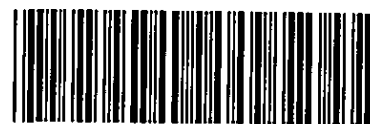


Westwood Academy
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

For the period ended
31 August 2012

SATURDAY



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12/01/2013
COMPANIES HOUSE

Company registration number
07681226 (England and Wales)

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Westwood Academy

REFERENCE AND ADMINISTRATIVE DETAILS

Governors	Michael Simmonds	(Chairman)
	Simon Harbrow	(Headteacher & Accounting Officer)
	Lynn Hackling	
	Maria Hicks	(Appointed on 2 July 2012)
	Valerie Hughes	(Appointed on 12 September 2011)
	Norman Moore	(Appointed on 12 September 2011)
	Diana Sandell	(Appointed on 12 September 2011)
	Catherine Stalham	(Appointed on 12 September 2011)
	Darren Stoner	(Appointed on 12 September 2011)
	Emma Warrington	(Appointed on 12 September 2011)
	Paul Coleman	(Appointed on 12 September 2011 and resigned on 2 July 2012)
	Kerstie Metcalf	(Appointed on 12 September 2011 and resigned on 16 January 2012)
	Lloyd Reynolds	(Appointed on 12 September 2011 and resigned on 2 July 2012)
	Carole Worrow	(Appointed on 12 September 2011)

Unless stated the above governors were appointed on incorporation of Westwood Academy

Senior Management Team	Lucy Locker	Business Director
	Catherine Stalham	Deputy Headteacher
	Tracey Baker	Senior Leadership Team
	Victoria Simmons	Senior Leadership Team

Principal and Registered Office	Beresford Close
	Hadleigh
	Essex
	SS7 2SU

Company Registration Number	07681226
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Independent Auditor	Baker Tilly UK Audit LLP
	Marlborough House
	Victoria Road South
	Chelmsford
	Essex
	CM1 1LN

Bankers

Lloyds Bank PLC
211 London Road
Hadleigh
Essex
SS7 2RD

Solicitors

Essex County Council, Legal Services
County Hall
Market Road
Chelmsford
Essex
CM1 1QH

Westwood Academy

GOVERNORS' REPORT

The Governors present their annual report together with the financial statements and auditors' report of the charitable company for the period ended 31 August 2012

STRUCTURE, GOVERNANCE AND MANAGEMENT

CONSTITUTION

The Academy Trust 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 Trust. The Governors act as trustees for charitable activities of Westwood Academy and are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Westwood 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

Westwood Academy is an exempt charity and a company limited by guarantee, not having share capital. Every member undertakes to contribute an amount not exceeding £10 to the assets of the company in the event of the company being wound up during the period of membership, or within one year thereafter.

PRINCIPAL ACTIVITIES

The principal activity of Westwood Academy is currently to run a primary school for boys and girls located in Hadleigh, Essex.

Westwood Academy runs a school that was originally a local authority operated school in Hadleigh, Essex that was founded in 1984 and converted to academy status on 1 August 2011. The charitable company was incorporated on 24th June 2011.

Westwood Academy is governed by the rules and regulations set down in its company Memorandum and Articles of Association dated June 2011.

METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF GOVERNORS

The Chair and Vice-Chair of Governors regularly review and recommend the mix of skills that should be available to the board. New Governors are then sought who can bring any missing skills, either as additional Governors or replacements when existing Governors stand down. It is anticipated that the great majority of new Governors will be drawn from the local community being either parents or guardians of pupils at the Academy or others who have shown an interest in the future wellbeing of the Academy and its pupils. Recruitment is therefore likely to be through a combination of approaches to individuals with known skills and by wider communication to those within the Castle Point area in Essex.

New Governors will be appointed to the Board by the existing Governors until the date of the next Annual General Meeting, at which time they are eligible for re-election for a period of four years. At the end of a four-year term, retiring Governors are eligible for re-election for a further term.

Westwood Academy

GOVERNORS' REPORT

POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF GOVERNORS

The Board regularly arrange and attend in-house training based on areas of potential interest and/or concern. Individual Governors attend training courses and conferences organised by appropriate bodies, including the local BATIC Trust of which the Academy is a part, in order to ensure their personal development and knowledge and understanding is fully up to date.

ORGANISATIONAL STRUCTURE

The Governors have responsibility for setting and monitoring the overall strategic direction of the Charitable Company, approving decisions reserved to Governors and appointing key members of staff.

The Governors meet as a Board six times each year. All decisions reserved to the Governors are taken by the Board as a whole. The agenda includes standing items, Finance, Curriculum, Health & Safety, and Safeguarding.

Additionally, ad hoc groups of Governors are established to consider specific issues and make recommendations to the Board.

Lisa Smith of Baker Tilly is the Responsible Officer and as such has an oversight role in relation to the systems and processes of control and risk management that operate throughout Academy School.

The Headteacher is the Accounting Officer and works closely with both the other Governors and the senior staff of Westwood Academy.

The day-to-day management of Westwood Academy rests with the Headteacher who has overall responsibility for the school. The Headteacher is responsible for establishing a Senior Leadership Team, including the Business Director and the Deputy Headteacher.

RISK MANAGEMENT

The Headteacher, senior management team and Governors have assessed the major risks to which the academy is exposed and have compiled a risk register which summarises the level of risk, associated control measures including the transfer of risk by using insurance policies. The major risks examined covered the following areas:

- Teaching and Learning
- Facilities
- Operations
- Financial systems and practices

The risk register is reviewed at each Governing Body meeting.

The academy use systems, procedures and internal controls in order to minimise risk.

CONNECTED ORGANISATIONS, INCLUDING RELATED PARTY RELATIONSHIPS

Westwood Academy is part of the BATIC, (Benfleet and Thundersley Interschool Cluster Trust). This is a group of nineteen schools, comprising of two special, three secondary and a mix of primary, infant and junior schools. The main function of the cluster is to develop extended services, develop training for all staff and Governors and share expertise.

Westwood Academy works very closely with its partner Academy school, South Benfleet Primary (Academy Trust) and The Deanes Secondary school. The links here are focussed on extending the range of activities that the children can engage in and professional development for all staff and Governors.

Westwood Academy

GOVERNORS' REPORT (CONTINUED)

The Headteacher of Westwood Academy is a Governor at The Deanes Secondary school and attends the Governor meetings of South Benfleet Primary School

OBJECTIVES AND ACTIVITIES

OBJECTIVES AND AIMS

The Academy Trust's object ("the Objects") is specifically restricted to the following

To advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum ("the Academy"),

To promote for the benefit of the inhabitants of Hadleigh and the surrounding area the provision of facilities for recreation or other leisure time occupation of individuals who have need of such facilities by reason of their youth, age, infirmity or disablement, financial hardship or social and economic circumstances or for the public at large in the interests of social welfare and with the object of improving

OBJECTIVES, STRATEGIES AND ACTIVITIES

The Governors' vision is to be outstanding in all we do This is captured in our guiding principle, together, enabling the individual child

The schools commitment to this vision can be see through our approach, all children are treated as individuals, there is no 'one size fits all' approach Personalising learning is our aim, giving children the education they need and want Learning is active, hands on, engaging and fun

We strive for our children to,

- Respect themselves and the community seeking to have a positive impact on others,
- Be polite, calm, caring, honest, trustworthy and helpful,
- Be responsible, independent and supportive of each other,
- Be tolerant, open minded and not prejudiced,
- Be determined to have a strong work ethic,
- Have good communication skills, and
- Strive for high achievement and standards,

We encourage our children to,

- Develop their emotional, spiritual and cultural awareness,
- Not be involved in bullying, racism or any forms of harassment,
- Achieve outstanding results in Key Stage One and Key Stage Two,
- Achieve well regardless of their ability, home background, gender or ethnicity,
- Understand and respect others feelings, values and beliefs, and
- Be enterprising and willing to take responsibility,

IMPACT OF ACTIVITIES & EVENTS AND ASSESSMENT OF PUBLIC BENEFIT

The period 1 August 2011 to 31 August 2012 was the school's first period of operation with academy status and Westwood Academy continues to improve with the children's rates of progress and attainment improving and achieving its best KS2 SAT results in July 2012

IMPACT OF ACTIVITIES & EVENTS AND ASSESSMENT OF PUBLIC BENEFIT (CONTINUED)

This success is due to the continued focus on the core subjects, regular and high quality professional development for all staff, a comprehensive 'Single Plan' to manage the developments and priorities plus robust monitoring and evaluation of our work

PUBLIC BENEFIT

The Governors have taken The Charity Commission's specific guidance on public benefit (contained within the guidance document "The Advancement of Education for the Public Benefit") into consideration in preparing their statements on public benefit contained within this Governors' annual report

In accordance with its charitable objectives, the Charitable Company strives to advance the education of the pupils attending the school. The Charitable Company's primary beneficiaries are therefore the pupils, and benefits to pupils are provided through continuing to maintain a high standard of education throughout the school.

The trustees confirm that they have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the school's objectives and aims in planning future activities for the period. The trustees consider that the school's aims are demonstrably to the public benefit.

ACHIEVEMENTS AND PERFORMANCE

REVIEW OF ACTIVITIES AND EVENTS

Westwood Academy has achieved much since converting in August 2011. These include,

- Increase in attainment for KS1 and KS2 SATs,
- Stronger and sustainable progress and attainment for all children,
- Successful introduction of 'Pie Corbett' to enhance and develop the teaching of writing across the school,
- Increase in take up for the before, after and holiday clubs,
- Significant professional development for members of staff and Governors,
- Communication with parents has improved with the revamp of the web site, use of text messaging, the TV screen in the playground waiting area, newsletters, coffee mornings and use of Twitter, and
- Children have participated in theatre visits, drum workshops, community gifted and talented workshop, Hadleigh Olympic Art project, community picnic, performances at other schools, sport events, maths challenge quizzes, joint ICT project, transition days and Jubilee activities

INDICATORS, MILESTONES AND BENCHMARKS

The Governors use the following key measures to assess the success of the activities of the charitable company

- Key Stage 1 SATs,
- Key Stage 2 SATs,
- Current Performance Data (Literacy and Numeracy),
- Quality of Teaching and Learning,
- Single Plan – actions and completion of tasks,
- Attendance,
- Number on roll,
- Take up for Reception,
- Staffing – development and turnover, and
- Budget – Value for money,

Westwood Academy

GOVERNORS' REPORT (CONTINUED)

Foundation Stage

		2010			2011			2012		
FSP		Result	Essex	National	Result	Essex	National	Result	Essex	National
PSE	6+ %	95	74	74	85	75	79	93		
	Total	22 1	20 4		21 3	20 4		23 4		
	Average	7 4	6 8		7 1	6 8		7 8		
CLL	6+ %	84	53	55	85	55	62	78		
	Total	28 8	25		27 5	25 3		28 6		
	Average	7 2	6 2		6 9	6 3		7 2		
PSRN	6+ %	89	70	70	85	72	74	96		
	Total	22 6	19 9		21 1	20		22 4		
	Average	7 5	6 6		7 1	6 7		7 5		
KUW	6+ %	100	81	81	97	82	84	96		
	Average	7 3	6 6		7 3	6 6		7 2		
PD	6+ %	100	79	80	94	89	91	93		
	Average	7 2	7		7 3	7		7 3		
CD	6+ %	100	79	80	97	80	83	93		
	Average	7 2	6 4		7	6 4		6 7		
At least 78 pts		100	73		88	75	79	93		
At least 78 pts with 6+ CLL + PSE		84	50		76	52	59	78		
All areas of learning 6+		84	45		73	48		74		
On Entry pts		2 2			2 1			2 1		
Average pts score		7 3			7			7 4		
Points Progress		5 1			4 9			5 3		
4 pts progress		100			94			96		

Key Stage 1

		2010			2011			2012			2013 (Projections)
		Result	Essex	National	Result	Essex	National	Result	Essex	National	
Reading	2+%	95	86	85	89	85	85	96			94
	2b+%	87	74	72	85	74	74	80			
	3+%	8	28	26	23	27	26	28			25
	APS	15 7	15 9	15 7	16	15 9	15 8	16 5			
Writing	2+%	95	81	81	96	80	81	92			91
	2b+%	63	61	60	77	60	61	80			
	3+%	0	14	12	19	14	13	28			19
	APS	14 5	14 5	14 4	15 8	14 4	14 4	16 1			
Maths	2+%	95	90	89	92	90	90	96			94
	2b+%	79	76	73	85	75	74	84			
	3+%	11	23	20	27	22	20	28			19
	APS	15 5	15 9	15 7	16 5	15 9	15 7	16 3			

Westwood Academy

GOVERNORS' REPORT (CONTINUED)

Key Stage 2

		2010 (Teacher assessment)			2011			2012			2013 (Projections)
		Result	Essex	National	Result	Essex	National	Result	Essex	National	
English	4+%	81	80	81	80	81	81	88			
	5+%	42	31	33	17	28	29	45			
	APS	28.2	27.3	27.5	26.7	27.2					
	VA	100.4	99.7		98.5		100				
Reading	4+%	87	84	84	89	84	84	88			93
	5+%	46	50	51	40	42	42	57			45
	APS	28.7	28.6		28.5	28.1		29.4			
Writing	4+%	79	69	71	51	74	75	81			93
	5+%	21	19	21	6	18	20	31			25
	APS	26.8	26		23.8	26.2		27.6			
Maths	4+%	77	80	80	80	80	80	86			93
	5+%	25	33	35	31	35	35	43			15
	APS	26.8	27.5	27.6	27.7	27.7		28.6			
	VA				99.7		100				
Both English and Maths	4+%	73	73	74	71	74		79			93
	5+%	21	21	23	14	20		36			15
Two Levels Progress	English	94	81		74	80	83	93			95
	Maths	79	82		86	80	82	93			98
Science	4+%	71	85		94						
	5+%	15	34		26						
	APS	26			28.2						
	CVA										

GOING CONCERN

After making appropriate enquiries the Governing Body has a reasonable expectation that Westwood Academy Trust has adequate resources to continue in operational existence for the foreseeable future which is at least twelve months from the date of approval of the financial statements. For this reason the going concern basis has been adopted in preparing the financial statements.

FINANCIAL REVIEW

The Academy accounting period is from the date of incorporation, 24th June 2011 to 31st August 2012. The operations of Westwood Academy started from 1st August 2011.

Most of the academy's income is derived from the Young Peoples Learning Agency (YPLA) which became the Education Funding Agency (EFA) in 2012. The income is in the form of recurrent grants, of which the use is restricted to particular purposes. These grants and the associated expenditure are shown as restricted funds in the statement of financial activities.

The Academy also receives grants for Capital expenditure from the EFA and local authority, all these grants are shown as restricted income.

FINANCIAL REVIEW (CONTINUED)

The main investments in the first accounting periods relate to

- IT Provision in the form of iPads, and
- Continued provision of teaching and support staff to reduce class sizes

RESERVES POLICY

The Governors' policy is to generate reserves to provide funds to continue to enhance the educational facilities and services of the school and to fund future projects. The Governors intend to review the reserves policy annually to ensure that this aim can be achieved.

At the balance sheet date, the charitable company had free reserves of £36,480.

The Governors intend to utilise these reserves in the near future in line with the objectives of the School Development Plan and Single plan.

INVESTMENTS POLICY

The Governors' investment powers are set down in the charitable company's Memorandum and Articles of Association, which permit the investment of monies of the charitable company that are not immediately required for its purposes in such investments, securities or property as may be thought fit subject to any restrictions which may from time to time be imposed or required by law.

The charitable company's current policy is to invest surplus funds in short-term cash deposits.

For the period ended 31 August 2012, the charitable company's cash balances generated an average income return of 0.10%pa.

PLANS FOR FUTURE PERIODS

FUTURE STRATEGY

Our long term strategic goal is to become a consistently outstanding school, to ensure that all our pupils make at least the age related progress, consistently across their journey through the school, and across the whole curriculum. Resources will be prioritised so that they are targeted effectively and have a demonstrable impact.

FUTURE ACTIVITIES AND EVENTS

Our priorities in the School Development Plan are

- To evaluate provision for reading to identify how attainment and progress can be increased further,
- To ensure that there are consistently high expectations of writing across the whole curriculum,
- To increase the frequency of Ma1 and Sc1 activities to build on children's increased independence and ability to apply learning in practical contexts, and
- To improve differentiation by further increasing challenge for the more able pupils

Westwood Academy

GOVERNORS' REPORT (CONTINUED)

IMPACT OF FUTURE ACTIVITIES AND EVENTS

Our priorities/targets for the coming academic year are as follows

Priority 1 Raising attainment and accelerating progress and to raise standards and achievements in English and Maths

End of year target To ensure that by summer 2013 100% of pupils reach age related expectations or above

Priority 2 To improve the quality of teaching and learning

End of year target 100% of lessons to be judged good or better in literacy and numeracy sessions

Priority 3 To develop the school as a professional learning community

End of year target To develop the skills, knowledge and understanding of all staff in order to raise attainment, progress and achievement

All Governors in the academy are committed to monitoring these targets by

- Scrutinising midterm and end of term results and challenging if required,
- Monitoring there nominated class, and specified area of responsibility, and
- Reports presented by the Head and senior leadership team

FUNDS HELD AS CUSTODIAN

Although the charitable company maintains restricted funds to deal with incoming resources that are earmarked for a particular purpose by donors, sponsors, and other funders, Westwood Academy does not hold, and the Governors do not anticipate that it will in the future hold, any funds as custodian for any third party

PROFESSIONAL INDEMNITY INSURANCE

Westwood Academy is insured by Ecclesiastical Insurance for Professional Indemnity and Governors'/Trustees' Indemnity for a sum insured of £5,000,000 for any one incident and in the aggregate in any one period of insurance The annual cost of a package of insurance which includes this insurance is £12,485

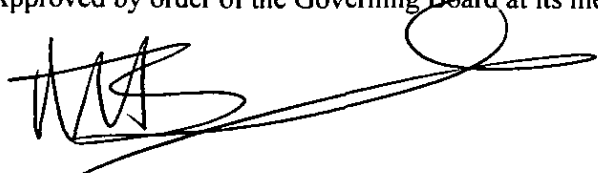
AUDITORS

The auditors, Baker Tilly UK Audit LLP, were appointed as auditors to the company during the year, and have indicated their willingness to continue in office

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

The Governors have confirmed that, as far as they are aware, there is no relevant audit information of which the auditors are unaware Each of the Governors have confirmed that they have taken all the steps that they ought to have taken as Governors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor

Approved by order of the Governing Board at its meeting on 3/12/12 2012 and signed on its behalf by



M Simmonds
Chairman

Westwood Academy

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As Governors, we acknowledge we have overall responsibility for ensuring that Westwood Academy Trust 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 Headteacher, 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 Westwood Academy Trust 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.

The Governing Body is responsible for the strategic direction and setting policy adopting an annual plan and budget, monitoring the school by use of budgets and making major decisions about the direction of the school, capital expenditure and senior staff appointments.

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

GOVERNOR	MEETINGS ATTENDED	OUT OF POSSIBLE
J Carey (Associate Governor) (Appointed 27 March 2012)	3	3
P Coleman (Resigned 1 July 2012)	3	5
L Hackling (Vice Chair)	5	6
S Harbrow (Headteacher)	6	6
M Hicks (Appointed 2 July 2012)	1	1
V Hughes	6	6
N Moore	4	6
K Metcalf (Resigned 17 January 2012)	1	3
L Reynolds (Staff Governor) (Resigned 1 July 2012)	4	5
D Sandell	5	6
M Simmonds (Chair)	6	6
C Stalham (Staff Governor)	6	6
D Stoner	5	6
E Warrington	4	6

The leadership team consists of the Headteacher, the Deputy Headteacher, two senior leadership posts and the School Business Manager. The Senior Leadership Team control the school at an executive level implementing the policies laid down by the Governing Body and reporting back to them.

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 Trust 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 Coketown Academy Trust for the year ended 31 August 2012 and up to the date of approval of the annual report and financial statements.

Westwood Academy

GOVERNANCE STATEMENT

CAPACITY TO HANDLE RISK

The Governing Body has reviewed the key risks to which the Academy Trust 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 on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year 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 Trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes

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

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

REVIEW OF EFFECTIVENESS

As Accounting Officer, S Harbrow 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 Trust 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 ^{3/12/12} and signed on its behalf by



M Simmonds
Chairman



S Harbrow
Accounting Officer

Westwood Academy

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Westwood Academy I have considered my responsibility to notify the academy trust 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 trust and the Secretary of State. As my part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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

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



S Harbrow
Accounting Officer

Westwood Academy

STATEMENT OF GOVERNORS' RESPONSIBILITIES

The governors (who act as trustees for charitable activities of Westwood Academy and are also the 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 accounting estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the 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 on 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 3/12/12 and signed on its behalf by



M Simmonds
Chairman

Westwood Academy

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Westwood Academy I have considered my responsibility to notify the academy trust 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 trust and the Secretary of State. As my part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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

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



S Harbrow
Accounting Officer

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WESTWOOD ACADEMY

We have audited the financial statements of Westwood Academy for the period ended 31 August 2012 on pages 17 to 39. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), and the Academies Accounts Direction 2011/12 issued by the Education Funding Agency.

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and 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 AUDITORS

As explained more fully in the Statement of Governors' Responsibilities set out on page 14, the governors (who act as trustees for the charitable activities of the company, and are also the directors of the company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

OPINION ON THE FINANCIAL STATEMENTS

In our opinion the financial statements

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2012 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice,
- have been prepared in accordance with the Companies Act 2006, and
- have been prepared in accordance with the Academies Accounts Direction 2011/12 issued by the Education Funding Agency.

OPINION ON OTHER REQUIREMENT OF THE COMPANIES ACT 2006

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WESTWOOD ACADEMY (CONTINUED)

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

- the charity has not kept adequate accounting records, 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.

Baker Tilly UK Audit LLP

HANNAH CATCHPOOL (Senior Statutory Auditor)

For and on behalf of BAKER TILLY UK AUDIT LLP, Statutory Auditor

Marlborough House

Victoria Road South

Chelmsford

Essex

CM1 1LN

04 January 2013

Westwood Academy

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

For the period ended 31 August 2012

	Notes	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total 2012 £
INCOMING RESOURCES					
Incoming resources from generated funds					
Voluntary income	2	2,845	-	-	2,845
Voluntary income - transfer from local authority on conversion	25	45,494	(296,000)	1,804,010	1,553,504
Activities for generating funds	3	51,254	-	-	51,254
Investment income	4	123	-	-	123
Income from charitable activities					
Academy's educational operations	5	-	1,035,382	-	1,035,382
TOTAL INCOMING RESOURCES		99,716	739,382	1,804,010	2,643,108
RESOURCES EXPENDED					
Cost of generating funds					
Costs of activities for generating funds	6	37,911	-	-	37,911
Charitable activities					
Academy's educational operations	6, 7	-	989,766	41,312	1,031,078
Governance costs	6, 8	-	84,941	-	84,941
TOTAL RESOURCES EXPENDED		37,911	1,074,707	41,312	1,153,930
NET INCOMING/(OUTGOING)					
RESOURCES BEFORE TRANSFERS					
Gross transfers between funds	15	(25,325)	25,325	-	-
NET INCOME/(EXPENDITURE) FOR THE YEAR		36,480	(310,000)	1,762,698	1,489,178
OTHER RECOGNISED GAINS AND LOSSES					
Actuarial losses on defined benefit pension schemes	15, 23	-	(56,000)	-	(56,000)
NET MOVEMENT IN FUNDS		36,480	(366,000)	1,762,698	1,433,178

Westwood Academy

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

For the period ended 31 August 2012

		Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total 2012 £
	<i>Notes</i>				
NET MOVEMENT IN FUNDS		36,480	(366,000)	1,762,698	1,433,178
RECONCILIATION OF FUNDS					
Total funds brought forward at 24 June 2011		-	-	-	-
TOTAL FUNDS CARRIED FORWARD AT 31 AUGUST 2012	16	36,480	(366,000)	1,762,698	1,433,178

All of the Academy Trust's activities derive from continuing operations during the above 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

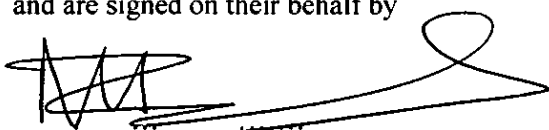
Westwood Academy

BALANCE SHEET

As at 31 August 2012

	<i>Notes</i>	2012 £	2012 £
FIXED ASSETS			
Tangible assets	12		1,762,698
CURRENT ASSETS			
Debtors	13	20,510	
Cash at bank and in hand		61,434	
		<u>81,944</u>	
CREDITORS Amounts falling due within one year	14	(39,464)	
NET CURRENT ASSETS			<u>42,480</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,805,178</u>
NET ASSETS EXCLUDING PENSION LIABILITY			<u>1,805,178</u>
Pension Scheme Liability	23		(372,000)
NET ASSETS INCLUDING PENSION LIABILITY			<u><u>1,433,178</u></u>
THE FUNDS OF THE ACADEMY TRUST			
RESTRICTED FUNDS			
Fixed asset fund	15		1,762,698
General fund	15		6,000
			<u>1,768,698</u>
Restricted funds excluding pension reserve			1,768,698
Pension reserve	15		(372,000)
TOTAL RESTRICTED FUNDS			<u><u>1,396,698</u></u>
TOTAL UNRESTRICTED FUNDS	15		<u>36,480</u>
TOTAL FUNDS			<u><u>1,433,178</u></u>

The financial statements on pages 17 to 39 were approved by the governors and authorised for issue on 31/12/12 and are signed on their behalf by



M Simmonds
Chairman

Westwood Academy

CASH FLOW STATEMENT

For the period ended 31 August 2012

	<i>Notes</i>	2012 £
NET CASH INFLOW FROM OPERATING ACTIVITIES	18	15,817
Returns on investments and servicing of financing	19	123
Cash transferred on conversion to an academy trust	20	45,494
INCREASE IN CASH IN THE PERIOD	21	<u>61,434</u>
RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS		
NET FUNDS AT 24 JUNE 2011		-
Increase in cash in the period		<u>61,434</u>
NET FUNDS AT 31 AUGUST 2012		<u>61,434</u>

All of the cashflows are derived from acquisitions in the current financial period

Westwood Academy

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 Statement of Recommended Practice 'Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction 2011/12 issued by the EFA and 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 at least one year from the date of approval of the financial statements.

INCOMING RESOURCES

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

GRANTS RECEIVABLE

Fixed asset 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. The general annual grant ('the GAG') from the DfE, which is intended to meet recurrent costs, is credited directly to the Statement of Financial Activities. Other grants from government agencies and other bodies are recognised in the period in which they are receivable to the extent the conditions of funding have been met. 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.

OTHER INCOME

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

INTEREST RECEIVABLE

Interest receivable is included in the Statement of Financial Activities on a receivable basis, and is stated inclusive of related tax credits.

FUND ACCOUNTING

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

Restricted General funds are resources subject to specific restrictions imposed by funders or donors, and include grants from the Education Funding Agency and the Department for Education.

Restricted Fixed Assets Funds are resources which are to be applied to specific capital purposes imposed by the Education Funding Agency and the Department for Education, where the asset acquired or created is held for a specific purpose.

Westwood Academy

ACCOUNTING POLICIES (CONTINUED)

RESOURCES EXPENDED

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

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred intrading activities that raise funds.

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

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

All resources expended are inclusive of irrecoverable VAT.

TANGIBLE FIXED ASSETS

Tangible fixed assets costing £1,000 or more, or having a useful life of at least 1 year are capitalised at cost and are carried at cost net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. Where the related grants require the asset to be held for a specific purpose they are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet, with this amount being reduced over the useful economic life of the related asset on a basis consistent with the depreciation policy.

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	45 years straight line
Investment properties	No depreciation

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

TAXATION

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 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.

LEASED ASSETS

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

Westwood Academy

ACCOUNTING POLICIES (CONTINUED)

PENSION BENEFITS

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 23, the TPS is a multi employer scheme and the Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

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

CONVERSION TO AN ACADEMY TRUST

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 the Westwood Primary 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 Westwood 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 SOFA and analysed under unrestricted, restricted general and restricted fixed assets funds. Further details of the transaction are set out in note 25.

Westwood Academy

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 August 2012

1	GENERAL ANNUAL GRANT (GAG)				2012
a)	Results and carry forward for the period				£
	GAG brought forward from previous period				-
	GAG allocation for current period				932,466
	TOTAL GAG AVAILABLE TO SPEND				932,466
	Recurrent expenditure from GAG				(932,466)
	GAG CARRIED FORWARD TO NEXT YEAR				-
	Maximum permitted GAG carry forward at end of current year (12% of allocation for current period)				(111,896)
	GAG TO SURRENDER TO DfE (12% rule breached if result is positive)				-
					no breach
b)	Use of GAG brought forward from previous period for recurrent purposes (of the amount carried forward each period, 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 period				932,466
	GAG allocation for current period				(932,466)
	GAG allocation for previous period x 2%				-
	GAG brought forward from previous period in excess of 2% used on recurrent expenditure in current year (2% rule breached if result is positive)				-
					-
					no breach
2	VOLUNTARY INCOME				
		Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total 2012 £
	Other donations	2,845	-	-	2,845

Westwood Academy

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the period ended 31 August 2012

3 ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total 2012 £
Hire of facilities	27,849	-	-	27,849
Catering income	3,197	-	-	3,197
School club	20,208	-	-	20,208
	<u>51,254</u>	<u>-</u>	<u>-</u>	<u>51,254</u>

4 INVESTMENT INCOME

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total 2012 £
Short term deposits	123	-	-	123
	<u>123</u>	<u>-</u>	<u>-</u>	<u>123</u>

5 FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total 2012 £
DfE/EFA REVENUE GRANTS				
General annual grant (GAG) (note 1)	-	932,466	-	932,466
Start up grants	-	25,000	-	25,000
	<u>-</u>	<u>957,466</u>	<u>-</u>	<u>957,466</u>
OTHER GOVERNMENT GRANTS				
Local authority grants	-	51,540	-	51,540
Special educational projects	-	26,376	-	26,376
	<u>-</u>	<u>77,916</u>	<u>-</u>	<u>77,916</u>
	<u>-</u>	<u>1,035,382</u>	<u>-</u>	<u>1,035,382</u>

Westwood Academy

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the period ended 31 August 2012

6 RESOURCES EXPENDED

	Staff costs £	Non pay expenditure Premises £	Other costs £	Total 2012 £
Costs of activities for generating funds	25,008	-	12,903	37,911
Academy's educational operations				
Direct costs (note 7)	716,288	-	37,910	754,198
Allocated support costs (note 7)	91,672	148,856	36,352	276,880
	<u>832,968</u>	<u>148,856</u>	<u>87,165</u>	<u>1,068,989</u>
Governance costs including allocated support costs (note 8)	-	-	84,941	84,941
	<u>832,968</u>	<u>148,856</u>	<u>172,106</u>	<u>1,153,930</u>
Net incoming/(outgoing) resources for the year				2012 £
Operating leases - other				10,306
Fees payable to Baker Tilly UK Audit LLP and its associates for				
- audit				5,000
- other services				2,500
				<u>17,806</u>

Westwood Academy

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the period ended 31 August 2012

7 CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	2012 £
DIRECT COSTS				
Teaching and educational support staff costs	-	716,288	-	716,288
Educational supplies	-	16,141	-	16,141
Staff development	-	3,069	-	3,069
Pension scheme - other finance cost	-	16,000	-	16,000
Other direct costs	-	2,700	-	2,700
	-	754,198	-	754,198
ALLOCATED SUPPORT COSTS				
Support staff costs	-	91,672	-	91,672
Depreciation	-	-	41,312	41,312
Maintenance of premises and equipment	-	68,450	-	68,450
Cleaning	-	3,360	-	3,360
Rent and rates	-	26,609	-	26,609
Insurance	-	12,485	-	12,485
PPS and telephone	-	10,374	-	10,374
Other support costs	-	22,618	-	22,618
	-	235,568	41,312	276,880
	-	989,766	41,312	1,031,078

Westwood Academy

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the period ended 31 August 2012

8	GOVERNANCE COSTS	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	2012 £
	Legal and professional fees	-	79,941	-	79,941
	Auditors' remuneration				
	Audit of financial statements	-	5,000	-	5,000
		<u>-</u>	<u>84,941</u>	<u>-</u>	<u>84,941</u>

9	STAFF COSTS	2012 £
	Staff costs during the period were	
	Wages and salaries	701,572
	Social security costs	40,813
	Pension costs	81,638
		<u>824,023</u>
	Supply teacher costs	8,945
		<u>832,968</u>

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

	2012 No
Teachers	8
Administration and support	33
Management	4
	<u>45</u>

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

£60,001 - £70,000	<u>1</u>
-------------------	----------

The above employee participated in the Teachers' Pension Scheme. During the period ended 31 August 2012, pension contributions for this member of staff amounted to £720

Westwood Academy

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the period ended 31 August 2012

10 GOVERNORS' REMUNERATION AND EXPENSES

Principal and staff governors only receive remuneration in respect of services they provide undertaking the roles of Principal and staff governors and not in respect of their services as governors. Other governors did not receive any payments from the Academy Trust in respect of their role as governors. The value of the Principal's remuneration was £66,395 in 2012. The value of the staff governor's remuneration was £51,294.

- C Stalham, Staff governor & trustee	£45,000 - £50,000
- L Reynolds, Staff governor & trustee	£5,000 - £10,000

The above governors received remuneration in respect of their employment as members of the academy's staff and not in respect of their services as trustees of the academy trust.

During the period ended 31 August 2012, travel and subsistence expenses totalling £104 were reimbursed to governors.

Related party transactions involving the trustees are set out in note 24.

11 GOVERNORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy Trust 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 £11,978.

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

Westwood Academy

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the period ended 31 August 2012

12 TANGIBLE FIXED ASSETS

	Freehold land and buildings £	Investment properties £	Total £
COST			
24 June 2011	-	-	-
Transfer on conversion (note 25)	1,706,494	97,516	1,804,010
	<u>1,706,494</u>	<u>97,516</u>	<u>1,804,010</u>
31 August 2012	<u>1,706,494</u>	<u>97,516</u>	<u>1,804,010</u>
DEPRECIATION			
24 June 2011	-	-	-
Charge for the period	41,312	-	41,312
	<u>41,312</u>	<u>-</u>	<u>41,312</u>
31 August 2012	<u>41,312</u>	<u>-</u>	<u>41,312</u>
NET BOOK VALUE			
31 August 2012	<u>1,665,182</u>	<u>97,516</u>	<u>1,762,698</u>

Included in Freehold land and buildings is £120,000 of land which is not depreciated

13 DEBTORS

	2012 £
Trade debtors	725
Other debtors	5,608
Prepayments	14,177
	<u>20,510</u>

Westwood Academy

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the period ended 31 August 2012

14	CREDITORS Amounts falling due within one year	2012 £
	Trade creditors	13,521
	Other taxation and social security	12,274
	Other creditors	6,169
	Accruals	7,500
		<hr/>
		39,464
		<hr/>

Westwood Academy

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the period ended 31 August 2012

15 FUNDS

	At 24 June 2011 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	At 31 August 2012 £
RESTRICTED GENERAL FUNDS					
General Annual Grant (GAG)	-	932,466	(953,803)	21,337	-
Pension reserve	-	(296,000)	(20,000)	(56,000)	(372,000)
	-	636,466	(973,803)	(34,663)	(372,000)
Start up grant	-	25,000	(28,988)	3,988	-
Other government grants	-	77,916	(71,916)	-	6,000
	-	739,382	(1,074,707)	(30,675)	(366,000)
RESTRICTED FIXED ASSET FUNDS					
Inherited fixed asset fund	-	1,804,010	(41,312)	-	1,762,698
TOTAL RESTRICTED FUNDS	-	2,543,392	(1,116,019)	(30,675)	1,396,698
UNRESTRICTED FUNDS					
Unrestricted funds	-	99,716	(37,911)	(25,325)	36,480
TOTAL FUNDS	-	2,643,108	(1,153,930)	(56,000)	1,433,178

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

The General Annual Grant (GAG) represents the core funding for the educational activities of the school that has been provided to the academy via the EFA by the DfE. The GAG fund has been set up because the GAG 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, and of the carried forward amount, up to 2% of the GAG can be used for general purposes at the discretion of the academy, but any balance over 2% must be used for capital purposes.

The LGPS Deficit Fund has been created to separately identify the pension deficit inherited from the local authority upon conversion to academy status, and through which all the pension scheme movements are recognised.

The Academy Start Up Fund has been created to recognise the restricted grant funding received from the DfE to assist with the costs incurred by the school during the process on conversion to academy status. The overspend on this fund has been covered by the GAG.

Westwood Academy

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the period ended 31 August 2012

15 FUNDS (CONTINUED)

The other government grants fund has been created to recognise the restricted grant funding received from the local authority to be used for the purpose of specific projects and assisting with the education of children whom require special assistance when it comes to learning

The Inherited Fixed Assets Fund has been set up to recognise the tangible assets gifted to the academy upon conversion by the local authority which represent the school site inherited from the local authority including the freehold land and buildings. Depreciation charged on those inherited assets is allocated to the fund

16 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total 2012 £
Tangible fixed assets	-	-	1,762,698	1,762,698
Current assets	36,480	45,464	-	81,944
Current liabilities	-	(39,464)	-	(39,464)
Pension scheme liability	-	(372,000)	-	(372,000)
TOTAL NET ASSETS	36,480	(366,000)	1,762,698	1,433,178

17 FINANCIAL COMMITMENTS

OPERATING LEASES

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

	2012 £
Other	
Expiring between one and two years inclusive	7,516
Expiring within two and five years inclusive	2,232
	9,748

Westwood Academy

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the period ended 31 August 2012

18	RECONCILIATION OF NET INCOME TO NET CASH INFLOW FROM OPERATING ACTIVITIES		2012 £
	Net income		1,489,178
	Cash impact of transfer on conversion (note 25)		(1,553,504)
	Depreciation (note 12)		41,312
	Interest receivable		(123)
	FRS 17 pension cost less contributions payable (note 23)		4,000
	FRS 17 pension finance cost (note 23)		16,000
	Increase in debtors		(20,510)
	Increase in creditors		39,464
	NET CASH INFLOW FROM OPERATING ACTIVITIES		<u>15,817</u>
19	RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		
	Interest received		<u>123</u>
20	CASH TRANSFERRED ON CONVERSION TO AN ACADEMY		2012 £
	Cash balance transferred on conversion (Note 25)		<u>45,494</u>
21	ANALYSIS OF CHANGES IN NET FUNDS	At 24 June 2011 £	Cash flows £
	Cash at bank and in hand	-	61,434
		<u>-</u>	<u>61,434</u>

Westwood Academy

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the period ended 31 August 2012

22 MEMBERS' LIABILITY

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

23 PENSION AND SIMILAR OBLIGATIONS

The Academy Trust'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 are managed by Essex County Council Both are defined-benefit schemes

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

Contributions totalling £6,169 were payable to the scheme at 31 August 2012 and are included within creditors

Westwood Academy

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the period ended 31 August 2012

23 PENSION AND SIMILAR OBLIGATIONS (CONTINUED)

TEACHERS' PENSION SCHEME

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

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

Latest actuarial valuation (under the new provisions)	31 March 2004
Actuarial method	Prospective benefits
Investment returns per annum	6.5 per cent per annum
Salary scale increases per annum	5.0 per cent per annum
Notional value of assets at date of last valuation	£162,650 million
Proportion of members' accrued benefits covered by the notional value of the assets	98.88%

Following the implementation of Teachers' Pension (Employer's Supplementary Contribution) Regulations 2000, the Government Actuary carried out a further review on the level of employer contributions. For the period from 1 September 2011 to 31 August 2012 the employer contribution was 14.1%. The employee rate was 6.4% for the same period.

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

Accordingly, the Academy Trust has taken the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined-contribution scheme. The Academy Trust has set out above the information available on the scheme and the implications for the Academy Trust in terms of the anticipated 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 £48,000, of which employer's contributions totalled £37,000 and employees' contribution totalled £11,000. The agreed rates for future years are 12.3 per cent, plus £13,063 for 2012/13 and £13,650 for 2013/14 for employers. The future rates for employees are 5.5 to 7.5 per cent.

As described in note 25, 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 year/period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy Trust at the balance sheet date.

Westwood Academy

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the period ended 31 August 2012

23 PENSION AND SIMILAR OBLIGATIONS (CONTINUED)

Principal actuarial assumptions

	2012 %
Rate of increase in salaries	3.7
Rate of increase for pensions in payment	1.9
Discount rate	3.9
Inflation (CPI)	1.9

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

	2012 years
Retiring today	
Males	22.7
Females	25.3
Retiring in 20 years	
Males	24.1
Females	26.8

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

	Expected return at 31 August 2012 %	Fair value at 31 August 2012 £'000	
Equities	5.9%	85	68.0%
Gilts	2.8%	8	6.4%
Other bonds	3.9%	11	8.8%
Property	4.9%	16	12.8%
Cash	0.5%	5	4.0%
TOTAL MARKET VALUE OF ASSETS		125	
Present value of scheme liabilities			
- Funded		(497)	
DEFICIT IN THE SCHEME		(372)	

The actual return on the scheme assets was £7,000

Westwood Academy

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the period ended 31 August 2012

23 PENSION AND SIMILAR OBLIGATIONS (CONTINUED)

Amounts recognised in the statement of financial activities	2012 £'000
Current service cost (net of employee contributions)	30
Past service cost	-
Total operating charge	<u>30</u>
Analysis of pension finance costs	
Expected return on pension scheme assets	6
Interest on pension liabilities	(22)
Pension finance costs	<u>(16)</u>

The actuarial gains and losses for the current year are recognised in the SOFA

The cumulative amount of actuarial losses recognised in the statement of recognised gains and losses since the adoption of FRS17 is £56,000

Movements in the present value of defined benefit obligations were as follows	2012 £'000
Upon conversion to academy	366
Current service cost	41
Interest cost	22
Employee contributions	11
Actuarial loss	57
At 31 August 2012	<u>497</u>

Westwood Academy

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the period ended 31 August 2012

23 PENSION AND SIMILAR OBLIGATIONS (CONTINUED)

Movements in the fair value of Academy Trust's share of scheme assets	2012 £'000
Upon conversion to academy	70
Expected return on assets	6
Actuarial gain	1
Employer contributions	37
Employee contributions	11
At 31 August	<u>125</u>

The estimated value of employer contributions for the year ended 31 August 2013 is £36,000

Amounts for the period	2012 £'000
Present value of defined benefit obligations	(497)
Fair value of share of scheme assets	<u>125</u>
Deficit in the scheme	<u>(372)</u>

	2012 £'000
Experience adjustments on share of scheme assets	<u> </u>
Amount	<u>1</u>
Experience adjustments on scheme liabilities	<u> </u>
Amount	<u>-</u>

Westwood Academy

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the period ended 31 August 2012

24 RELATED PARTIES

Owing to the nature of the Academy Trust'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 Trust's financial regulations and normal procurement procedures.

25 CONVERSION TO AN ACADEMY TRUST

On 1 July 2011 the Westwood Primary School converted to Academy Trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Westwood Academy from the Essex County Council 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.

Voluntary income analysis			
	TOTAL	Unrestricted funds	Restricted general fund
	£	£	£
Tangible fixed assets			Restricted fixed asset funds
Freehold land and buildings	1,706,494	-	1,706,494
Investment properties	97,516	-	97,516
School budget surplus	45,494	45,494	-
LGPS pension deficit	(296,000)	-	(296,000)
Net assets	1,553,504	45,494	1,804,010

The above net assets include £45,494 that were transferred as cash.