITEHILL COMMUNITY ACADEMY

## GOVERNANCE STATEMENT (continued)

**FOR THE PERIOD 1 APRIL 2011 TO 31 AUGUST 2012**

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### GOVERNANCE (continued)

**The Finance, Buildings, General Purposes and Audit Committee** is a sub-committee of the main governing body. Its purpose is to -

- review the budget plan & make recommendations to the full governing body
- establish & maintain an up to date three year financial plan
- consider the budget position statement and make decisions on expenditure
- monitor & review procedures for ensuring effective implementation & operation of financial procedures
- approve financial policy statements
- prepare the financial statements for filing in accordance with the Companies Act and Charity Commission requirements
- advise the governing body on priorities for the maintenance & development of the school's premises
- oversee premises related funding bids
- ensure relevant insurances are in place
- receive the auditor's reports and recommend to the full governing body action as appropriate
- Recommend to the full governing body the appointment or re-appointment of auditors to the academy

Attendance at meetings in the period was as follows -

<b>Governor</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Roy Hepplestone	5	5
Vicki Banks	5	5
Richard Mulhall	4	5
Jimmy Sayles	5	5
Adam Hudson	0	5



# **WHITEHILL COMMUNITY ACADEMY**

## **GOVERNANCE STATEMENT (continued)**

***FOR THE PERIOD 1 APRIL 2011 TO 31 AUGUST 2012***

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### **THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives, it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Whitehill Community Academy for the period ended 31 August 2012 and up to the date of approval of the annual report and financial statements.

### **CAPACITY TO HANDLE RISK**

The Governing Body has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governing Body is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks that has been in place for the period ending 31 August 2012 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

### **THE RISK AND CONTROL FRAMEWORK**

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

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

The Governing Body has considered the need for a specific internal audit function and had appointed auditors Simpson Wood as Responsible Officer (RO). However, the regulations in the Academies Financial Handbook have changed as at September 2012 and the governors are now required to appoint someone else in this role. 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 Governing Body on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities.

# WHITEHILL COMMUNITY ACADEMY

## GOVERNANCE STATEMENT (continued)

**FOR THE PERIOD 1 APRIL 2011 TO 31 AUGUST 2012**

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### REVIEW OF EFFECTIVENESS

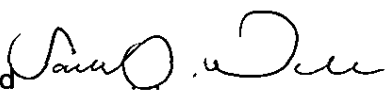
As accounting officer, the principal has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by -

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

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

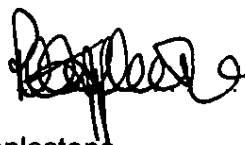
Approved by order of the members of the Governing Body on 7 December 2012 and signed on its behalf by

Signed



Sally Wilson  
Chair

Signed



Roy Hepplestone  
Accounting Officer

# WHITEHILL COMMUNITY ACADEMY

## STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

**FOR THE PERIOD 1 APRIL 2011 TO 31 AUGUST 2012**


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As accounting officer of Whitehill Community Academy I have considered my responsibility to notify the academy governing body and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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

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

Signed



Roy Hepplestone  
Accounting Officer

7 December 2012

# WHITEHILL COMMUNITY ACADEMY

## STATEMENT OF GOVERNORS' RESPONSIBILITIES

**FOR THE PERIOD 1 APRIL 2011 TO 31 AUGUST 2012**

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The governors (who act as trustees for charitable activities of Whitehill Community Academy and are also directors of the charitable company for the purposes of company law) are responsible for preparing the governors' report and the financial statements in accordance with the Annual Accounts Requirements issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations

Company law requires the governors to prepare financial statements for each financial year. Under company law the governors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income, and expenditure, for that period. In preparing these 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 judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the 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 business

The governors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the 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 ensuring that in its conduct and operation the Charitable Company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the EFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the Governing Body on 7 December 2012 and signed on its behalf by

Signed 

Sally Wilson  
Chair

# **WHITEHILL COMMUNITY ACADEMY**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WHITEHILL COMMUNITY ACADEMY**

***FOR THE PERIOD 1 APRIL 2011 TO 31 AUGUST 2012***

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We have audited the financial statements of Whitehill Community Academy for the period ended 31 August 2012 on pages 23 to 49. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the 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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of governors and auditor**

As explained more fully in the Governors' Responsibilities Statement set out on page 18, 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 statement 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 2012 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice,
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

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

# WHITEHILL COMMUNITY ACADEMY

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WHITEHILL COMMUNITY ACADEMY (continued)

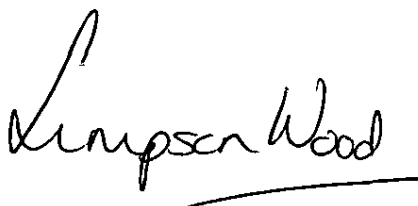
**FOR THE PERIOD 1 APRIL 2011 TO 31 AUGUST 2012**

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### **Matters on which we are required to report by exception**

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us, or
- the 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, or
- the governors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Governors' Annual Report



Daniel McAllister FCA (Senior statutory auditor)

For and on behalf of Simpson Wood  
Statutory Auditor  
Bank Chambers  
Market Street  
Huddersfield  
HD1 2EW

7 December 2012

# **WHITEHILL COMMUNITY ACADEMY**

## **INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO WHITEHILL COMMUNITY ACADEMY AND THE EDUCATION FUNDING AGENCY**

***FOR THE PERIOD 1 APRIL 2011 TO 31 AUGUST 2012***

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In accordance with the terms of our engagement letter dated 5 July 2012 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2011/12, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Whitehill Community Academy during the period 1 April 2011 to 31 August 2012 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them

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

### **Respective responsibilities of Whitehill Community Academy accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Whitehill Community Academy funding agreement with the Secretary of State for Education dated 31 March 2011 and the Academies Financial Handbook as published by DfES in 2006, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them

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

### **Approach**

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

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

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

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

# WHITEHILL COMMUNITY ACADEMY

## INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO WHITEHILL COMMUNITY ACADEMY AND THE EDUCATION FUNDING AGENCY (continued)

**FOR THE PERIOD 1 APRIL 2011 TO 31 AUGUST 2012**

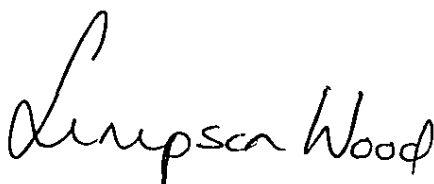
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A summary of the work undertaken is -

- consideration of the evidence supporting the accounting officers statement on regularity, propriety and compliance which may include review and corroboration of the most recent Financial Management and Governance Evaluation or equivalent,
- evaluation of the general control environment of the academy trust, extending the procedures required for financial statements to include regularity,
- assessment and testing of a sample of the specific control activities over regularity of a particular activity,
- when performing sample testing of expenditure, considering whether the activity is permissible within the academy trust's framework of authorities

### Conclusion

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



Simpson Wood  
Chartered Accountants  
Bank Chambers  
Market Street  
Huddersfield  
HD1 2EW

7 December 2012



# WHITEHILL COMMUNITY ACADEMY

## STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT AND STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES)

FOR THE PERIOD 1 APRIL 2011 TO 31 AUGUST 2012

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2012 £
<b>Incoming resources</b>					
Incoming resources from generated funds -					
Voluntary income	4	11,261	-	-	11,261
Assets transferred from predecessor school	2	(74,950)	(242,000)	5,893,206	5,576,256
Activities for generating funds	5	361,281	-	-	361,281
Incoming resources from charitable activities -					
Funding for the Academy's educational operations	6	31,074	2,909,295	27,803	2,968,172
<b>Total incoming resources</b>		<b>328,666</b>	<b>2,667,295</b>	<b>5,921,009</b>	<b>8,916,970</b>
<b>Resources expended</b>					
Cost of generating funds -					
Costs of generating voluntary income	7	310,460	-	-	310,460
Charitable activities -					
Academy's educational operations	8	148	2,874,597	162,220	3,036,965
Governance costs	9	-	18,602	-	18,602
<b>Total resources expended</b>		<b>310,608</b>	<b>2,893,199</b>	<b>162,220</b>	<b>3,366,027</b>
<b>Net incoming/(outgoing) resources before transfers</b>		<b>18,058</b>	<b>(225,904)</b>	<b>5,758,789</b>	<b>5,550,943</b>
Gross transfers between funds	17	-	(12,498)	12,498	-
<b>Net income/(expenditure) for the year</b>		<b>18,058</b>	<b>(238,402)</b>	<b>5,771,287</b>	<b>5,550,943</b>
<b>Other recognised gains and losses</b>					
Actuarial (losses)/gains on defined benefit pension schemes	26	-	(254,000)	-	(254,000)
<b>Net movement in funds</b>		<b>18,058</b>	<b>(492,402)</b>	<b>5,771,287</b>	<b>5,296,943</b>

# WHITEHILL COMMUNITY ACADEMY

## STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT AND STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES)

FOR THE PERIOD 1 APRIL 2011 TO 31 AUGUST 2012

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	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2012 £
<b>Reconciliation of funds</b>					
Funds brought forward at 1 April 2011	17	-	-	-	-
<b>Funds carried forward at 31 August 2012</b>		<b>18,058</b>	<b>(479,904)</b>	<b>5,758,789</b>	<b>5,296,943</b>

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All of the Academy's activities derive from acquisitions in the current 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

# WHITEHILL COMMUNITY ACADEMY

## BALANCE SHEET

Company No. 07559439 (England and Wales)

AS AT 31 AUGUST 2012

	Note	2012 £	£
<b>Fixed assets</b>			
Tangible assets	13		5,771,287
<b>Current assets</b>			
Stock	14	429	
Debtors	15	93,803	
Cash at bank and in hand		25,951	
		<u>120,183</u>	
<b>Creditors: Amounts falling due within one year</b>	16	(51,527)	
<b>Net current assets</b>			<u>68,656</u>
<b>Total assets less current liabilities</b>			<u>5,839,943</u>
<b>Net assets excluding pension liability</b>			
Pension scheme liability	26		(543,000)
<b>Net assets including pension liability</b>			<u>5,296,943</u>
<b>Funds of the Academy:</b>			
<b>Restricted funds</b>			
Fixed asset fund(s)	17		5,771,287
General fund(s)	17		50,598
Pension reserve	26		(543,000)
<b>Total restricted funds</b>			<u>5,278,885</u>
<b>Unrestricted funds</b>			
General fund(s)	17		18,058
<b>Total unrestricted funds</b>			<u>18,058</u>
<b>Total funds</b>			<u>5,296,943</u>

The financial statements on pages 23 to 49 were approved by the governors, and authorised for issue on 7 December 2012 and are signed on their behalf by -

Signed   
Sally Wilson, Chair

# WHITEHILL COMMUNITY ACADEMY

## CASH FLOW STATEMENT

**FOR THE PERIOD 1 APRIL 2011 TO 31 AUGUST 2012**

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	Note	2012 £
<b>Net cash inflow from operating activities</b>	21	175,498
Cash paid on conversion to an academy		(109,246)
Capital expenditure	22	(40,301)
<b>(Decrease)/Increase in cash flow in the year</b>		<b>25,951</b>
<b>Reconciliation of net cash flow to movement in net funds</b>	23	<b>25,951</b>
Net funds at 1 April 2011		-
<b>Net funds at 31 August 2012</b>		<b>25,951</b>

All the cash flows are derived from acquisitions in the current financial period

# WHITEHILL COMMUNITY ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS

**FOR THE PERIOD 1 APRIL 2011 TO 31 AUGUST 2012**

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### **1 Statement of accounting policies**

#### **Basis of preparation**

The financial statements have been prepared under the historical 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 EFA and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

#### **Going concern**

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

#### **Conversion**

The conversion from a state maintained school to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the school for £nil consideration and has been accounted for under the acquisition accounting method.

The assets and liabilities transferred on conversion from Whitehill Community School to an academy trust have been valued at their fair value being a reasonable estimate of the current market value that the governors would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for Whitehill Community Academy. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in voluntary income as net income in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. Further details of the transaction are set out in note 2.

#### **Incoming resources**

All incoming resources are recognised when the Academy has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

- **Grants receivable**

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where 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 receivable and to the extent the goods have been provided or on completion of the service.

# WHITEHILL COMMUNITY ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE PERIOD 1 APRIL 2011 TO 31 AUGUST 2012

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### 1 Statement of accounting policies (continued)

- **Donated services and gifts in kind**

The value of donated services and gifts in kind provided to the Academy are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the Academy 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 Academy's policies.

#### **Resource 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 costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

- **Charitable activities**

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

- **Governance costs**

These include the costs attributable to the Academy's compliance with constitutional and statutory requirements, including audit, strategic management and governor's 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 so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy's depreciation policy.

# WHITEHILL COMMUNITY ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE PERIOD 1 APRIL 2011 TO 31 AUGUST 2012

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### 1 Statement of accounting policies (continued)

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset on a straight line basis over its expected useful lives, as follows -

Freehold buildings	2%
Long leasehold buildings	2%
Fixtures, fittings and equipment	15%
ICT equipment	33%
Motor vehicles	20%

For assets transferred from the predecessor school, depreciation is calculated on the original cost rather than the value at which the asset was transferred

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

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of 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

#### **Stock**

Unsold catering stocks are valued at the lower of cost or net realisable value

#### **Taxation**

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

#### **Pensions benefits**

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

# WHITEHILL COMMUNITY ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE PERIOD 1 APRIL 2011 TO 31 AUGUST 2012

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### 1 Statement of accounting policies (continued) Pensions benefits (continued)

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

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

#### 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 Education Funding Agency where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received and include grants from the Education Funding Agency and Department for Education.

### 2 Conversion to an academy trust Assets transferred from predecessor school

On 1 April 2011 Whitehill Community School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Whitehall Community Academy from the Calderdale Local Authority for £nil consideration.

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as net income in the Statement of Financial Activities as voluntary income.



# WHITEHILL COMMUNITY ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE PERIOD 1 APRIL 2011 TO 31 AUGUST 2012

### 2 Conversion to an academy trust (continued)

#### Assets transferred from predecessor school

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the SOFA

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2012 £
Tangible fixed assets				
- Freehold, land and buildings	-	-	5,867,091	5,867,091
- Other tangible fixed assets	-	-	26,115	26,115
Budget (deficit) on LA funds	(74,950)	-	-	(74,950)
LGPS pension surplus/(deficit)	-	(242,000)	-	(242,000)
Net [assets/liabilities]	(74,950)	(242,000)	5,893,206	5,576,256

The above net assets include £(109,246) that were transferred as cash

### 3 General Annual Grant (GAG)

#### a. Results and carry forward for the year

	2012 £
GAG brought forward from previous year	-
GAG allocation for current year	2,459,942
<b>Total GAG available to spend</b>	<b>2,459,942</b>
Recurrent expenditure from GAG	(2,396,846)
Fixed assets purchased from GAG	(12,498)
<b>GAG carried forward to next year</b>	<b>50,598</b>
Maximum permitted GAG carry forward at end of current year (12% of allocation for current year)	295,193
<b>GAG to surrender to DfE</b>	<b>(232,097)</b>
(12% rule breached if result is positive)	no breach

# WHITEHILL COMMUNITY ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE PERIOD 1 APRIL 2011 TO 31 AUGUST 2012

<b>3</b>	<b>General Annual Grant (GAG) (continued)</b>	<b>2012</b>
	<b>b. Use of GAG brought forward from previous year for recurrent purposes</b>	<b>£</b>
	(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)	
	Recurrent expenditure from GAG in current year	2,396,846
	GAG allocation for current year	(2,459,942)
	GAG allocation for previous year x 2%	-
		<hr/>
	<b>GAG b/fwd from previous year in excess of 2%, used on recurrent expenditure in current year</b>	<b>63,096</b>
		<hr/>
	(2% rule breached if result is positive)	no breach
<b>4</b>	<b>Voluntary income</b>	
		Unrestricted Funds
		£
		Restricted Funds
		£
		Total
		2012
		£
	Voluntary contributions	5,380
	Fund raising events	5,381
	Private sponsorship	200
	Other donations	300
		<hr/>
		<b>11,261</b>
		<hr/>
		<b>-</b>
		<hr/>
		<b>11,261</b>

# WHITEHILL COMMUNITY ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE PERIOD 1 APRIL 2011 TO 31 AUGUST 2012

<b>5</b>	<b>Activities for generating funds</b>	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Total 2012 £</b>
	Hire of facilities	24,937	-	24,937
	Catering income	90,631	-	90,631
	Consultancy and training	60,117	-	60,117
	Educational visits	19,216	-	19,216
	Zone and nursery fees (private)	166,380	-	166,380
		<b>361,281</b>	<b>-</b>	<b>361,281</b>
<b>6</b>	<b>Funding for Academy's educational operations</b>	<b>Unrestricted Funds £</b>	<b>Restricted Funds £</b>	<b>Total 2012 £</b>
	<b>DfE/EFA Capital grant</b>			
	- Academy DFC grants	-	27,803	27,803
		-	27,803	27,803
	<b>DfE/EFA Revenue grant</b>			
	- General annual grant (GAG) (Note 2)	-	2,459,942	2,459,942
	- Start up grants	-	25,000	25,000
	- Other DfE/EFA grants	-	77,778	77,778
		-	2,562,720	2,562,720
	<b>Other Government grants</b>			
	- Early years	-	109,192	109,192
	- SEN funding	-	126,222	126,222
	- Excellence cluster	-	58,988	58,988
	- Other LEA funding	27,174	-	27,174
	- Future jobs funding	-	16,900	16,900
	- One to one funding	-	8,683	8,683
		27,174	319,985	347,159
	<b>Other income</b>			
	- Staff insurance	-	8,057	8,057
	- Universities placement funding	3,900	-	3,900
	- British Council	-	3,580	3,580
	- Teacher training	-	14,953	14,953
		3,900	26,590	30,490
		<b>31,074</b>	<b>2,937,098</b>	<b>2,968,172</b>

# WHITEHILL COMMUNITY ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE PERIOD 1 APRIL 2011 TO 31 AUGUST 2012

7 Resources expended	Non Pay Expenditure			Total 2012 £
	Staff Costs £	Premises £	Other Costs	
Costs of generating voluntary income	-	-	-	-
Costs of activities for generating funds	229,272	4,044	77,144	310,460
Academy's educational operations				
- Direct costs (Note 8)	1,836,635	162,220	257,372	2,256,227
- Allocated support costs (Note 8)	361,506	303,372	115,860	780,738
	2,427,413	469,636	450,376	3,347,425
Governance costs including allocated support costs (Note 9)	1,389	-	17,213	18,602
	2,428,802	469,636	467,589	3,366,027

<b>Incoming/outgoing resources for the year include:-</b>	<b>2012 £</b>
Operating leases	85,265
Fees payable to auditor – audit	3,500
– other services	1,000

# WHITEHILL COMMUNITY ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE PERIOD 1 APRIL 2011 TO 31 AUGUST 2012

8	Charitable activities – Academy's educational operations	Unrestricted	Restricted	Total
		Funds	Funds	2012
		£	£	£
	<b>Direct costs</b>			
	Teaching and educational support staff costs	148	1,836,487	1,836,635
	Depreciation	-	162,220	162,220
	Educational supplies	-	199,456	199,456
	Staff development	-	17,651	17,651
	Educational consultancy	-	5,885	5,885
	Other direct costs	-	34,380	34,380
		148	2,256,079	2,256,227
	<b>Allocated support costs</b>			
	Support staff costs	-	361,506	361,506
	Depreciation	-	-	-
	Recruitment and support	-	405	405
	Maintenance of premises and equipment	-	177,305	177,305
	Occupancy costs	-	73,558	73,558
	Rent and rates	-	6,585	6,585
	Insurance	-	42,409	42,409
	Security and transport	-	3,515	3,515
	Catering	-	15,387	15,387
	Bank interest and charges	-	407	407
	Support	-	21,632	21,632
	Finance and HR support	-	24,921	24,921
	Other support costs	-	53,108	53,108
		-	780,738	780,738
		148	3,036,817	3,036,965
9	Governance costs	Unrestricted	Restricted	Total
		Funds	Funds	2012
		£	£	£
	Legal and professional fees	-	12,713	12,713
	Auditor's remuneration			
	- Audit of financial statements	-	3,500	3,500
	- Other services	-	1,000	1,000
	Support costs	-	1,389	1,389
	Governors' reimbursed expenses	-	-	-
		-	18,602	18,602

# WHITEHILL COMMUNITY ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE PERIOD 1 APRIL 2011 TO 31 AUGUST 2012

### 10 Staff costs

	2012 £
Staff costs during the period were -	
Wages and salaries	1,977,327
Social security costs	134,027
Pension costs	266,426
	<hr/>
	2,377,780
Supply teacher costs	31,086
Compensation payments – equal pay settlements	19,936
	<hr/>
	2,428,802
	<hr/>

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

	Full time Equivalent 2012	Average Actuals 2012
<b>Charitable activities</b>		
Teachers	17	21
Administration and support	33	49
Management	3	3
	<hr/>	<hr/>
	53	73
	<hr/>	<hr/>

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

	2012
£70,001 - £80,000 annual	1

All of the above employees participated in the Teachers' Pension Scheme. During the period ended 31 August 2012 the annual pension contributions for these staff amounted to £12,177

# WHITEHILL COMMUNITY ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE PERIOD 1 APRIL 2011 TO 31 AUGUST 2012

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### 11 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, other than expenses, from the Academy in respect of their role as governors. The value of governors' remuneration for the 17 month period was as follows -

R Hepplestone	Principal	£140,000 - £145,000
J Sayles	Staff Governor	£90,000 - £95,000
J Armitage	Staff Governor	£65,000 - £70,000
D Szilvasy	Staff Governor	£50,000 - £55,000
H Leng	Staff Governor	£20,000 - £25,000
R Mulhall	Parent Governor	£25,000 - £30,000
V Banks	Parent Governor	£20,000 - £25,000

During the period ended 31 August 2012 no travel and subsistence expenses were reimbursed to governors.

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

### 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 £5,000,000 on any one claim and the cost for the period ended 31 August 2012 was £3,660. The cost of this insurance is included in the total insurance cost.

# WHITEHILL COMMUNITY ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE PERIOD 1 APRIL 2011 TO 31 AUGUST 2012

### 13 Tangible fixed assets

	Freehold Land & Buildings £	Furniture & Equipment £	Computer Equipment £	Motor Vehicles £	Total £
<b>Cost</b>					
Transfer on conversion	5,867,091	7,000	19,115	-	5,893,206
Additions	-	33,713	-	6,588	40,301
Disposals	-	-	-	-	-
<b>At 31 August 2012</b>	<b>5,867,091</b>	<b>40,713</b>	<b>19,115</b>	<b>6,588</b>	<b>5,933,507</b>
<b>Depreciation</b>					
Charged in year	144,968	5,958	10,277	1,017	162,220
Disposals	-	-	-	-	-
<b>At 31 August 2012</b>	<b>144,968</b>	<b>5,958</b>	<b>10,277</b>	<b>1,017</b>	<b>162,220</b>
<b>Net book values</b>					
<b>At 31 August 2012</b>	<b>5,722,123</b>	<b>34,755</b>	<b>8,838</b>	<b>5,571</b>	<b>5,771,287</b>

<b>14 Stock</b>	<b>2012 £</b>
Catering	429
	<b>429</b>

<b>15 Debtors</b>	<b>2012 £</b>
Trade debtors	37,190
Other debtors	35,439
Prepayments	21,173
	<b>93,803</b>



# WHITEHILL COMMUNITY ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE PERIOD 1 APRIL 2011 TO 31 AUGUST 2012

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<b>16</b>	<b>Creditors: amounts falling due within one year</b>	<b>2012</b>
		<b>£</b>
	Trade creditors	20,408
	PAYE & NIC creditor	-
	Other taxation and social security	-
	Other creditors	145
	Accruals and deferred income	30,974
		<hr/>
		51,527
		<hr/>
	<b>Deferred income</b>	
	Deferred income at 1 April 2012	-
	Resources deferred in the year	709
	Amounts released from previous years	-
		<hr/>
	Deferred income at 31 August 2012	709
		<hr/>

Deferred income relates to dinner money where the child has paid in advance of receiving a meal  
At the period end 31 August 2012 the balance was £709

# WHITEHILL COMMUNITY ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE PERIOD 1 APRIL 2011 TO 31 AUGUST 2012

17 Funds	Balance at 1 April 2012 £	Incoming Resources £	Resources Expended £	Gains, Losses & Transfers £	Balance at 31 August 2012 £
<b>Restricted general funds</b>					
General annual grant (GAG)	-	2,459,942	(2,396,846)	(12,498)	50,598
Start up grant	-	25,000	(25,000)	-	-
Other DfE/EFA grants	-	77,778	(77,778)	-	-
Pension reserve	-	(242,000)	(47,000)	(254,000)	(543,000)
Other restricted income	-	346,575	(346,575)	-	-
	-	2,667,295	(2,893,199)	(266,498)	(492,402)
<b>Restricted fixed asset funds</b>					
DfE/EFA capital grants	-	27,803	(2,078)	-	25,725
Capital expenditure from GAG	-	-	(2,273)	12,498	10,225
Transfer from predecessor	-	5,893,206	(157,869)	-	5,735,337
	-	5,921,009	(162,220)	12,498	5,771,287
<b>Total restricted funds</b>	-	<b>8,588,304</b>	<b>(3,055,419)</b>	<b>(254,000)</b>	<b>5,278,885</b>
<b>Unrestricted funds</b>					
Unrestricted funds	-	328,666	(310,608)	-	18,058
<b>Total unrestricted funds</b>	-	<b>328,666</b>	<b>(310,608)</b>	-	<b>18,058</b>
<b>Total funds</b>	-	<b>8,916,970</b>	<b>(3,366,027)</b>	<b>(254,000)</b>	<b>5,296,943</b>

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

- General Annual Grant must be used for the normal running costs of the Academy. The Academy is allowed to carry forward up to 12% of the current (GAG). Of the carried forward amount, up to 2% of GAG can be used for general purposes at the discretion of the Academy, but any balance over 2% must be used for capital purposes.
- Restricted fixed assets were funded by government grants and transfer from predecessor school.

# WHITEHILL COMMUNITY ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE PERIOD 1 APRIL 2011 TO 31 AUGUST 2012

### 18 Analysis of net assets between funds

Fund balances at 31 August 2012 are represented by -

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total Funds £
Tangible fixed assets	-	12,498	5,758,789	5,771,287
Current assets	18,058	102,125	-	120,183
Current liabilities	-	(51,527)	-	(51,527)
Pension scheme liability	-	(543,000)	-	(543,000)
<b>Total net assets</b>	<b>18,058</b>	<b>(479,904)</b>	<b>5,758,789</b>	<b>5,296,943</b>

### 19 Capital commitments

2012  
£

Contracted for, but not provided in the financial statements

5,485

### 20 Financial commitments

Operating leases

At 31 August 2012 the Academy had annual commitments under non-cancellable operating leases as follows -

2012  
£

Other assets

- Expiring within one year
- Expiring within two and five years inclusive
- Expiring in over five years

5,447

58,264

-

63,711

# WHITEHILL COMMUNITY ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE PERIOD 1 APRIL 2011 TO 31 AUGUST 2012

### 21 Reconciliation of net income to net cash inflow from operating activities

2012  
£

Net income	5,550,943
Depreciation (Note 13)	162,220
Assets transferred from predecessor school	(5,576,256)
Interest receivable (Note 5)	-
FRS 17 increase in pension scheme liability (Note 26)	47,000
(Increase)/decrease in stocks	352
(Increase)/decrease in debtors	(17,002)
Increase/(decrease) in creditors	8,241

<b>Net cash inflow from operating activities</b>	<b>175,498</b>
--	----------------

### 22 Capital expenditure and financial investment

Purchase of tangible fixed assets	12,498
Capital grants from DfE/EFA	27,803
Capital funding received from sponsors and others	-
Receipts from sale of tangible fixed assets	-

<b>Net cash outflow from capital expenditure and financial investment</b>	<b>40,301</b>
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### 23 Analysis of changes in net funds

	At 1 April 2011 £	Cash flows £	At 31 August 2012 £
Cash in hand and at bank	-	25,951	25,951
	-	25,951	25,951

# **WHITEHILL COMMUNITY ACADEMY**

## **NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE PERIOD 1 APRIL 2011 TO 31 AUGUST 2012**

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### **24 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 reinvest the proceeds or to repay to the Secretary of State for Education the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State

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

- a the value at that time of the Academy's site and premises and other assets held for the purpose of the Academy, and
- b the extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the Funding Agreement

### **25 Members' liability**

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up whilst 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

### **26 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 West Yorkshire 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 31 March 2004 and of the LGPS 31 March 2010

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

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

# WHITEHILL COMMUNITY ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE PERIOD 1 APRIL 2011 TO 31 AUGUST 2012

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### 26 Pension and similar obligations (continued) Teachers' pension scheme

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

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

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

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

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

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

# WHITEHILL COMMUNITY ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### FOR THE PERIOD 1 APRIL 2011 TO 31 AUGUST 2012

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#### **26 Pension and similar obligations (continued)** **Teachers' pension scheme (continued)**

From 1 April 2012 – 31 March 2013, the employee contribution rate will range between 6.4% and 8.8% depending on a member's Full Time Equivalent salary. Further changes to the employee contribution rate will be applied in 2013 – 2014 and 2014 – 2015.

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

Under the definitions set out in Financial Reporting Standard (FRS17) 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 2012 was £148,000, of which employer's contributions totalled £102,000 and employees' contributions totalled £46,000. The agreed contribution rates for future years is 12.9% for employers and for employees it is dependent on the earning band.

FTE Earnings	Employee %
£0 - £13,500	5.5%
£13,501 - £15,800	5.8%
£15,801 - £20,400	5.9%
£20,401 - £34,000	6.5%
£34,001 - £45,500	6.8%
£45,501 - £85,000	7.2%
more than £85,000	7.5%

As described in this note the LGPS obligation relates to the employees of the academy trust, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the Scheme in the period. The obligation in respect of the employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy trust at the balance sheet date.

# WHITEHILL COMMUNITY ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE PERIOD 1 APRIL 2011 TO 31 AUGUST 2012

### 26 Pension and similar obligations (continued) Local government pension scheme (continued)

Principal actuarial assumptions	At 31 August 2012	At 1 April 2011
Rate of increase in salaries	4.7%	5.2%
Rate of increase for pensions in payment/inflation	2.2%	2.7%
Discount rate for scheme liabilities	4.2%	5.4%
Inflation assumption (CPI)	2.2%	2.7%
Commutation of pensions to lump sums – post service	50%	50%
– future service	75%	75%

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 2012
Retiring today	
Males	22.0
Females	24.1
Retiring in 20 years	
Males	23.8
Females	26.1



# WHITEHILL COMMUNITY ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE PERIOD 1 APRIL 2011 TO 31 AUGUST 2012

### 26 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 2012	Fair Value at 31 August 2012 £
Equities	7.5%	601,839
Government and corporate bonds	5.7%	163,590
Property	7.0%	30,996
Cash	1.3%	24,108
Other	7.5%	40,467
<b>Total market value of assets</b>		<b>861,000</b>
Present value of scheme liabilities		
- Funded		(1,404,000)
<b>Surplus/(deficit) in the scheme</b>		<b>(543,000)</b>

Whitehill Community Academy employs a building block approach in determining the rate of return on Fund assets. Historical markets are studied and assets with higher volatility are assumed to generate higher returns consistent with widely accepted capital market principles. The assumed rate of return on each asset class is set out within this note. The overall expected rate of return on assets is then derived by aggregating the expected return for each asset class over the actual asset allocation for the Fund at 31 August 2012.

The actual return on scheme assets was £19,000

Amounts recognised in the statement of financial activities	2012 £
Current service cost (net of employee contributions)	149,000
Transfer of LGPS deficit upon conversion	(242,000)
<b>Total operating charge</b>	<b>93,000</b>
<b>Analysis of pension finance income/(costs)</b>	
Expected return on pension scheme assets	78,000
Interest on pension liabilities	(78,000)
<b>Pension finance income/(costs)</b>	<b>-</b>

# WHITEHILL COMMUNITY ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE PERIOD 1 APRIL 2011 TO 31 AUGUST 2012

### 26 Pension and similar obligations (continued) Local government pension scheme (continued)

The actuarial 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 £254,000 loss.

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

	2012 £
Transfer of LGPS balance on conversion at 1 April 2011	890,000
Current service cost	149,000
Interest cost	78,000
Employee contributions	46,000
Actuarial (gain)/loss	195,000
Benefits paid	46,000
Past service cost	-
Curtailments and settlements	-
<b>At 31 August</b>	<b>1,404,000</b>

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

	2012 £
Transfer of LGPS balance on conversion at 1 April 2011	648,000
Expected return on assets	78,000
Actuarial gain/(loss)	(59,000)
Employer contributions	102,000
Employee contributions	46,000
Benefits paid	46,000
<b>At 31 August</b>	<b>861,000</b>

The estimated value of employer contributions for the year ended 31 August 2013 is £75,000.

# WHITEHILL COMMUNITY ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE PERIOD 1 APRIL 2011 TO 31 AUGUST 2012

### 26 Pension and similar obligations (continued) Local and government pension scheme (continued)

The two year history of experience adjustments is as follows:

	31 August 2012 £	1 April 2011 £
Present value of defined benefit obligations	1,404,000	890,000
Fair value of share of scheme assets	861,000	648,000
<b>Deficit in the scheme</b>	<b>(543,000)</b>	<b>(242,000)</b>

**Experience adjustments on share of scheme assets**  
Amount £59,000

### 27 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.

During the year transactions with the learning trust amounted to £4,015 which related to the reimbursement of expenses.

### 28 Contingent liabilities

On 6 October 2011 a child trapped their finger in a door and their parents made a personal injury claim against the school.

The school referred the claim to their insurance company and on 8 September 2012 a settlement figure had been agreed. No provision is made for this as the settlement is wholly funded via the school's insurance, no cost will be incurred by the school in respect of the claim.