

Wood Green Academy Trust Limited  
(A Company Limited by Guarantee)

Annual Report and Financial Statements

Year Ended 31<sup>st</sup> March 2012

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Company Registration Number  
07538389 (England and Wales)

## Wood Green Academy Trust Limited

Contents	Page
Reference and Administrative Details	1 - 2
Governors' Report	3 - 10
Statement on Internal Control	11 - 12
Statement of Governors' Responsibilities	13
Independent Auditor's Report	14 - 15
Statement of Financial Activities incorporating Income & Expenditure Account	16
Balance Sheet	17
Cash Flow Statement	18
Notes to the Financial Statements	19 - 37

## Wood Green Academy Trust Limited

### Reference and administration details of the academy, its directors and advisors

Directors, (Trustees)	Mrs J Walker (Chairperson)*(Appointed 22 February 2011)
	Mr J Keay (Vice-Chair)*(Appointed 22 February 2011)
	Mr K Pace (Parent Governor)*(Appointed 1 April 2011)
	Mr P Francis (Parent Governor)
	Mr M Langley (Parent Governor)(Appointed 28 November 2011)
	Mr R Patel (Parent Governor)
	Mrs T Simpson (Parent Governor)
	Mrs D Lander (Parent Governor)
	Mr P Patel Headteacher (Staff Governor)*
	Mr N Skilton (Staff Governor)*(Appointed 1 April 2011)
	Mr N Parton (Staff Governor)*
	Miss A Birch (Staff Governor)
	Mrs N Brant (Staff Governor)
	Mr I Kirk (Co-Opted Governor)
	Mr D McCalla (Co-Opted Governor)(Appointed 1 April 2011)
	Mrs D Bannister MBE (Co-Opted Governor)(Appointed 22 February 2011)
	Mr A Smith (Community Governor)*
	Mrs M Patel (Community Governor)
	Mrs C Preece (Community Governor)
	Mr J Blackband (Community Governor)
	Mrs J White (Parent Governor)(Appointed 1 April 2011 Resigned 26 September 2011)

Appointed 23 May 2011 other than where stated

#### \* members of the Finance, Premises and Safety Sub Committee

Responsible Officer	Mr C Marsh ACA
Secretary	Mr P Hesslegrave *

#### Directorate

Headteacher	Mr P Patel
Associate Headteacher	Mr J Topham
Director of Student Achievement and Welfare	Mrs J Badham
Director of Finance and Resources	Mr P Hesslegrave
Director of CPD	Mr L Pearce
Director of Specialisms	Mr G Steele
Director of Curriculum	Mrs S Taylor
Director of Teaching Schools	Mr G Yates

Principal/Registered Office	Wood Green Academy Wood Green Road Wednesbury West Midlands WS10 9QU
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Company Registration Number	07538389
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**Wood Green Academy Trust Limited**

**Reference and administration details of the academy, its directors and advisors**

**Auditors**

Crowe Clark Whitehill LLP  
Black Country House  
Rounds Green Road  
Oldbury  
West Midlands  
B69 2DG

**The Academy's Bank**

Co-Operative Bank  
118-120 Colmore Row  
Birmingham  
West Midlands  
B3 3BA

### Governors' Report

The governors present their annual report together with the financial statements and auditor's report of the Charitable Company for the year ended 31 March 2012

The financial statements have been prepared in accordance with the accounting policies on page 19 of the financial statements, and comply with the Company's Memorandum and Articles of Association, the Companies Act 2006, and the requirements of the Statement of Recommended Practice "Accounting and Reporting by Charities," (SORP 2005), and the Academies Accounts Direction, (August 2011)

### Structure, Governance and Management

#### Constitution

Wood Green Academy Trust is a company limited by guarantee and is an exempt charity. The Charitable Company's Memorandum and Articles of Association and Funding Agreement are the primary governing documents of the Academy Trust. The Charitable Company was incorporated on 22 February 2011 and Wood Green Academy opened on 1 April 2011.

The governors act as the trustees for the charitable activities of Wood Green Academy Trust Limited and as directors of the Charitable Company for the purposes of Company law. The Charitable Company is incorporated as Wood Green Academy.

Details of the governors who served Wood Green Academy throughout 2011/12 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', (Directors'), Indemnities

As disclosed in note 12, professional indemnity insurance is paid on behalf of the directors of the Academy.

#### Principal Activities

Wood Green Academy is an 11-19 mixed comprehensive high school specialising in sports, mathematics and computing. The Academy was awarded Teaching School status in September 2011 and is a Leading Edge School. The Academy has achieved a host of other awards including Healthy Schools Award, Sports Mark and the Cultural Diversity Award.

The Academy achieved an Outstanding Ofsted rating in May 2012 in all five key areas of the Ofsted framework: Overall Effectiveness, Achievement of Pupils, Quality of teaching, Behaviour and Safety of Pupils and Leadership and Management. This was the school's third successive overall Outstanding Ofsted judgment since 2002, an achievement the school is rightly proud of. Not least, it reflects the consistent high level of expectations at the school and the determination and hard work of students, parents, staff and governors that have led to pupils' excellent examination results. It was the school's 2006 Outstanding status that enabled it to be one of the first round of schools to convert to an Academy under the Academy Bill 2010.

## Governors' Report (Continued)

The object of Wood Green Academy is set out in the Company's Articles of Association, namely "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 and carrying on, managing and developing a school offering a broad and balanced curriculum"

### Method of Recruitment and Appointment or Election of Governors / Directors

The Academy's Board of Directors is subject to retirement by rotation. Directors are eligible for re-election at the meeting at which they retire. The directors to retire are those who have served the longest in office since their appointment or re-election. New directors are recruited in accordance with the Articles of Association and 'A Guide to the Law for School Governors'. The term of office for any governor is 4 years, although this time limit does not apply to the Headteacher.

The Board of Directors who were in office on 31<sup>st</sup> March 2012 and served throughout the year are listed on Page 1.

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

The Academy continues to procure Governor Support services provided by Sandwell Metropolitan Borough Council, the local authority. Additional training is provided as required based on individual or collective need. External advice and support is commissioned where necessary.

### Organisation Structure

The structure of the Academy consists of four senior levels: the Board of Directors, including the Headteacher, the Associate Headteacher, the Deputy Headteachers and the broader Senior Leadership Team. An aim of this management structure is to distribute responsibility and accountability and to encourage involvement in decision making at all levels so that the Academy nurtures the talents of its entire staff to support continual improvement and excellence.

The Board of Directors is responsible for setting the Academy's policies, adopting the Academy Improvement Plan and budget, monitoring performance against these plans and making major decisions about the direction of the Academy including its curriculum, the achievement and welfare of students and staffing.

The Headteacher, Associate Headteacher, Deputy Headteachers and Senior Leadership Team control the Academy at an executive level, implementing the policies set by the Board of Directors and reporting back to them.

The Board of Directors has established four sub-committees. Each sub-committee has its own terms of reference detailing the responsibilities discharged to the sub-committee, to the Headteacher, (The Accounting Officer), to the Associate Headteacher, Deputy Headteachers and to the Senior Management Team. The terms of reference and meeting frequency for each sub-committee is reviewed and approved by the Board of Directors annually. The terms of reference for the Finance Sub-Committee detail the Academy's authorised spending limits.

The sub-committees of the Governing Body are the,

- Finance, Premises and Safety sub-committee
- Staffing sub-committee
- Specialisms sub-committee
- Curriculum sub-committee

Groups of governors may be formally organised outside of the sub-committee structure to support the Academy as required, to consider

- Headteacher, Associate Headteacher and Deputy Headteacher recruitment

## Governors' Report (Continued)

- Performance management of the Headteacher
- Pupil behaviour
- Staff Discipline
- Complaints
- Significant areas of change management, (ie, Academy status and the new curriculum)

### Risk Management

The Board of Directors has considered the major risks to which it is exposed, in particular those relating to governance, finance, insurance, attainment, attendance, behaviour, health and safety, organisation, operations, safeguarding, reputation, HR and ICT

The Board of Directors have implemented a number of systems to assess and reduce risks that the school faces, especially in operational areas in relation to teaching, health and safety, (including school trips and the school's minibus), behaviour management, and in relation to the control of finances. They have introduced policies and systems for the recruitment, selection and vetting of new staff, continual professional development of staff, child protection, supervision of students around the school site and internal financial controls to minimise financial risk. Adequate insurance has been arranged where significant financial risk remains. The Academy has an effective system of internal financial control as explained in the Statement on Internal Control.

### Connected Organisations, including Related Party Relationships

The Academy continues to work in partnership with The Lord Silkin School, furthering the pursuit of the Academy's charitable activities.

Wood Green Academy was awarded Teaching School status in September 2011, the award is for four years. The Teaching School programme is delivered through the Academy, furthering the pursuit of the Academy's charitable activities. A separate trading company, though considered, is not intended at this time. The Academy has developed an alliance with 20 other schools since receiving the award.

Wood Green Academy's Senior Leadership Team has been re-organised to support the partnership with The Lord Silkin School, to deliver the Teaching School programme and to maintain high levels of excellence at the Academy.

### Objects and Aims of the Academy

As described, the object of Wood Green Academy is set out in the Company's Articles of Association.

The Board of Directors continues to set the Academy's strategic aims through the Academy Improvement Plan. These aims are monitored closely by the Board of Directors by way of Headteacher and Senior Team Reports and through the work of the sub committees.

The aims and objectives for the Academy are derived from the school's mission statement which is 'To value all members of the school community and foster the pursuit of quality and excellence in all that we do.'

The key aims of the Academy for the forthcoming year are to

1. Raise levels of progress and attainment for all students, especially targeted groups
2. Develop the range of intervention strategies used across the school, especially for SEN and Gifted and Talented students
3. Improve teaching and learning through CPD, ICT, networking and other vehicles
4. To develop the whole child through a broad range of extra-curricular activities and events, especially focused on sport, maths and computing

**Governors' Report (Continued)**

- 5 Develop and enhance the curriculum
- 6 Develop and enhance assessment
- 7 To improve students' literacy
- 8 Develop the use of new technology including 'Wtube' to promote learning
- 9 Review the Increased Flexibility Programme at KS4 and the vocational programme at KS5
- 10 Extend the young Apprenticeship scheme
- 11 Investigate alternative careers provision
- 12 Continue to improve students' behaviour and attendance
- 13 Celebrate the school's successes
- 14 Maintain a strong financial position to resource sustainable school improvement initiatives
- 15 Ensure that the staffing structure meets the needs of the curriculum, student welfare and statutory obligations
- 16 To ensure that students are safe in the activities they engage in
- 17 To use the school's specialisms to promote health, community cohesion and pathways to voluntary organisations and employment
- 18 To develop the Teaching School and other outreach programmes

**Objectives, Strategies and Activities**

The key objectives for the forthcoming year are

1. 75% of students achieve level 5 or higher in maths and English at key stage 3
- 2 All grades at KS3 to be above the national average
- 3 80% 5 A\*-C grades at GCSE
- 4 60% 5 A\*-C at GCSE including maths and English
- 5 99% 5 A\*-G at GCSE including maths and English
- 6 22% A\* or A grades at GCSE
- 7 70% of students achieve 3 levels of progress in GCSE English
- 8 65% of students achieve 3 levels of progress in GCSE maths
- 9 100% pass rate at AS and A2, (A-E grades)
- 10 50% A\*-B grades at A2
- 11 80% A\*-C grades at A2
- 12 60% A\*-C grades at AS
- 13 Attendance is 94.7%
- 14 Persistence absence is less than 5%

**Public Benefit**

In setting objectives and planning the Academy's activities, the Board of Directors have paid due regard to the published guidance from the Charity Commission regarding the principle of public benefit

**Achievements and Performance**

Wood Green Academy was legally formed on midnight of the 1<sup>st</sup> April 2011. This Annual Report covers the Academy's first year of operation.

As described, the Academy was rated as Outstanding by Ofsted in May 2012.

There were 1,477 students on roll, (including 223 in the sixth form), on 31st March 2012. The Academy is oversubscribed for September 2012.

## Governors' Report (Continued)

The Academy is committed to continual improvement which is achieved in a number of ways including improvement planning, review meetings, continual professional development, lesson observations, performance management, learning walks, self-evaluation, data analysis and action planning

Tables 1 and 2 below provide a summary of the Academy's performance in the summer 2011 examination season

**Table 1 Summary of GCSE examination results, (2011)**

	Overall (246 students)
5A*-C	81%
5A*-C Inc English and Maths	59%
5A*-G	99%
5A*-G Inc English and Maths	98%
1A*-G	100%

**Table 2 Summary of AS and A2 Examination results, (2011)**

A2	2011
A*-E	100%
A*-C	79%
A*-B	51%
AS	
A-E	91%
A-C	58%
A-B	32%

### Going Concern

After consideration of the school's financial position, its financial plans, (including projected student numbers), the demand for places and the broader environment, the Board of Directors have a reasonable expectation that the Academy has and will continue to have adequate resources to enable it to be a sustainable going concern in 2012/13 and for the foreseeable future. For this reason the Academy continues to adopt the Going Concern principle in preparing its 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 and Financial Review

The Academy received income into its Unrestricted Fund, Restricted General Funds and Fixed Asset Fund during 2011/12.

#### Restricted General Fund

The majority of the Academy's income was received through Education Funding Agency (EFA) recurrent revenue grants into the Restricted General Fund, the use of which is restricted to the academy's charitable activities, its educational operations. These revenue grants, and the associated revenue expenditure made against them, are detailed in the SOFA. General Restricted Fund income for the year was £9,127,897, expenditure against the fund was £8,646,670, giving a restricted revenue fund carry forward of £481,227 before transfers from the Restricted Fixed Fund.

**Governors' Report (Continued)**  
**Unrestricted Funds**

Income received into the Unrestricted Fund was £743,797. This was predominantly attributable to the £369,864 closing balance transfer from Wood Green High School, the predecessor school. Expenditure against the fund was £241,821 for the year, giving an Unrestricted Fund carry forward of £501,976.

**Restricted Fixed Asset (Capital) Fund**

The Restricted Fixed Asset Fund balance is reduced by an annual depreciation charge over the expected useful life of the assets concerned in line with the Academy's depreciation policy.

Income received into the fund included the value of the predecessor school's assets at £21,484,283, Academies Capital Maintenance Funding and Formula Capital Funding of £338,956.

The SOFA details a £21,266,628 Restricted Fixed Asset Fund year end surplus after transfers between funds. This is detailed in note 13 to the accounts.

**Summary of Financial Performance**

Total fund balance as at 31<sup>st</sup> March 2012 was £21,751,863 comprised of £501,976, £696,259 and £21,266,628 in Unrestricted, Restricted General and Restricted Fixed Asset Funds respectively as well as the Restricted Pension Reserve deficit of £713,000.

**Balance Sheet**

The Academy's assets were predominantly used for providing education to school students. Some assets were used by the local community, predominantly for sports, as part of the school's sports focus and strategic aims to promote health, pathways into the community and work, and community cohesion.

The net book value of the Academy's tangible fixed assets was £21,266,628 as at 31<sup>st</sup> March 2012. The movement in this account is detailed in note 13.

Cash in hand at 31<sup>st</sup> March 2012 was £1,357,497.

The Reserves and Investment Policies are detailed below.

**Financial and Risk Management Objectives and Policies**

The objective of the Academy's Risk Management procedure is to identify the principal risks facing the academy so that existing controls may be considered and further action taken if required, including external insurance.

The Board of Directors has a comprehensive risk management process to identify and monitor the risks faced by the Academy.

The financial risks considered include economic / financial uncertainty, liquidity and solvency, credit risk, the risk of fraud and compliance with financial / statutory requirements.

**Governors' Report (Continued)**

The valuation of the defined benefit pension scheme is a liability of £713,000. On the balance sheet, this is offset by Academy's reserves.

**Principal Risks and Uncertainties**

The Board of Directors has a comprehensive risk management process to identify and monitor the risks faced by the Academy. The principal risks identified include governance, statutory compliance, finance, insurance, attainment, attendance, behaviour, health and safety, organisation, operations, safeguarding, reputation, HR and ICT. A risk rating mechanism is in place with greater emphasis directed towards those identified higher risk areas.

**Reserves Policy**

The Board of Directors reviews the Academy's Reserve Policy annually. The Board of Directors have determined that the appropriate level of free reserves should be £369,864 in the first year of the academy's life, increasing to a sum equivalent to one month's payroll in year 2, approximately £550,000.

The reason for this reserve is to provide sufficient working capital and to provide a cushion to deal with unexpected emergencies. In future years capital maintenance and development projects may be considered in the reserves policy review.

The Academy's free reserves as at 31<sup>st</sup> March 2012 were £501,976. The Academy intends to continue building free reserves until the £550,000 level needed is reached.

**Investment Policy**

Investments vehicles are approved by the Board of Directors with the support of expert advice as necessary. The Academy has invested the closing balance from the predecessor school in a Corporate Guaranteed Investment Account. This is a low risk short term investment. The objective of this account is to hold the Academy's reserve at low risk.

The Academy does not have any endowment funds.

**Plans for Future Periods**

Wood Green Academy strives to continually improve levels of attainment for all students, equipping them with the qualifications, skills and character to follow their chosen pathway, whether it be into further and higher education or employment.

The curriculum, the quality of teaching and learning and informed interventions are consistently reviewed to help every child achieve their full potential.

The Academy believes that developing the whole child is critical to improving levels of attainment and in developing broader skills and character that will develop students' commitment to lifelong learning and enrich their quality of life. To this extent, the Academy strives to provide exceptional behaviour and attendance management support to its students and to offer a broad range of extra-curricular activities, often centred around the school's specialisms of sport, maths and computing, though not exclusively so.

**Funds held as Custodian Trustee on behalf of others**

Neither Wood Green Academy Trust or the Board of Directors / Trustees are acting as third party custodial trustees.

Wood Green Academy Trust Limited

Governors' Report (Continued)

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

The auditors, Crowe Clark Whitehill LLP who were appointed during the year, are willing to continue in office and a resolution to appoint them will be proposed at the Annual General Meeting

The report of the Directors was approved by the members of the Governing Body on 17 July 2012 and signed on its behalf by

*J Walker*

Mrs J Walker  
Chair of Governors



Mr P Patel  
Accounting Officer

## Statement of Internal Control

### Scope of Responsibility

As governors, we acknowledge we have overall responsibility for ensuring that Wood Green 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 the Academy Trust's 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 are in accordance with the requirements and responsibilities assigned to it in the funding agreement between Wood Green Academy Trust and the Secretary of State for Education. The Headteacher is also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

### 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, so the Academy is supported in achieving its 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 ongoing process designed to identify and prioritise the risks to the achievement of the Academy Trust's policies, aims and objectives, to evaluate the likelihood of those risks being realised, to consider the impact should they be realised, and to manage these risks effectively, efficiently and economically. The system of internal control has been in place at Wood Green Academy for the year ended 31st of March 2012 and up to the date of approval of the annual report and financial statements.

### Capacity to Handle Risk

The Board of Directors 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 Board of Directors are of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks that have been in place for the year ending 31 March 2012 and up to the date of the approval of the Annual Report and Financial Statements. This process is regularly reviewed by the Board of Directors.

### 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 Board of Directors,
- Regular reviews by the Finance Sub Committee of reports which indicate financial performance against 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

**Statement of Internal Control (Continued)**

The Board of Directors has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Board of Directors has appointed Mr C Marsh ACA as Responsible Officer. The Responsible Officer's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems, (as set out in the Academy Financial Handbook 2006). On a termly basis, the Responsible Officer reports to the Board of Directors on the operation of the systems of control and the discharge of the Board of Directors' financial responsibilities. There are no material control issues resulting from any of these reviews.

**Review of Effectiveness**

As Accounting Officer, the Headteacher 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 Evaluation 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 17 July 2012 and signed on its behalf by



Mrs J Walker  
Chair of Governors



Mr P Patel  
Accounting Officer

## Statement of Governors Responsibilities

The governors (who act as trustees for charitable activities of Wood Green Academy Trust Limited 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

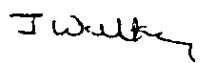
- select suitable accounting policies and then apply them consistently,
- observe the methods and principles in the Charities Statement of Recommended Practice (SORP),
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, 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 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 17 July 2012 and signed on its behalf by



Mrs J Walker  
Chair

### **Independent Auditor's Report to the Members of Wood Green Academy Trust**

We have audited the financial statements Wood Green Academy Trust Limited for the year ended 31 March 2012 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes numbered 1 to 26

The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Annual Accounts Direction 2010/11 issued by the 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 company's members as a body, for our audit work, for this report, or for the opinions we have formed

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

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

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

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, 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 charitable company's affairs as at 31 March 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, including the Annual Accounts Direction 2010/11 issued by the Education Funding Agency, and
- have been prepared in accordance with the requirements of the Companies Act 2006

#### **Opinion on other matter prescribed by the Education Funding Agency/Department for Education**

In our opinion the grants received from the Education Funding Agency/Department for Education have been applied for the intended purpose

#### **Opinion on other matter prescribed by 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 (Continued)**

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

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

- adequate accounting records have not been kept, or
- 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



Helen Drew

Senior Statutory Auditor

For and on behalf of

Crowe Clark Whitehill LLP

Statutory Auditors

Black Country

Rounds Green Road

Oldbury

West Midlands

B69 2DG

17 July 2012

**Wood Green Academy Trust Limited**

**Statement of Financial Activities for the Year to 31 March 2012**

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

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Pension Reserve £	Restricted Fixed Asset Funds £	Total 2012 £
<b>Incoming resources</b>						
<i>Incoming resources from generated funds</i>						
Voluntary income	3	484,238	63,458	-	21,484,283	22,031,979
Activities for generating funds	4	111,099	27,021	-	-	138,120
Investment income		4,143	-	-	-	4,143
<i>Incoming resources from charitable activities</i>						
Funding for the Academy's educational operations	5	-	9,037,418	-	338,956	9,376,374
Other incoming resources	6	144,317	-	-	-	144,317
<b>Total incoming resources</b>		<b>743,797</b>	<b>9,127,897</b>	<b>-</b>	<b>21,823,239</b>	<b>31,694,933</b>
<b>Resources expended</b>						
<i>Cost of generating funds</i>						
Activities for generating funds		109,301	-	-	-	109,301
<i>Charitable activities</i>						
Academy's educational operations	7	-	8,555,697	33,000	341,579	8,930,276
Other resources expended	7	132,520	-	-	-	132,520
Governance costs	9	-	90,973	-	-	90,973
<b>Total resources expended</b>	<b>7</b>	<b>241,821</b>	<b>8,646,670</b>	<b>33,000</b>	<b>341,579</b>	<b>9,263,070</b>
<b>Net incoming/(outgoing) resources before transfers</b>		<b>501,976</b>	<b>481,227</b>	<b>(33,000)</b>	<b>21,481,660</b>	<b>22,431,863</b>
<b>Transfers</b>						
Gross transfers between funds	16	-	215,032	-	(215,032)	-
<b>Net incoming (outgoing)/resources before other recognised gains and losses</b>		<b>501,976</b>	<b>696,259</b>	<b>(33,000)</b>	<b>21,266,628</b>	<b>22,431,863</b>
<b>Other recognised gains and losses</b>						
Pension scheme liability bought forward	25	-	-	(626,000)	-	(626,000)
Actuarial (losses)/gains on defined benefit pension schemes	16, 25	-	-	(54,000)	-	(54,000)
<b>Net movement in funds</b>		<b>501,976</b>	<b>696,259</b>	<b>(713,000)</b>	<b>21,266,628</b>	<b>21,751,863</b>
<b>Reconciliation of funds</b>						
Funds brought forward at 1 April 2011		-	-	-	-	-
<b>Total funds carried forward at 31 March 2012</b>		<b>501,976</b>	<b>696,259</b>	<b>(713,000)</b>	<b>21,266,628</b>	<b>21,751,863</b>

All of the Academy'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

**Wood Green Academy Trust Limited**  
**Balance sheet as at 31 March 2012**  
**Company number 07538389**

		2012	
	Notes	£	£
<b>Fixed assets</b>			
Tangible assets	13		<u>21,266,628</u>
Total fixed assets			<u>21,266,628</u>
<b>Current assets</b>			
Debtors	14	157,408	
Cash at bank and in hand		<u>1,357,497</u>	
Total current assets		1,514,905	
<b>Liabilities</b>			
Creditors Amounts falling due within one year	15	<u>(316,670)</u>	
Net current assets			<u>1,198,235</u>
Total assets less current liabilities			22,464,863
Pension scheme liability	25		(713,000)
Net assets including pension liability			<u>21,751,863</u>
<b>Funds of the academy</b>			
<b>Restricted funds</b>			
Fixed asset funds	16		21,266,628
General funds	16		696,259
Pension reserve	16		<u>(713,000)</u>
Total restricted funds			<u>21,249,887</u>
<b>Unrestricted funds</b>			
General funds	16		<u>501,976</u>
Total unrestricted funds			<u>501,976</u>
Total Funds			<u>21,751,863</u>

The financial statements on pages 16 to 37 were approved by the Governors, and authorised for issue on 17 July 2012 and signed on their behalf by

*J Walker*

Mrs J Walker  
Chair

**Wood Green Academy Trust Limited**  
**Cash Flow Statement for the year ended 31 March 2012**

		2012 £
Net cash inflow from operating activities	19	1,448,639
Returns on investments and servicing of finance	20	4,143
Capital expenditure	21	(95,285)
Increase in cash in the year	22	<u>1,357,497</u>
Reconciliation of net cash flow to movement in net funds		
Net funds brought forward at 1 April 2011		-
Net funds carried forward at 31 March 2012		<u>1,357,497</u>

# **Wood Green Academy Trust Limited**

## **Notes to the Financial Statements for the year ended 31 March 2012**

### **1 ACCOUNTING POLICIES**

#### **1.1 Format of financial statements**

The standard format for the financial statements as required by the Companies Act 2006 has been adapted to provide more appropriate information which complies with the Statement of Recommended Practice 'Accounting and Reporting by Charities issued in March 2005 (Charities SORP 2005) and the Academies Accounts Direction issued by the EFA and reflects the activities of the academy

#### **1.2 Basis of accounting**

The academy prepares its financial statements under the historic cost convention and in accordance with applicable accounting standards and the Charities SORP 2005. However, the emoluments of staff elected to serve on the Board of Trustees are not individually disclosed by name and amount as would be required by the Charities SORP 2005. The Headteacher and staff receive no remuneration for their service as trustees, they only receive remuneration based on the normal salary levels for people in their position. Remuneration bandings are included in note 10 and the trustees consider that this disclosure provides sufficient and appropriate information to enable a proper understanding of the financial statements.

#### **1.3 Going Concern**

The Company has cash resources and no requirement for external funding. The directors have a reasonable expectation that the Charitable Company has adequate resources to continue in operational existence for the foreseeable future. They continue to believe the going concern basis of accounting appropriate in preparing the annual financial statements.

#### **1.4 Wood Green Academy School Fund**

The Wood Green Academy School Fund has been aggregated into these accounts as the fund is under the control of the Academy. The income and expenditure of the School Fund are shown in the Academy's restricted and unrestricted general funds, as appropriate.

#### **1.5 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 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.
- Donations are included in the statement of financial activities on a cash received basis or on an accruals basis where they are assured with reasonable certainty and are receivable at the balance sheet date.

## **Wood Green Academy Trust Limited**

### **Notes to the Financial Statements for the year ended 31 March 2012**

**(continued)**

- **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

- **Donated Fixed Assets**

The value of donated fixed assets provided to the Academy are recognised at their open market value in the period in which they are receivable as incoming resources. An equivalent amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Academy's policies

#### **1.6 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 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 trading activities that raise funds

- **Charitable activities**

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

- **Governance Costs**

These include the costs attributable to the Academy Trust's compliance with constitutional and statutory requirements, including audit and strategic management

Resources expended are recognised in the year in which they are incurred and are included net of recoverable VAT

## **Wood Green Academy Trust Limited**

### **Notes to the Financial Statements for the year ended 31 March 2012 (continued)**

#### **1.7 Liquid Resources**

The Academy considers liquid resources to be cash at bank and in hand plus short-term investments

#### **1.8 Recognition of liabilities**

Liabilities are only recognised when the Academy has an obligation as a result of a past event, and a reliable estimate can be made of the amount of the obligation

#### **1.9 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 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

Where the academy purchases capital items from the General Annual Grant (GAG) during the period, this is represented by a transfer from the restricted general fund to the restricted fixed asset fund

#### **1.10 Tangible fixed assets**

Assets costing £2,500 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 Trust's depreciation policy

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

## **Wood Green Academy Trust Limited**

### **Notes to the Financial Statements for the year ended 31 March 2012 (continued)**

#### **1 11 Depreciation**

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 50 years

Fixtures, fittings and equipment 10 years

ICT equipment 5 years

#### **1 12 Taxation**

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

#### **1.13 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 Trust. The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 25, 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.

## Wood Green Academy Trust Limited

### Notes to the Financial Statements for the year ended 31 March 2012 (continued)

#### 1.13 Pension Benefits (Continued)

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.

Wood Green Academy Trust Limited  
Notes to the Financial Statements for the year ended 31 March 2012 (continued)

2- General Annual Grant (GAG)

a Results and Carry Forward for the Year

	2012 £
GAG brought forward from previous year	-
GAG allocation for current year	8,118,185
Total GAG available to spend	8,118,185
Recurrent expenditure from GAG	(7,401,983)
Fixed assets purchased from GAG	(95,286)
	<u>620,916</u>
Other restricted GAG funds	
GAG carried forward to next year	<u>620,916</u>
Maximum permitted GAG carry forward at end of current year (12% of allocation for current year)	(974,182)
GAG to surrender to DfE (12% rule breached if result is positive)	<u>(353,267)</u>

3 Voluntary Income

	Unrestricted Funds £	Restricted Funds £	2012 Total £
Donations - Capital	-	21,484,283	21,484,283
Wood Green High School - Balance transfer	369,864	-	369,864
Donations - School Fund	59,477	-	59,477
Other Donations	54,567	-	54,567
Other	330	63,458	63,788
	<u>484,238</u>	<u>21,547,741</u>	<u>22,031,979</u>

4 Activities for Generating Funds

	Unrestricted Funds £	Restricted Funds £	2012 Total £
Hire of Facilities	25,252	-	25,252
Catering Income	41,852	-	41,852
Other Income	43,995	27,021	71,016
	<u>111,099</u>	<u>27,021</u>	<u>138,120</u>

5 Investment Income

	Unrestricted Funds £	Restricted Funds £	2012 Total £
Interest on cash balances	4,143	-	4,143
	<u>4,143</u>	<u>-</u>	<u>4,143</u>

Wood Green Academy Trust Limited  
Notes to the Financial Statements for the year ended 31 March 2012 (continued)

5 Funding for Academy's educational operations

	Unrestricted Funds £	Restricted Funds £	Total 2012 £
DfE/EFA capital grant	-	28,638	28,638
Formula Capital funding	-	310,318	310,318
Partnership for Schools Bid Income	-	338,956	338,956
DfE / EFA revenue grants	-	8,118,185	8,118,185
General Annual Grant (GAG) (note 2)	-	46,155	46,155
Insurance Premium grant - EFA	-	152,771	152,771
School Standards Fund	-	68,574	68,574
Other Income	-	131,285	131,285
Restricted Curriculum, (Dept), Income	-	8,516,970	8,516,970
Other Government grants	-	412,112	412,112
School Standards Funds	-	108,336	108,336
Pupil Premium Fund	-	520,448	520,448
	-	9,376,374	9,376,374

6 Other incoming resources

	Unrestricted Funds £	Restricted Funds £	Total 2012 £
School Fund income	144,317	-	144,317
	144,317	-	144,317

**Wood Green Academy Trust Limited**  
**Notes to the Financial Statements for the year ended 31 March 2012 (continued)**

**7 Resources Expended**

	Staff Costs	Non Pay	Expenditure	Total
	£	Premises	Other Costs	2012
	£	£	£	£
Costs of activities for generating funds	61,536	2,525	45,240	109,301
Academy's educational operations	5,859,027	43,707	792,173	6,694,907
Direct costs	662,446	1,045,581	527,342	2,235,369
Allocated support costs	-	-	132,520	132,520
Other resources expended	6,521,473	1,089,288	1,452,035	9,062,796
Governance costs including allocated support costs	-	-	90,973	90,973
	6,583,009	1,091,813	1,588,248	9,263,070
Net Incoming/outgoing resources for the year include				2012
				£
Depreciation on owned assets				341,579
Fees payable to auditor - audit				8,900
Profit/(loss) on disposal of fixed assets				-

**8 Charitable Activities - Academy's educational operations**

	Unrestricted	Restricted	Total
	Funds	Funds	2012
	£	£	£
<i>Direct costs</i>	-	5,859,027	5,859,027
Teaching and educational support staff costs	-	43,707	43,707
Depreciation	-	595,177	595,177
Educational supplies	-	161,902	161,902
Examination fees	-	33,799	33,799
Staff development	-	1,295	1,295
Educational consultancy	-	6,694,907	6,694,907
<i>Allocated support costs</i>	-	662,446	662,446
Support staff costs	-	297,872	297,872
Depreciation	-	6,236	6,236
Recruitment and support	-	509,073	509,073
Maintenance of premises and equipment	-	108,877	108,877
Equipment not capitalised	-	8,548	8,548
Cleaning	-	137,611	137,611
Rent & rates	-	173,861	173,861
Gas & electric	-	51,312	51,312
Insurance	-	41,165	41,165
Security and transport	-	103,968	103,968
Catering	-	1,801	1,801
Bank interest and charges	-	21,162	21,162
Printing, postage and stationery	-	17,940	17,940
Telephone	-	29,000	29,000
FRS17 Finance charges	-	64,497	64,497
Other support costs	-	2,235,369	2,235,369
Other resources expended	132,520	-	132,520
School Fund expenses	132,520	8,930,276	9,062,796

**Wood Green Academy Trust Limited**

**Notes to the Financial Statements for the year ended 31 March 2012 (continued)**

9 Governance costs	Unrestricted Funds £	Restricted Funds £	Total 2012 £
Legal and professional fees	-	77,958	77,958
Auditors' remuneration	-	8,900	8,900
Audit of financial statements	-	4,115	4,115
Other	-	90,973	90,973

**10 Staff costs**

Staff costs during the period were

	Total 2012 £
Wages and salaries	5,380,381
Social security costs	364,852
Other pension costs	653,641
	<u>6,398,874</u>
Supply teacher costs	184,135
	<u>6,583,009</u>

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

	2012 No
<i>Charitable Activities</i>	
Teachers (including senior managers)	108
Administration and support	54
	<u>162</u>

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

	2012 No
£60,001 - £70,000	5
£70,001 - £80,000	<u>3</u>

All of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 March 2012, pension contributions for these staff amounted to £75,649

**Wood Green Academy Trust Limited**

**Notes to the Financial Statements for the year ended 31 March 2012 (continued)**

**11 Governors' remuneration and expenses**

The Headteacher and staff governors only receive remuneration in respect of services they provide undertaking the roles of Principal and staff and not in respect of their services as governors. Other governors did not receive any payments from the Academy in respect of their role as governors. The value of the Headteacher's remuneration was £93,703 in 2012. The value of staff governor's remuneration was £109,571.

During the year ended 31 March 2012, travel and subsistence expenses totalling £2,698 were reimbursed to 1 Governor, the

Related party transactions involving the trustees are set out in note 26.

**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 £1,000,000 on any one claim and the cost for the year ended 31 March 2012 was £810.

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

**13 Tangible Fixed Assets**

	Land and Buildings £	Furniture and Equipment £	Computer Equipment £	Plant, Vehicles & Machinery £	Total £
<b>Cost</b>					
At 1 April 2011	-	-	-	-	-
Additions	-	11,609	98,819	13,495	123,923
Inherited assets	21,403,897	45,028	35,359	-	21,484,284
At 31 March 2012	21,403,897	56,637	134,178	13,495	21,608,207
<b>Depreciation</b>					
At 1 April 2011	-	-	-	-	-
Charged in year	297,872	7,694	35,338	675	341,579
At 31 March 2012	297,872	7,694	35,338	675	341,579
<b>Net book values</b>					
At 31 March 2012	21,106,025	48,943	98,840	12,820	21,266,628
At 31 March 2011	-	-	-	-	-

All fixed assets are used for charitable purposes.

Freehold land is valued at £6,510,308.

**Wood Green Academy Trust Limited**

**Notes to the Financial Statements for the year ended 31 March 2012 (continued)**

**14 Debtors**

2012

£

Trade debtors	7,883
Prepayments and accrued income	52,537
VAT recoverable	96,988
	<u>157,408</u>

**15 Creditors' amounts falling due within one year**

2012

£

Trade creditors	85,412
Taxation and social security	134,042
Other creditors	79,824
Accruals and deferred income	17,392
	<u>316,670</u>

Wood Green Academy Trust Limited  
Notes to the Financial Statements for the year ended 31 March 2012 (continued)

16 Funds

	Balance at 1 April 2011 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 March 2012 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)		8 118 185	(7 401,983)	(95,286)	620 916
Insurance Premium grant - EFA		46 155	(46,155)	-	-
School Standards Fund	-	584,883	(564,883)	-	-
Pupil Premium Fund		108 336	(108 336)	-	-
Other restricted		159 053	(413 263)	310 318	56 108
Restricted Curriculum (Dept) income		131 285	(112 050)	-	19,235
		<u>9 127 897</u>	<u>(8 646 670)</u>	<u>215 032</u>	<u>696,259</u>
<b>Restricted pension reserve</b>			(33 000)	(680 000)	(713,000)
<b>Pension Scheme liability</b>			<u>(33 000)</u>	<u>(680 000)</u>	<u>(713,000)</u>
<b>Restricted fixed asset funds</b>					
Formula Capital funding		28 638	(10 100)	-	18 538
Donations Capital	-	21 484,283	(297 872)	-	21 186 411
Other DfE/EFA grants		-	(33,607)	95,286	61 679
Partnership for Schools Bid income	-	310,318	-	(310 318)	-
	-	<u>21 823,239</u>	<u>(341,579)</u>	<u>(215 032)</u>	<u>21,266,628</u>
<b>Total restricted funds</b>	-	<u>30,951,136</u>	<u>(9,021,249)</u>	<u>(680,000)</u>	<u>21,249,887</u>
<b>Unrestricted funds</b>					
Unrestricted funds	-	743 797	(241,821)	-	501 976
<b>Total unrestricted funds</b>	-	<u>743 797</u>	<u>(241,821)</u>	<u>-</u>	<u>501,976</u>
<b>Total funds</b>	-	<u>31,694 933</u>	<u>(9,263,070)</u>	<u>(680,000)</u>	<u>21,751,863</u>

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

1. The government capital funds are provided by the government for specific capital projects. Donations are the value of donated assets recognised in the financial statements at their estimated value to the Academy in the year in which they are receivable and where the benefit is both quantifiable and measurable.
2. The restricted general fund is subject to specific expenditure within the charitable company's declared objectives. DfE grants relate to government funding for the provision of education by the charitable company. Funding is repayable if the charitable company does not meet all funding requirements.
3. The transfers represent transfers between the restricted income fund and restricted fixed asset fund for capital purchases made from income funds and vice versa. Gains and losses relate to the initial recognition and actuarial losses of the local government pension scheme.

17 Analysis of net assets between funds

Fund balances at 31 March 2012 are represented by

	Unrestricted general fund £	Restricted general fund £	Restricted pension reserve £	Restricted fixed asset fund £	Total 2012 £
Tangible fixed assets	-	-	-	21 266 628	21 266 628
Current assets	501 976	1 012,929	-	-	1 514,905
Current liabilities	-	(316 670)	-	-	(316,670)
Pension scheme liability	-	-	(713,000)	-	(713,000)
<b>Total net assets</b>	<u>501,976</u>	<u>696,259</u>	<u>(713,000)</u>	<u>21 266,628</u>	<u>21,751,863</u>

**Wood Green Academy Trust Limited**  
**Notes to the Financial Statements for the year ended 31 March 2012 (continued)**

<b>18 Capital commitments</b>	<b>2012</b>
	<b>£</b>
	<b>NIL</b>
Contracted for but unprovided at the year end	
	<b>2012</b>
	<b>£</b>
<b>19 Reconciliation of consolidated operating (deficit)/surplus to net cash</b>	
inflow from operating activities	22,431,863
Surplus on continuing operations	341,579
Depreciation	(21,512,922)
Capital grants from DfE and other capital income	(4,143)
Interest receivable	4,000
FRS 17 pension cost less contributions payable	29,000
FRS 17 pension finance income	(157,408)
(Increase)/decrease in debtors	316,670
Increase/(decrease) in creditors	
	<b>1,448,639</b>
<b>Net cash inflow from operating activities</b>	
<b>20 Returns on investments and servicing of finance</b>	<b>4,143</b>
Interest received	<b>4,143</b>
<b>Net cash inflow from returns on investment and servicing of finance</b>	
<b>21 Capital expenditure and financial investment</b>	<b>(123,923)</b>
Purchase of tangible fixed assets	28,638
Capital grants from DfE/EFA	<b>(95,285)</b>
<b>Net cash outflow from capital expenditure and financial investment</b>	

**Wood Green Academy Trust Limited**  
**Notes to the Financial Statements for the year ended 31 March 2012 (continued)**

22 Analysis of changes in net funds	At 1 April		At 31 March
	2011	Cash flows	2012
	£	£	£
Cash in hand and at bank	-	1,357,497	1,357,497
	-	1,357,497	1,357,497

**23 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 the Department 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
- b The extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the funding agreement

**24 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

**Wood Green Academy Trust Limited**  
**Notes to the Financial Statements for the year ended 31 March 2012 (continued)**

**25 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. 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 year.

**Teachers' Pension Scheme**

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

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

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

Following the implementation of Teacher's Pension (Employers' Supplementary Contributions) Regulations 2000, the Government Actuary carried out a further review on the level of employer contributions. For the period from 1 April 2011 to 31 March 2012 the employer contribution was 14.1 per cent. The employee rate was 6.4% for the same period.

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

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

# Wood Green Academy Trust Limited

## Notes to the Financial Statements for the year ended 31 March 2012 (continued)

### 25 Pension and similar obligations (continued)

#### 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 year ended 31 March 2012 was £126,000, of which employer's contributions totalled £88,000 and employees' contributions totalled £38,000.

Principal Actuarial Assumptions	At 31 March 2012	At 31 March 2011
Rate of increase in salaries	4.35%	4.75%
Rate of increase for pensions in payment / inflation	2.60%	3.00%
Discount rate for scheme liabilities	5.05%	5.50%
Inflation assumption (CPI)	2.60%	3.00%

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

	At 31 March 2012	At 31 March 2011
<i>Retiring today</i>		
Males	21.9	21.3
Females	24.9	24.2
<i>Retiring in 20 years</i>		
Males	23.7	22.8
Females	26.9	25.8

**Wood Green Academy Trust Limited**  
**Notes to the Financial Statements for the year ended 31 March 2012 (continued)**

**25 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 rate of return	Plan assets at 31 March 2012	Expected rate of return	Plan assets at 1 April 2011
		£		£
Equities	7.00%	321,000	7.50%	249,000
Government Bonds	3.50%	46,000	4.40%	35,000
Other Bonds	5.05%	36,000	5.40%	25,000
Property	6.40%	58,000	6.50%	41,000
Other	0.50%	6,000	0.50%	8,000
<b>Total market value of assets</b>	<b>6.35%</b>	<b>467,000</b>	<b>6.79%</b>	<b>358,000</b>
<b>Present value of scheme liabilities</b>				
- Funded		(1,180,000)		(984,000)
<b>Deficit in the scheme</b>		<b>(713,000)</b>		<b>(626,000)</b>

None of the fair values of the assets shown above include any of the Academy's own financial instruments or any property occupied by, or other assets used by, the Academy

The expected return on assets is based on the long term future expected investment return for each asset class as at the beginning of the period (i.e. As at 1 April 2011 for the year to 31 March 2012). The return on gilts and other bonds are assumed to be the gilt yield and corporate bond yield (with an adjustment to reflect default risk) respectively at the relevant date. The return on equities and property is then assumed to be a margin above gilt yields.

The expected rate of return on assets is the average rate of return expected over the remaining life of the related obligation on the actual assets held by the Fund. It includes both income and changes in fair value but is net of scheme expenses. It is based on market expectations at the beginning of the reporting period. This assumption is used to determine the expected return on assets for the pension expense.

The expected rate of return on assets determined at the 2012 year end affects the pension expense for the 2013 year end. It does not change the pension expense or balance sheet reported for the 2012 year end. A summary of the expected return assumptions used and their derivation is given above.

Changes to the Fund's strategic asset allocation would change the overall expected return even if the individual expected asset class returns were unchanged.

The actual return on the scheme assets was £11,000.

**Total expenditure recognised in the Statement of Financial Activities**

	2012 £
Current service cost (net of employee contributions)	92,000
Past service cost	-
Total operating charge	<u>92,000</u>

**Analysis of pension finance income / (costs)**

Expected return on pension scheme assets	28,000
Interest on pension liabilities	(57,000)
Pension finance income / (costs)	<u>(29,000)</u>

**Wood Green Academy Trust Limited****Notes to the Financial Statements for the year ended 31 March 2012 (continued)****25 Pension and similar obligations (continued)****Local Government Pension Scheme (Continued)**

The actual gains and losses for the current year are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is a £54,000 loss

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

	2012 £
Opening defined benefit liabilities at 1 April 2011	984,000
Current service cost	92,000
Interest cost	57,000
Employee contributions	38,000
Actuarial (gain)/loss	37,000
Benefits paid	(28,000)
<b>At 31 March 2012</b>	<b><u>1,180,000</u></b>

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

	2012 £
Opening fair value of plans' assets at 1 April 2011	358,000
Expected return on assets	28,000
Actuarial gains / (losses)	(17,000)
Employer contributions	88,000
Employee contributions	38,000
Benefits paid	(28,000)
<b>At 31 March 2012</b>	<b><u>467,000</u></b>

The estimated value of employer contributions for the year ended 31 March 2013 is £92,000

**Wood Green Academy Trust Limited**

**Notes to the Financial Statements for the year ended 31 March 2012 (continued)**

**25 Pension and similar obligations (continued)**

**Local Government Pension Scheme (Continued)**

The five-year history of experience adjustments is as follows

	2012 £
Defined benefit obligation at end of year	(1,180,000)
Fair value of plan assets at end of year	<u>467,000</u>
Deficit	<u>(713,000)</u>
Experience adjustments on share of scheme assets	
Amount £	<u>(17,000)</u>
Experience adjustments on scheme liabilities	
Amount £	-

**26 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 the Academy was donated the freehold land and buildings and the legacy assets of Wood Green High School from the Wednesbury Innovation Trust of whom the Chair of the Board was a member. The donation has been valued in these accounts at £21,484,283.