

**Woodkirk Academy Trust Limited**  
**(A Company Limited by Guarantee)**

**Annual Report and Financial Statements**

**Period ended 31 August 2012**

**Company Registration Number**  
**07720181 (England and Wales)**

**WEDNESDAY**



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COMPANIES ACT 2006

## Contents

	Page
Reference and Administrative Details	3
Governors' Report	5
Governance Statement	12
Statement on Regularity, Propriety and Compliance	15
Statement of Governors' Responsibilities	16
Independent Auditor's Reports	17
Statement of Financial Activities incorporating Income & Expenditure Account	21
Balance Sheet	22
Cash Flow Statement	23
Notes to the Financial Statements, incorporating	
Statement of Accounting Policies	24
Other Notes to the Financial Statements	28

# Woodkirk Academy Trust

## Reference and Administrative Details

### MEMBERS

D Fisher  
I West  
S Alleston  
A Grayson  
J Westwood

### APPOINTED

27<sup>th</sup> July 2011  
27<sup>th</sup> July 2011  
27<sup>th</sup> July 2011  
21<sup>st</sup> March 2012  
21<sup>st</sup> March 2012

### GOVERNORS AND TRUSTEES

### APPOINTED

#### Community Representatives

D Fisher (Chair)  
I West (Vice Chair)  
S Alleston  
W Bartholomew  
N Bilton  
J Elliott  
A Grayson  
A Rawlins  
J Westwood

27<sup>th</sup> July 2011  
27<sup>th</sup> July 2011  
27<sup>th</sup> July 2011  
21<sup>st</sup> September 2011  
21<sup>st</sup> September 2011  
21<sup>st</sup> September 2011  
21<sup>st</sup> September 2011  
21<sup>st</sup> September 2011  
21<sup>st</sup> September 2011

#### Parent Representatives

S Anderson  
G Beacon  
K Grey  
S Holt  
N Thornton

21<sup>st</sup> September 2011  
21<sup>st</sup> September 2011  
21<sup>st</sup> September 2011  
21<sup>st</sup> September 2011  
21<sup>st</sup> September 2011

#### Staff Representatives

R Aiston  
J Standage  
L Zwalf

21<sup>st</sup> September 2011  
21<sup>st</sup> September 2011  
21<sup>st</sup> September 2011

#### Ex Officio

JB White (Headteacher)

21<sup>st</sup> September 2011

#### Company Secretary

Steven Sutcliffe FCA

#### Principal and Registered Office

Rein Road, Tingley, Wakefield WF3 1JQ

#### Company Registration Number

07720181 (England and Wales)

## **Woodkirk Academy Trust**

### **Independent Auditors**

Saffery Champness  
Chartered Accountants  
Mitre House  
North Park Road  
Harrogate HG1 5RX

### **Bankers**

National Westminster Bank plc  
89A Queen Street  
Morley  
Leeds LS27 8XR

### **Responsible Officer**

Financial Services to Schools  
Resources Directorate  
Merrion House  
Leeds LS2 8DT

### **Solicitors**

Wrigleys  
19 Cookridge Street  
Leeds LS2 3AG

# **Woodkirk Academy Trust Governors' Report**

## **Governors' Report**

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

The financial statements have been prepared in accordance with the accounting policies on pages 24 to 27 of the attached 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" as issued in March 2005 ("SORP 2005")

## **Structure, Governance and Management**

### **Constitution**

The academy was incorporated on the 27<sup>th</sup> July 2011 and started trading on the 1<sup>st</sup> September 2011

The academy trust is a company limited by guarantee (reg 7720181) and an exempt charity. The company's memorandum and articles of association are the primary governing documents of the academy trust.

The governors act as the trustees for the charitable activities of Woodkirk Academy and are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Woodkirk Academy. Details of the governors who served throughout the year are included in the Reference and Administrative details on page 3.

In January 2012 the academy set up a wholly owned subsidiary company called Woodkirk Academy Services Ltd (reg 7918414) with objective of pursuing non charitable activities. The subsidiary company is currently dormant and did not trade during the financial year ended 31<sup>st</sup> August 2012.

### **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. The members of the company are listed in the Reference and Administrative Details on page 3.

### **Principal Activities**

To advance for the public benefit education in the United Kingdom, by establishing, maintaining, carrying on, managing and developing the school by offering a broad and balanced curriculum.

### **Governors**

The Members may appoint up to 20 governors. The governors were appointed at the first Members' meeting held on the 21<sup>st</sup> September 2011. All were previously governors of Woodkirk High School and expressed a willingness to continue to act as governors for the academy. The governors are directors of the charitable company for the purposes of the Companies Act 2006 and trustees for the purposes of charity legislation. Governors are appointed for a fixed term of four years, except for the Headteacher. Subject to remaining eligible, any governor may be reappointed or re-elected. The governors who were in office at the 31<sup>st</sup> August 2012 served throughout the year and are listed on page 3. The governing body is comprised of representatives of the local community, academy staff and

## Woodkirk Academy Trust Governors' Report

parents of students Parent governors are nominated by parents of the academy students and staff governors are nominated by the staff of Woodkirk Academy Both are due for re-election in 2015

- The full governing body meets at least four times per annum to discuss strategic matters, operational developments and financial and budget performance The academy also has four committees, meeting at least once a term These committees have specific responsibility for Strategic Review, Teaching and Learning, Personnel and Finance & Property Management Each of the governors takes specific responsibility for key areas of management and teaching departments

The training and induction provided for new governors will depend on their existing experience Where necessary training is provided on charity, educational, legal and financial matters All governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as governors The academy complies with the School Standards and Framework Act 1998 and all governors are required to confirm their eligibility to act as a governor and to declare any business interest of theirs or their close family, which may conflict with the interests of the academy

During the year under review the governors held four full governing body meetings and thirteen committee meetings Attendance during the year for the full governing body was as follows,

### Meetings attended

D Fisher (Chair)	4
I West (Vice Chair)	4
S Alleston	2
A Grayson	3
J Westwood	4
R Aiston	4
S Anderson	3
W Bartholomew	4
G Beacon	4
N Bilton	3
J Elliott	4
K Grey	4
S Holt	2
A Rawlins	3
J Standage	2
N Thornton	2
JB White (Headteacher)	4
L Zwalf	3

## Risk Management

The Governing Body is ultimately responsible for the management of risk The day to day management of risk is delegated to the Risk Committee, which is chaired by a governor This committee comprises of representatives of the academy's Senior Leadership Team and senior officers

A Risk Register has been prepared by senior officers which identifies risks to which the academy is exposed These risks have been assessed to determine the probability of occurrence and the likely impact and have been categorised as High, Medium and Low

The first meeting of the Risk Committee was held in September 2012 and it will continue to meet on a monthly basis for the immediate future in order to review the Risk Register and assess the systems and

## **Woodkirk Academy Trust Governors' Report**

procedures that are in place for the management of risks. The Governing Body recognises that its approach to risk management is still being developed and further work is required to fully embed risk management throughout the organisation. The Governing Body are satisfied however that there are and have been sound systems of internal controls in place.

### **Principal Risks and Uncertainties**

The main risks to Woodkirk Academy have been identified as,

- Changes in Government legislation, particularly with regard to funding
- Inadequate budgetary forecasting
- Inadequate measurement and comparison of budgets to actual financial performance
- Inaccurate or inappropriate information provided to trustees and senior management which is thus not suitable to adequately monitor the performance of the academy
- ICT systems that are not suitable for the Academy's needs
- Failure to maintain the high educational standards and reputation that the academy enjoys
- Demographic trends or competition from other educational establishments affecting pupil numbers, resulting in a potential loss of funding

As a result of the risk management processes established at Woodkirk Academy the Governing Body is satisfied that the major risks have been identified and adequately mitigated where necessary. The Governing Body recognises that systems and procedures can only provide reasonable but not absolute assurance that major risks have been adequately managed and that this is a continuous ongoing process.

The key controls in place are

- Regular Governing Body and Committee meetings with detailed agendas
- Detailed and comprehensive terms of reference and contract procedure rules in place for the governing body and its committees
- A fully costed School Improvement Plan in line with the budget allocations
- An established organisational structure with clear lines of delegation and reporting
- Formal written policies and procedures which include clear authorisation and approval levels
- Comprehensive financial planning, budgeting and management accounting systems
- A Disaster Recovery Plan which incorporates off site storage of ICT system backups
- Risk management advice and support by external consultants

### **Fraud**

Woodkirk Academy does not tolerate fraud and action is taken to reduce the risk of fraud through the control systems. There have been no reported cases of fraud during the year.

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

Woodkirk Academy currently has no related party relationships.

# Woodkirk Academy Trust Governors' Report

## Auditors

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

Saffery Champness was appointed as auditors to the Academy and has expressed its willingness to remain in office

## Objectives and Activities of Woodkirk Academy

### Objects and Aims

Woodkirk Academy's objectives are to enrich the learning needs of the community, to provide life-long access to educational opportunities and to maximise the potential of all who learn here

### Objectives, Strategies and Activities

The Academy's aims are to

- Encourage a positive and caring environment where the opportunities for learning are opened up for students and staff of all ages, backgrounds and cultures
- Promote understanding and respect for others
- Help all members of the school community develop an understanding of what it means to be trusted, valued, trusting and caring
- Promote the principle of equal value
- Develop confidence, competence and social responsibility in all students by
  - placing the individual at the centre of all learning activities
  - providing access for all to a full range of opportunities
  - providing for continuity and progression in all learning experiences
  - creating a clean, safe, secure and stimulating learning environment
  - encouraging students ,staff, parents and members of the community to work together to maximise achievement
  - delivering a broad and balanced curriculum that fulfils and extends the National Curriculum
  - developing links between the curriculum and the community

## Achievements and Performance

Once again the Academy achieved excellent examination results for the 2011/12 academic year

- 82% A\*-C, 68% A\*- C including English and Mathematics at GCSE level
- 98% of students achieved 5 A\* - G and all of these results exceeded targets
- 75% of students were awarded an A\*- C grade in English with 68% making at least 3 levels of progress
- In Mathematics 81% qualified with an A\*- C GCSE and 82% made 3 levels of progress



## **Woodkirk Academy Trust Governors' Report**

At A Level the pass rate was

- 99% with 78% of students achieving A\*-C and 47% achieving the highest grades of A\*- B
- 95.4% of students were awarded 3 or more A2 qualifications with an average points score of 790 which ranked Woodkirk as one of the top performing Sixth Forms in the city

These impressive results enabled the vast majority of students to realise their first choice university or career option

Attendance figures for the 2011/12 academic year were our best ever at 94.6%

The Academy was last inspected in 2011 when it was judged "Good with Outstanding features" for its overall effectiveness. Ofsted judged the school outstanding for pupil attainment, the extent to which pupils feel safe and the extent to which pupils develop workplace and other skills that will contribute to their future economic well being

### **Extra-Curricular Activities**

Experiential learning is given high priority at Woodkirk, with over 80 sessions being conducted after school each week. 60% of these sessions are aimed at supplementing academic activities, with the other 40% having sport, music, performing arts and other interests as their focus. Several competitions were entered last year, including the Rotary Club Technology Challenge (winner in the Advanced class), Google Hack, Spelling B and several maths challenges.

The Academy also runs an extensive range of educational trips, which in 2011/12 included visits to the USA, France, Berlin, York, Cumbria, London and Scotland. 97 educational visits were conducted last year with 3,650 students taking part.

Students and staff raise substantial funds for several charities. In the 2011/12 academic year monies were donated to Mencap, Children in Need, Great Ormond Street Hospital, Cancer Research and Diabetic charity.

### **Public Benefit**

#### **Volunteers**

A number of parents and community representatives help in fundraising activities as members of the "Friends" group, several of whom also serve on the Governing Body. Members of the community also offer their services to assist in providing supervision on residential trips and visits out of school.

The Directors are aware of and have had due regard to the public benefit guidance published by the Charity Commission.

### **Building developments**

The Academy has undertaken significant building works over the past year, including

- Refurbishment of the Red Block, creating a new Sixth Form Centre and Technology and Business suites
- Re-siting of the Social Sciences department, increasing classroom sizes to address curriculum needs
- Redecoration of the Humanities block, including purchase of new chairs, tables and carpets
- Creation of new ICT suites in the Yellow block and Music department
- Installation of a new outdoor canopy for student use
- Refurbishment of the Pupil Support areas

## Woodkirk Academy Trust Governors' Report

### Plans for the future

- Continue to develop Teaching and Learning through the new performance management, quality assurance systems and appropriate and personalised provisional development programme
- Continue to develop post 16 provision
- Develop the work of the Academy as part of the Leodis Teaching School Alliance including the sharing of good practice, training and certification of NTE colleagues and providing good quality in service training
- To continue to explore the possibilities of improving the playing fields and sports facilities for the school and local community
- To continue to develop teacher assessment and feedback to students
- To continue to implement strategies and programmes to enhance literacy and numeracy across the whole school
- To continue to explore the most cost effective methods to use the Pupil Premium to support vulnerable students
- Continue to improve the site/estate
- Continue to develop leadership at all levels
- To continue to develop business and community links

### Going Concern

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

### Key Financial Performance Indicators

- Woodkirk Academy has had a successful financial period. Net incoming resources were £12,162k which includes land, buildings and pension liabilities of £10,971k transferred on conversion, with net current assets at 31<sup>st</sup> August 2012 of £1,410k.
- The tangible fixed assets total has increased by £689k as a result of investments including the ROSLA building and IT upgrades.
- As at the 31<sup>st</sup> August 2012 Woodkirk Academy had cash reserves of £1,326k which includes deferred income of £129k.
- Woodkirk Academy's income is mainly derived from the Department for Education (DFE) and the Local Education Authority (LEA) in the form of the recurrent and capital grants, the use of which is restricted to particular purposes. The grants received from the DFE and the LEA during the period ended the 31<sup>st</sup> August 2012 and the associated expenditure are shown as restricted funds in the statement of financial activities.

The Academy also received grant for the acquisition of fixed assets from the DFE. In accordance with the charities Statement of Recommended Practice, "Accounting and Reporting by Charities" (SORP 2005), such grants are shown in the statement of financial activities as restricted income in the fixed asset fund. The restricted fixed assets fund is reduced by annual depreciation charges over the expected useful life of the assets concerned.

## **Woodkirk Academy Trust Governors' Report**

### **Reserves Policy**

Woodkirk Academy has 3 categories of reserves Restricted Funds, which is GAG funding used to carry out the principal objects of the organisation, Fixed Asset Reserve used to finance fixed assets and Unrestricted Reserves which is used under the direction of the board of directors and which has been delegated to the Governing Body

The unrestricted reserves of £1,205k are freely available for general purposes These will be allocated in line with the strategic objectives of Woodkirk Academy

The restricted funds of £10,483k include the transfer from Leeds City Council of £10,971k and pension liability of £492k

### **Investment Policy**

A return on working capital should be optimised whilst allowing easy access of the funds In balancing risk against return the Academy policy is clearly geared towards avoiding risk rather than to maximise return

The Academy has an interest bearing account in which the capital grant has been deposited This is a short term deposit account which allows instant access to the funds

# Woodkirk Academy Trust Governors' Report

## Governance Statement

### Scope of Responsibility

As governors, we acknowledge we have overall responsibility for ensuring that Woodkirk 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 Woodkirk 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 Governors are responsible for preparing the Governors' Report and the financial statements in accordance with applicable law and regulations.

Company Law requires the Governors to prepare financial statements for each financial year. Under that law the Governors have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice).

The Academy financial statements are required by law to give a true and fair view of its state of affairs as at the end of the financial period and of the surplus or deficit for that period.

The Governors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Academy and enable it to ensure that the financial statements comply with Company Law.

The **Resources Committee** is a sub-committee of the main governing body. Its purpose is to monitor the budget plan and to protect the resources of the Academy, whilst seeking to maximise their effectiveness in delivering the educational priorities as set out in the School Development Plan.

Governor	Meetings attended	Out of a possible
Ian West	4	4
Jack Westwood	4	4
Nigel Bilton	3	4
Bill Bartholomew	3	4
Cllr Judith Elliott	2	4
Janet Standage	3	4
Graham Beacon	4	4
Dennis Fisher	4	4
Jonathan White	4	4

# **Woodkirk Academy Trust Governors' Report**

## **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 Woodkirk Academy for the year ended 31<sup>st</sup> August 2012 and up to the date of the approval of the annual report and financial statements.

The Directors have delegated the internal control systems of Woodkirk Academy to its Governing Body. The Governing Body has delegated the day to day responsibility to the Principal Officer, 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 the Accounting Officer in the Funding agreement between Woodkirk Academy and the Secretary of State for Education. The Accounting Officer is also responsible for reporting any material weaknesses or breakdowns in internal control. The Governing Body reports any material concerns to the board of directors of Woodkirk Academy.

## **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 have appointed P Matthews and S Waldron, Officers from Financial Services to Schools, Resources Directorate, Leeds City Council, as Responsible Officers ('RO'). The RO's role includes giving advice on financial matters and performing a range of checks on the academy.

## Woodkirk Academy Trust Governors' Report

trust's financial systems On a quarterly basis, the RO reports to the governing body on the operation of the systems of control and on the discharge of the governing body's financial responsibilities

The RO function has been carried out in line with the requirements of the EFA The RO has carried out three of the quarterly visits and has submitted their reports to the Governing Body The fourth visit is due to take place on the 27<sup>th</sup> November and their subsequent report will be considered by governors at the next planned Resources Committee To date there have been no material control issues identified

### Review of Effectiveness

As the accounting officer the Headteacher Mr JB White has responsibility for reviewing the effectiveness of the system of internal control During the year in question the review has been informed by

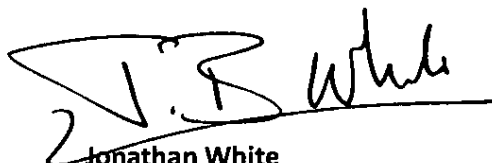
- The work of the Responsible Officer
- The work of the external auditor
- The financial management and governance self-assessment process
- The work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework

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 6 December 2012 and signed on its behalf by



Dennis Fisher  
Chair



Jonathan White  
Accounting officer

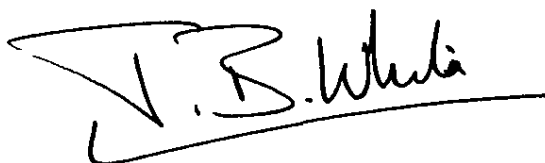
## **Statement on Regularity, Propriety and Compliance**

As accounting officer of Woodkirk Academy Trust 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 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 material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook.

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

**Signed**

A handwritten signature in black ink, appearing to read 'J.B. White', written over a horizontal line.

**Jonathan White**

**Accounting Officer**

## **Statement of Trustees' Responsibilities**

The governors (who act as trustees for charitable activities of Woodkirk 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 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
- 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 6 December 2012 and signed on its behalf by



**Dennis Fisher**

**Chair**



**Independent Auditor's Report on the Financial Statements to the Governing Body of Woodkirk Academy Trust Limited**

We have audited the financial statements on pages 21 to 42. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

**Respective responsibilities of trustees and auditors**

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who 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.

We have been appointed as auditors under the Companies Act 2006 and report in accordance with those Acts. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the group's and the parent charity's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the trustees, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' 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 the financial statements**

In our opinion the financial statements

- Give a true and fair view of the state of the charity's affairs as at 31 August 2012 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended.
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and the Accounts Direction 2011/12 issued by the EFA.
- Have been prepared in accordance with the requirements of the Companies Act 2006, and grants made by EFA/DfE have been applied for the purposes intended.

**Independent Auditor's Report on the Financial Statements to the Governing Body  
of Woodkirk Academy Trust Limited (continued)**

**Opinion on other requirement of the Companies Act 2006**

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

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

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

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

**Cara Turtington (Senior Statutory Auditor)**

**For and on behalf of**



Saffery Champness  
Chartered Accountants  
Statutory Auditors  
Harrogate Office  
Mitre House  
North Park Road  
Harrogate  
North Yorkshire  
HG1 5RX

*21 December 2012*

## **Independent Auditor's Report on Regularity to the Governing Body of Woodkirk Academy Trust Limited and the Education Funding Agency**

In accordance with the terms of our engagement letter dated 5 December 2012 and further to the requirements of the Education Funding Agency (EFA), we have carried out a review to obtain assurance about whether, in all material respects, the expenditure disbursed and income received by the academy trust during the period 1 September 2011 to 31 August 2012 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them

This report is made solely to the governing body and the EFA. Our review work has been undertaken so that we might state to the governing body and the EFA those matters we are required to state to it in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the governing body and the EFA, for our review work, for this report, or for the opinion we have formed.

### **Respective responsibilities of the governing body and Auditors**

The governing body is responsible, under the requirements of the Academies Act 2010, subsequent legislation and related regulations, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this review are established in the United Kingdom by our profession's ethical guidance and the audit guidance set out in the EFA's Financial Handbook and Accounts Direction. We report to you whether, in our opinion, anything has come to our attention in carrying out our review which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2011 to 31 August 2012 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

### **Basis of opinion**

We conducted our review in accordance with the Academies Handbook and the Accounts Direction issued by the EFA.

**Independent Auditor's Report on Regularity to the Governing Body of Woodkirk Academy Trust Limited and the Education Funding Agency (continued)**

**Opinion**

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

Cara Turlington

Senior Statutory Auditor

For and on behalf of

*Saffery Champness*

Saffery Champness

Chartered Accountants

Statutory Auditors

Harrogate Office

Mitre House

North Park Road

Harrogate

North Yorkshire

HG1 5RX

*21 December 2012*

# Woodkirk Academy Trust

## Statement of Financial Activities for the period ended 31 August 2012

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

		Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total 2012
	Note	£000	£000	£000	£000
<b>Incoming resources</b>					
<i>Incoming resources from generated funds</i>					
Voluntary income – transfer from local authority on conversion	29	674	(492)	10,971	11,153
Voluntary income	3	21	-	760	781
Activities for generating funds	4	14	-	-	14
Investment income	5	10	-	-	10
<i>Incoming resources from charitable activities</i>					
Funding for the Academy's educational operations	6	-	9,002	-	9,002
Other income	6	619	-	-	619
<b>Total incoming resources</b>		<b>1,338</b>	<b>8,510</b>	<b>11,731</b>	<b>21,579</b>
<b>Resources expended</b>					
<i>Charitable activities</i>					
Academy's educational operations	8	133	8,896	376	9,405
<i>Governance costs</i>	9	-	12	-	12
<b>Total Resources expended</b>		<b>133</b>	<b>8,908</b>	<b>376</b>	<b>9,417</b>
<b>Net incoming /(outgoing) resources before transfers</b>		<b>1,205</b>	<b>(398)</b>	<b>11,355</b>	<b>12,162</b>
<b>Transfers</b>					
Gross transfers between funds	17	-	-	-	-
<b>Net incoming /(outgoing) resources before other recognised gains and losses</b>		<b>1,205</b>	<b>(398)</b>	<b>11,355</b>	<b>12,162</b>
<b>Other recognised gains and losses</b>					
Actuarial losses on defined benefit pension schemes	17,27	-	(474)	-	(474)
<b>Net movement in funds</b>		<b>1,205</b>	<b>(872)</b>	<b>11,355</b>	<b>11,688</b>
<b>Reconciliation of funds</b>					
Total funds brought forward at 1 September 2011	17	-	-	-	-
<b>Total funds carried forward at 31 August 2012</b>		<b>1,205</b>	<b>(872)</b>	<b>11,355</b>	<b>11,688</b>

All of the academy's activities derive from the 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

All of the academy trust's activities derive from acquisitions in the current financial period

# Woodkirk Academy Trust

## Balance Sheet as at 31 August 2012

Company Number 07720181			
	Notes	2012 £000	2012 £000
<b>Fixed assets</b>			
Tangible assets	13		11,284
<b>Total fixed assets</b>			<u>11,284</u>
<b>Current assets</b>			
Stock	14	15	
Debtors	15	740	
Cash at bank and in hand		1,326	
		<u>2,081</u>	
<b>Liabilities</b>			
<b>Creditors</b> Amounts falling due within one year	16	(670)	
<b>Net current assets</b>			<u>1,411</u>
<b>Total assets less current liabilities</b>			<u>12,695</u>
<b>Net assets excluding pension liability</b>			12,695
Pension scheme liability	27	(1,007)	
<b>Net assets including pension liability</b>			<u>11,688</u>
<b>Funds of the Academy:</b>			
<b>Restricted Funds</b>			
Fixed asset funds	17		11,355
General funds	17		135
Pension reserve	17		(1,007)
<b>Total Restricted Funds</b>			<u>10,483</u>
<b>Unrestricted Funds</b>			
General funds	17		1,205
<b>Total Unrestricted Funds</b>			<u>1,205</u>
<b>Total Funds</b>			<u>11,688</u>

The financial statements on 21 to 42 were approved by the Governors, and authorised for issue on 5 December 2012 and signed on their behalf by

Signed



Dennis Fisher  
Chair

## Woodkirk Academy Trust

### Cash Flow Statement for the period ended 31 August 2012

	Notes	2012 £000
<b>Net cash inflow from Operating Activities</b>	21	<b>587</b>
Returns on investments and servicing of finance	22	10
Capital expenditure	23	71
Cash transferred on conversion to an academy	29	658
<b>Increase in cash in the year</b>	24	<b>1,326</b>
<b>Reconciliation of net cash flow to movement in net funds</b>		
Net funds at 1 September 2011		-
<b>Net funds at 31 August 2012</b>		<b>1,326</b>

All the Academy Trust's activities derive from acquisitions in the current financial period

## Notes to the Financial Statements for the Period Ended 31 August 2012

### 1. Statement of Accounting Policies

#### Basis of Preparation

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

#### Going Concern

After making appropriate enquiries, the governing body has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements.

#### 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

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

#### Donations

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

#### Other income

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

#### Donated Services and gifts in kind

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



## Woodkirk Academy Trust

### Notes to the Financial Statements for the period ended 31 August 2012 (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 on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

#### Costs of generating funds

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

#### Charitable activities

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

#### Governance Costs

These include the costs attributable to the Academy Trust's compliance with constitutional and statutory requirements, including audit, strategic management and Governor's meetings and reimbursed expenses. All resources expended are inclusive of irrecoverable VAT.

#### Tangible Fixed Assets

Assets costing £500 or more individually or as a group 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.

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:

- Long leasehold buildings – 2%-25% straight line
- Land – 0.8 % straight line
- Fixtures, fittings and equipment 10% - 33.33%
- ICT equipment 25%-33% straight line
- Motor Vehicles 20% straight line
- Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

## Notes to the Financial Statements for the period ended 31 August 2012 (continued)

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 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.

### Pensions Benefits

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

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

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

### 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.

### **Notes to the Financial Statements for the period ended 31 August 2012 (continued)**

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

#### **Conversion to 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 land and buildings transferred on conversion from maintained school Woodkirk High School to Academy trust have been valued at their fair value. The amounts have been recognised under the appropriated balance sheet categories, with a corresponding amount recognised in voluntary income as a gift or as net expenditure in other resources expended from the SOFA and analysed under unrestricted, restricted general and restricted fixed asset funds

This includes Land and Buildings £10,971k, pension liabilities £492k, school fund monies of £264k, budget surplus of £394k and stock of £16k

Notes to the Financial Statements for the period ended 31 August 2012 (continued)

**2 General Annual Grant (GAG)**

	<b>2012</b>
	<b>£000</b>
GAG brought forward from previous year	-
GAG allocation for the current year	8,743
	<u>8,743</u>
Recurrent expenditure from GAG	(8,608)
Fixed assets purchased from GAG	-
Transfer from Unrestricted Fund	-
	<u>135</u>
Other restricted GAG funds	-
<b>GAG carried forward to next year</b>	<u><b>135</b></u>
Maximum permitted GAG carry forward at end of current year (12% of allocation for current year)	<u>(1,049)</u>
GAG to surrender to DfE (12% rule breach if result is positive)	<u>(914)</u>
	<b>No breach</b>

	<b>Unrestricted</b>	<b>Restricted</b>	<b>2012</b>
	<b>£000</b>	<b>£000</b>	<b>Total</b>
			<b>£000</b>
<b>3 Voluntary Income</b>			
Capital grants	-	760	760
Other donations	21	-	21
	<u>21</u>	<u>760</u>	<u>781</u>
<b>4 Activities for generating funds</b>			
Hire of facilities	14	-	14
	<u>14</u>	<u>-</u>	<u>14</u>

# Woodkirk Academy Trust

## Notes to the Financial Statements for the period ended 31 August 2012 (continued)

	Unrestricted Funds £000	Restricted Funds £000	2012 Total £000
<b>5 Investment Income</b>			
Short term deposits	10	-	10
<b>Total</b>	<b>10</b>	<b>-</b>	<b>10</b>

### 6 Funding for Academy's educational operations

#### DfE/EFA revenue grants

General Annual Grant (note 2)	-	8,743	8,743
Start Up Grants	-	25	25
Other DfE/EFA grants	-	165	165
<b>Total</b>	<b>-</b>	<b>8,933</b>	<b>8,933</b>

#### Other Government Grants

Local Authority grants	-	69	69
<b>Total</b>	<b>-</b>	<b>69</b>	<b>69</b>

#### Other Income

Catering	377	-	377
Music	15	-	15
Salary recovery	79	-	79
School Fund	74	-	74
Other	74	-	74
<b>Total</b>	<b>619</b>	<b>-</b>	<b>619</b>

### 7 Resources Expended

	Staff Costs £000	Non pay expenditure		Total 2012 £000
		Premises £000	Other costs £000	
Costs of generating voluntary income	-	-	-	-
Academy's educational operations				
Direct costs	6,347	360	759	7,556
Allocated support costs	828	208	813	1,849
	<b>7,265</b>	<b>568</b>	<b>1,572</b>	<b>9,405</b>
Governance costs including allocated support costs	-	-	12	12
	<b>7,265</b>	<b>568</b>	<b>1,584</b>	<b>9,417</b>

#### Net Incoming/outgoing resources for the year include:

Fees payable to Auditor	audit	9
	other services	2

Notes to the Financial Statements for the period ended 31 August 2012 (continued)

<b>8 Charitable Activities – Academy’s educational operations</b>	<b>Unrestricted Funds £000</b>	<b>Restricted Funds £000</b>	<b>2012 Total £000</b>
<i><b>Direct costs</b></i>			
Teaching and educational support staff costs	-	6,437	<b>6,437</b>
Depreciation	-	360	<b>360</b>
Educational supplies	-	486	<b>486</b>
Examination fees	-	244	<b>244</b>
Staff development	-	29	<b>29</b>
	<b>-</b>	<b>7,556</b>	<b>7,556</b>
<i><b>Allocated support costs</b></i>			
Support staff costs	15	813	<b>828</b>
Depreciation	-	16	<b>16</b>
Recruitment and support	-	17	<b>17</b>
Maintenance of premises and equipment	-	135	<b>135</b>
Cleaning	-	30	<b>30</b>
Rent and rates	-	26	<b>26</b>
Insurance	-	75	<b>75</b>
Security and transport	-	14	<b>14</b>
Catering	-	262	<b>262</b>
Bank interest and charges	-	4	<b>4</b>
Other support costs	118	324	<b>442</b>
	<b>133</b>	<b>1,716</b>	<b>1,849</b>
	<b>133</b>	<b>9,272</b>	<b>9,405</b>
<b>9 Governance costs</b>	<b>Unrestricted Funds £000</b>	<b>Restricted Funds £000</b>	<b>2012 Total £000</b>
Legal and professional fees	-	2	<b>2</b>
Auditor’s remuneration			
Audit of Financial Statements	-	9	<b>9</b>
Responsible Officer audit	-	1	<b>1</b>
	<b>-</b>	<b>12</b>	<b>12</b>

**Notes to the Financial Statements for the period ended 31 August 2012 (continued)**

	<b>2012</b>
<b>10 Staff costs</b>	<b>Total</b>
Staff costs during the year were	<b>£000</b>
Wages and salaries	5,973
Social security costs	451
Other pension costs	800
	<hr/> 7,224
Supply teacher costs	41
	<hr/> 7,265

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

<b>Charitable Activities</b>	<b>2012</b>
	<b>No.</b>
Teachers	102
Administration and support	77
Management	10
	<hr/> 189

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

£60,001 to £80,000	3
£120,001 to £140,000	1

All four of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2012, pension contributions for those staff amounted to £47,817

**11 Governors' remuneration and expenses**

The Headteacher and Staff Governors only receive remuneration in respect of services they provide carrying out their roles as employees of the Academy and not as Governors. The other Governors received no remuneration or reimbursement in expenses during the year ended 31 August 2012

	<b>£</b>
Headteacher Remuneration (highest paid Director)	120,479
Staff Governor 1	44,459
Staff Governor 2	45,643
Staff Governor 3	23,616

Notes to the Financial Statements for the period ended 31 August 2012 (continued)

**12 Governors' and Officers' Insurance**

In accordance with normal commercial practice the Academy has purchased insurance to protect Governors and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2012 was £3,562.

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

**13 Tangible Fixed Assets**

	Leasehold Land & Buildings £000	Furniture & Equipment £000	Computer Equipment £000	Total £000
<b>Cost</b>				
At 1 September 2011	-	-	-	-
Additions	613	17	59	689
Transfers on conversion	10,971	-	-	10,971
At 31 August 2012	<b>11,584</b>	<b>17</b>	<b>59</b>	<b>11,660</b>
<b>Depreciation</b>				
At 1 September 2011	-	-	-	-
Charge in year	369	-	7	376
At 31 August 2012	<b>369</b>	<b>-</b>	<b>7</b>	<b>376</b>
<b>Net book values</b>				
At 31 August 2012	<b>11,215</b>	<b>17</b>	<b>52</b>	<b>11,284</b>
At 31 August 2011	-	-	-	-



**Notes to the Financial Statements for the period ended 31 August 2012 (continued)**

	2012 £000
<b>14 Stock</b>	
Clothing	13
Catering	2
	<u>15</u>
<b>15 Debtors</b>	
Trade debtors	11
Prepayments	92
Other debtors	637
	<u>740</u>
<b>16 Creditors: amounts falling due within one year</b>	
Trade creditors	359
Other taxation and social security	150
Other creditors	32
Accruals and deferred income – see note below	129
	<u>670</u>
<b>Deferred Income</b>	
Deferred income at 1 September 2011	-
Resources deferred in the year	129
Amounts released from previous years	-
Deferred income at 31 August 2012	<u>129</u>

# Woodkirk Academy Trust

## Notes to the Financial Statements for the period ended 31 August 2012 (continued)

### 17 Funds

	Balance at 1 September 2011 £000	Incoming Resources £000	Resources expended £000	Gains, losses and transfers £000	Balance at 31 August 2012 £000
<b>Restricted General Funds</b>					
General Annual Grant (GAG)	-	8,743	(8,649)	41	135
Start Up Grant	-	25	(25)	-	-
Other DfE/EFA Grants	-	165	(165)	-	-
Local Authority Grants	-	69	(69)	-	-
Pension Reserve	-	(492)	-	(515)	(1,007)
	-	8,510	(8,908)	(474)	(872)
<b>Restricted Fixed Asset Funds</b>					
DfE/EFA Capital Grants	-	760	(39)	-	721
Assets transferred on conversion	-	10,971	(337)	-	10,634
	-	11,731	(376)	-	11,355
<b>Total Restricted Funds</b>	-	20,241	(9,284)	(474)	10,482
<b>Unrestricted Funds</b>					
Unrestricted Funds	-	1,338	(133)	-	1,205
<b>Total Unrestricted Funds</b>	-	1,338	(133)	-	1,205
<b>Total Funds</b>	-	21,579	(9,417)	(474)	11,688

### 18 Analysis of Net Assets between funds

Fund balances at 31 August 2012 are represented by

	Unrestricted General Fund £000	Restricted General Fund £000	Restricted Fixed Asset Fund £000	Total Funds £000
Tangible Fixed Assets	-	-	11,284	11,284
Current Assets	1,205	805	71	2,081
Current Liabilities	-	(670)	-	(670)
Pension Scheme Liabilities	-	(1,007)	-	(1,007)
<b>Total Net Assets</b>	<b>1,205</b>	<b>(872)</b>	<b>11,355</b>	<b>11,688</b>

# Woodkirk Academy Trust

## Notes to the Financial Statements for the period ended 31 August 2012 (continued)

	<b>2012</b>
	<b>£000</b>
<b>19 Capital Commitments</b>	
Contracted for but not provided in the Financial Statement	<u>23</u>
<b>20 Financial Commitments</b>	
<i>Operating Leases</i>	
<b>Other</b>	
Expiring within two and five years inclusive	<u>31</u>
<b>21 Reconciliation of consolidated operating(deficit)/surplus to net cash inflow from Operating Activities</b>	
Surplus on continuing operations after depreciation of assets at valuation	<b>12,162</b>
Depreciation (note 13)	<b>376</b>
Cash impact on transfer of conversion	<b>(658)</b>
Capital grants from DfE and other capital income	<b>(760)</b>
Interest receivable (note 5)	<b>(10)</b>
FRS17 pension cost less contributions payable (note 27)	<b>41</b>
Transfer of pension on conversion	<b>492</b>
Transfer of fixed assets on conversion (note 23)	<b>(10,971)</b>
Transfer of stock on conversion	<b>(16)</b>
Decrease in stocks	<b>1</b>
Increase in debtors	<b>(740)</b>
Increase in creditors	<b>670</b>
<b>Net cash inflow from operating activities</b>	<u><b>587</b></u>
<b>22 Returns on investment and servicing of finance</b>	
Interest received	<u><b>10</b></u>
<b>Net cash inflow from returns on investment and servicing of finance</b>	<u><b>10</b></u>
<b>23 Capital expenditure and financial investment</b>	
Purchase of tangible fixed assets	<b>(689)</b>
Capital grants from DfE/EFA	<b>760</b>
<b>Net cash outflow from capital expenditure and financial investment</b>	<u><b>71</b></u>

<b>24 Analysis of changes in net funds</b>	<b>At 1 September 2011 £000</b>	<b>Cash Flows £000</b>	<b>At 31 August 2012 £000</b>
Cash in hand and at bank	-	1,326	<b>1,326</b>
	-	<b>1,326</b>	<b>1,326</b>

**Notes to the Financial Statements for the period ended 31 August 2012 (continued)**

**25 Contingent Liabilities**

The Academy has no contingent liabilities

**26 Members' Liability**

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

**Notes to the Financial Statements for the period ended 31 August 2012 (continued)**

**27 Pension and similar obligations**

The Academy's employees belong to two principal pension schemes the Teachers' Pension Scheme England and Wales ("TPS") for academic and related staff, and the Local Government Pension Scheme ("LGPS") for non-teaching staff, which is managed by the West Yorkshire Pension Fund Both are defined benefit schemes

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

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

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

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

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

### Notes to the Financial Statements for the period ended 31 August 2012 (continued)

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

The valuation of the TPS was relating to the period 1 April 2001 to 31 March 2004. The GA's report of October 2006 revealed that the total liabilities of the scheme (pensions currently in payment and the estimated costs of future benefits) amounted to £166,500 million.

The value of the assets (estimated future contributions together with proceeds of the notional investments held at the valuation date) was £163,240 million. The assumed real rate of return is 3.5% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 1.5%. The assumed gross rate of return is 6.5%.

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

From 1<sup>st</sup> April 2012 to 31 March 2013 the employee contribution rate will range between 6.4% and 8.8% depending on a member's Full Time Equivalent salary. Further changes to the employee contribution rate will be applied in 2013/14 and 2014/15.

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

Under the definitions set out in the Financial Reporting Standard (FRS 17) Retirement Benefits The TPS is a multi-employer 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.

**Notes to the Financial Statements for the period ended 31 August 2012 (continued)**

**27 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 August 2012 was £237,000, of which employer's contribution was £170,000 and employee's contributions £67,000. The agreed contribution rates for future years are 14.9% for employers and between 5.5% and 7.5% for employees.

	<b>At 31 August 2012</b>	<b>At 1 September 2011</b>
<b>Principal Actuarial Assumptions</b>		
Rate of increase in salaries	<b>4.70%</b>	5.10%
Rate of increase for pensions in payment/inflation	<b>2.20%</b>	2.60%
Discount rate for scheme liabilities	<b>4.10%</b>	5.40%
Inflation assumption (CPI)	<b>2.20%</b>	2.60%

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

	<b>At 31 August 2012</b>
<i>Retiring today</i>	
Males	<b>22.0</b>
Females	<b>24.1</b>
<i>Retiring in 20 years</i>	
Males	<b>23.8</b>
Females	<b>26.1</b>

**Notes to the Financial Statements for the period ended 31 August 2012 (continued)**

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

**Local Government Pension Scheme (continued)**

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

	<b>Expected return at 31 August 2012</b>	<b>Fair value at 31 August 2012 £000</b>
Equities	7.50%	1,238
Property	7.00%	64
Government Bonds	2.50%	236
Corporate Bonds	4.30%	101
Cash	1.30%	50
Other	7.50%	82
<b>Total market value of assets</b>		<b>1,771</b>
<b>Present value of scheme liabilities</b>		<b>(2,778)</b>
<b>Deficit in the scheme</b>		<b>(1,007)</b>

The actual return on the scheme assets was £115,000

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

<b>Total expenditure recognised in the Statement of Financial Activities</b>	<b>2012 £000</b>
Current service cost (net of employee contributions)	137
Past service cost	-
<b>Total operating charge</b>	<b>137</b>
<b>Analysis of pension finance income/(costs)</b>	
Expected return on pension scheme assets	103
Interest on pension liabilities	(110)
<b>Pension finance costs</b>	<b>(7)</b>



**Notes to the Financial Statements for the period ended 31 August 2012 (continued)**

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

**Local Government Pension Scheme (continued)**

The actuarial gains and losses for the current year are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is a £474,000 loss.

<b>Movements in the present value of defined benefit obligations were as follows</b>	<b>2012 £000</b>
<b>Opening defined benefit liabilities at 1 September 2011</b>	
Current service cost	204
Interest cost	110
Employee contributions	67
Actuarial (gain)/loss	486
Benefits paid	(4)
Past Service cost	-
Curtailments and settlements	-
Liabilities assumed in a business combination	1,915
<b>At 31 August 2012</b>	<b>2,778</b>

<b>Movements in the fair value of academy's share of scheme assets</b>	<b>2012 £000</b>
<b>Opening fair value of plans' assets at 1 September 2011</b>	
Expected return on assets	103
Actuarial gain/(loss)	12
Employer contributions	170
Employee contributions	67
Benefits paid	(4)
Assets acquired in a business combination	1,423
<b>At 31 August 2012</b>	<b>1,771</b>

The estimated value of the employer contributions for the year ended 31 August 2013 is £232,000.

# Woodkirk Academy Trust

## Notes to the Financial Statements for the period ended 31 August 2012 (continued)

### 27 Pension and similar obligations (continued)

#### Local Government Pension Scheme (continued)

The five year history of experience adjustments is as follows

	2012	2011
	£000	£000
Defined benefit obligation at end of year	(2,778)	(1,915)
Fair value of plan assets at end of year	1,771	1,423
<b>Deficit</b>	<b>(1,007)</b>	<b>(492)</b>
Experience adjustments on share of scheme assets	12	
Experience adjustments on share of scheme liabilities	-	

### 28 Related Party Transactions

There were no related party transactions

### 29 Conversion to an academy trust

On 1 September 2011 Woodkirk High School converted to academy trust status under the Academies Act 2010 and all the operations and liabilities were transferred to Woodkirk Academy Trust from Leeds City Council 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.

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

	Unrestricted General Fund £000	Restricted General Fund £000	Restricted Fixed Asset Fund £000	Total Funds £000
<b>Tangible fixed assets</b>				
Leasehold land and buildings	-	-	10,971	10,971
Budget surplus/(deficit) on LA funds	394	-	-	394
Budget surplus/(deficit) on school funds	264	-	-	264
Stock transferred	16	-	-	16
LGPS pension surplus/(deficit)	-	(492)	-	(492)
<b>Net assets/(liabilities)</b>	<b>674</b>	<b>(492)</b>	<b>10,971</b>	<b>11,153</b>

The above net assets include £658,000 that was transferred as cash