

**Company Registration No. 07601680 (England and Wales)**

**WOOD END ACADEMY**

**(A COMPANY LIMITED BY GUARANTEE)**

**ANNUAL REPORT AND ACCOUNTS**

**FOR THE YEAR ENDED 31 AUGUST 2019**

# WOOD END ACADEMY

## CONTENTS

---

	<b>Page</b>
Reference and administrative details	1
Trustees' report	2 - 7
Governance statement	8 - 11
Statement on regularity, propriety and compliance	12
Statement of trustees' responsibilities	13
Independent auditor's report on the accounts	14 - 16
Independent reporting accountant's report on regularity	17 - 18
Statement of financial activities including income and expenditure account	19 - 20
Balance sheet	21
Statement of cash flows	22
Notes to the accounts including accounting policies	23 - 42

---

# WOOD END ACADEMY

## REFERENCE AND ADMINISTRATIVE DETAILS

---

<b>Members</b>	Mr Lee Warner Stainbank Mrs Anne Hayes
<b>Trustees</b>	Rev Maureen Hider (Chair of Governors and Member appointed) Mr Lee Warner Stainbank (Headteacher and Accounting Officer) Miss Julie Evans (Vice chair of Governors and Member appointed) Mrs Lynette Smith (Staff Governor) Mrs Janice Phillpot (Staff Governor) Mr Mohammad Arshad (Parent Governor) (Resigned 29 November 2018) Mrs Angela Howard (Parent Governor) (Resigned 29 November 2018) Ms Gabriella Vince (Parent Governor) (Resigned 29 November 2018) Mr Matt Haresnape (Member appointed) Mr Imran Khan (Parent Governor) (Resigned 1 September 2018) Mrs Pamela Goss (Member appointed) (Appointed 29 November 2018) Dr May Sule (Member appointed) (Appointed 29 November 2018) Mr Prashant Srivastava (Member appointed) (Appointed 22 March 2019) Mrs C Jones (Parent Governor) (Appointed 22 November 2019) Mrs M Walc-Ziobro (Parent Governor) (Appointed 22 November 2019)
<b>Senior management team</b>	
- Head Teacher	Mr Lee Warner Stainbank
- Deputy Head Teacher	Mrs Paula Smith
<b>Company secretary</b>	Miss Sarah Lindsey
<b>Company registration number</b>	07601680 (England and Wales)
<b>Registered office</b>	Vernon Rise Greenford Middlesex UB6 0EQ
<b>Independent auditor</b>	Citroen Wells Chartered Accountants Devonshire House 1 Devonshire Street London W1W 5DR
<b>Bankers</b>	Barclays Bank Plc Bradford Market Street Leicester Leicestershire LE87 2BB

# WOOD END ACADEMY

## TRUSTEES' REPORT

### FOR THE YEAR ENDED 31 AUGUST 2019

---

The trustees present their annual report together with the accounts and independent auditor's report of the charitable company for the period 1 September 2018 to 31 August 2019. The annual report serves the purposes of both a trustees' report and a directors' report under company law.

The Academy operates an academy for pupils aged 7 to 11 serving a catchment area in the London Borough of Ealing. It has a pupil capacity of 480 and had a roll of 328 in the school census of October 2019.

#### **Structure, governance and management**

##### Constitution

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

The trustees of Wood End Academy also act as Governors and are also the directors of the charitable company for the purposes of company law. Details of the trustees who served during the year 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.

##### Trustees' indemnities

The Academy has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects Governors and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business, and provides cover up to an aggregate amount of £10,000,000 per year. It is not possible to quantify the Governors and Officers indemnity element from the overall cost of the RPA scheme.

##### Method of recruitment and appointment or election of trustees

In accordance with the Funding Agreement, the minimum number of trustees is 3. There is no maximum number. The trustees may appoint staff trustees through such process as they may determine, provided that the total number of trustees (including the Headteacher) who are employees of the Academy does not exceed one third of the total number of trustees. The Headteacher shall be treated for all purposes as being an ex-officio trustee. There must be a minimum of 2 parent trustees who shall be elected by parents of registered pupils at the Academy by an open election process. The trustees may appoint up to 6 member-appointed trustees. The trustees who served during the year were categorised as follows:

- |                     |   |
|---------------------|---|
| • Member appointees | 6 |
| • Headteacher       | 1 |
| • Parent trustees   | 4 |
| • Staff trustees    | 2 |

##### Policies and procedures adopted for the induction and training of trustees

The Governing Body is composed of highly experienced individuals. In terms of induction, all new trustees are provided with a trustee's induction pack and advised of available training. New trustees are also supported and mentored by experienced trustees and by members of the Leadership Team.

##### Organisational structure

The Governing Body delegates decisions regarding the day to day running of the Academy to the Headteacher. This includes all operational matters together with authority for recruitment and management of staff under his control. In terms of procurement, the authority of the Headteacher is defined in the Finance Manual and procurement levels are specified in the Scheme of Delegation. The Headteacher is the Accounting Officer.

# WOOD END ACADEMY

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

---

#### Arrangements for setting pay and remuneration of key management personnel

The remuneration of the Headteacher is determined by the Governing Body – in particular the Chair of Governors. In reaching their determination the Governors will consider various performance factors and the extent to which they have been achieved. For other members of the senior management team a rigorous performance management exercise is conducted by the Headteacher. The Governors and Headteacher are mindful of the current Teachers Pay and Conditions document and make reference to it in their deliberations.

#### Trade union facility time

##### *Relevant union officials*

Number of employees who were relevant union officials during the relevant period	1
Full-time equivalent employee number	1

##### *Percentage of time spent on facility time*

Percentage of time	Number of employees
0%	-
1%-50%	1
51%-99%	-
100%	-

##### *Percentage of pay bill spent on facility time*

Total cost of facility time	1,218
Total pay bill	60,924
Percentage of the total pay bill spent on facility time	2%

##### *Paid trade union activities*

Time spent on paid trade union activities as a percentage of total paid facility time hours	2%
---	----

#### Related parties and other connected charities and organisations

There are no transactions with any related parties or other connected charities and organisations during the year.

#### **Objectives and activities**

##### Objects and aims

The principal objects and aims of the Academy are the operation of the Wood End Academy to provide education for pupils of different abilities between the ages of 7 and 11. The main objectives of the Academy are summarised below:

- To raise the standard of education achievement of all pupils;
- To ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care;
- To improve the effectiveness of the Academy by keeping the curriculum and organisational structure under continual review;
- To provide value for money for the funds expended;
- To comply with all appropriate statutory and curriculum requirements;
- To conduct its activities in accordance with the highest standards of integrity, probity and openness.

# WOOD END ACADEMY

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

---

#### Objectives, strategies and activities

The primary objective in the year to 31 August 2019 was to welcome the new pupils to the Academy and to ensure that they and all the pupils of the Academy continued to receive the highest possible standard of education provision. The cashless system for collection of fees (dinner money etc.) from parents has ensured a better management of our finances and the systems we use to communicate with parents continues to be a strength. The Academy is using FMS as its accounting system which provides enhanced budget monitoring, improved VAT recovery and automated cheque printing.

#### Public benefit

The trustees have complied with their duty to have due regard to the guidance on public benefit issued by the Charity Commission in exercising their powers and duties.

### **Strategic report**

#### **Achievements and performance**

The Academy has now completed its eighth year of operation. The year to 31 August 2019 has continued to be busy and eventful.

#### Key performance indicators

The Key Performance Indicators used by trustees to assess the performance of the Academy against their stated objectives are as follows:

	2019	2018
Percentage of staffing costs as compared to GAG received	110%	102%
Percentage of teaching costs as compared to GAG received	75%	72%
Percentage of building costs as compared to GAG received	2%	2%
Percentage of unrestricted surplus as compared to GAG received	34%	41%

We are extremely proud of the attainment the school made this past year. Our Good Ofsted report confirms the great work we are doing with the children and parents. The report indicates that the leadership has energetically driven forward improvements as well as the curriculum being well developed and helping the pupils' gain a breadth of knowledge, understanding and skills. The pupils leave the school well prepared for secondary school.

#### Curriculum Planning

As an Academy we can determine our own curriculum, which is one that is stimulating, creative and robust. We retain, of course, our strong focus on the core subjects – with a specific focus on Reading, Writing and Maths. Other subjects will be integrated and taught in a cross curricular manner.

The Deputy Head ensures that a bespoke curriculum is developed which entirely meets the needs of our pupils. The full curriculum has evolved over the years and has led to an exciting and enriching experience of curricular and extra-curricular opportunities which help our children develop into well rounded individuals. We encourage our children to continue their education outside of school and become lifelong learners. We ignite an interest in the world around and for that interest to lead to fulfilling and imaginative lives. The Deputy Head's responsibility for oversight of pupils for whom Pupil Premium is received, ensures the funding is used to address and counter the effects of disadvantage and under privilege in the child's home background.

# WOOD END ACADEMY

## TRUSTEES' REPORT (CONTINUED)

*FOR THE YEAR ENDED 31 AUGUST 2019*

---

### Staffing

We are very proud of our exceptionally dedicated staff, who – with support from Governors – ensure that all our children are well supported to achieve their true potential, and work hard with families to overcome any barriers to learning. The Leadership Team is strong, united and very visible within the school. The Leadership Team continues to help strengthen communication channels between staff and the leadership team, who meet on a weekly basis to discuss pupil progress. Staff at all levels are aware that we have high expectations.

Although it has been difficult to recruit teaching staff this year, we continue to have high calibre teaching and support staff. We also train teachers, in partnership with UCL Institute of Education, under the School Direct Programme.

The role of Extended Learning Manager has continued to enable the co-ordination of extra-curricular activities and to promote parental involvement in children's learning.

### Pupils

The admissions policy and arrangements for the Academy are in accordance with admissions law and the Department of Education (DfE) Codes of Practice as they apply to maintained schools.

Pupils' attainment is in line with national expectations by the time they finish Key Stage 2. The key focus last year was on Reading, Writing and Maths, where the Academy saw the improvement in attainment. The more able pupils continue to achieve well. The new method of assessing Maths, Writing, Reading and Grammar throughout the school has helped teachers plan and focus on gaps within each class. The year 6 pupils are taught in ability sets for Writing and Maths and as a result, pupils achieving age expectations continue to improve. With an additional teacher in each year group we are able to have extra support for Reading, Writing and Maths.

### The Wider Community

We believe parents play a very important role in ensuring we continue to develop well rounded children. We champion the link between school and parents and work very hard to ensure their involvement in every step of their child's time at the Academy. Strong family support is fundamental to giving children a stepping stone to the future.

Community cohesion is promoted in a number of ways:

- We host parent workshops to help support the children's learning.
- We invite residents to school productions and functions.
- We deliver school newsletters to residents in Vernon Rise.
- We include parents/family members in some activities.
- Parents are increasingly supportive and attend class assemblies, parents' meetings and parents' sessions.
- Our choir has participated in concerts in the local community.
- Local clubs are supporting sports coaching within the school.

### Liaison with the ESFA

We continue to liaise with the ESFA on a number of matters, most notably budgets and funding matters.

### Going concern

The Governing body is pleased to confirm their confidence in the financial management of the Academy. Following discussions with senior management and examination of finance reports, the Governing body has a reasonable expectation that the Academy has adequate resources to continue in operational existence for the foreseeable future. For this reason the board of trustees continues to adopt the going concern basis in preparing the accounts. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies.

# WOOD END ACADEMY

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

---

#### Financial review

The Academy's main source of income is the General Annual Grant (GAG) from the ESFA.

The grants received in the year ended 31 August 2019 and the associated expenditure are shown in the Statement of Financial Activities on page 19.

Unrestricted incoming resources for the year amounted to £119,630. Expenditure from unrestricted funds amounted to £652 giving rise to a net surplus for the year on unrestricted funds of £118,978. A transfer of £308,602 was made from unrestricted funds to restricted funds to support the restricted funds. There was an overall surplus on unrestricted funds of £561,027 carried forward at the year end.

Restricted general funds received for the year amounted to £1,915,688 and comprised mainly of the General Annual Grant (GAG) receivable from the ESFA. Restricted general fund expenditure for the year amounted to £2,338,290 giving rise to an in year deficit on the restricted general funds of £422,602. In addition, there was a loss on the LGPS defined benefit pension scheme of £396,000. The restricted general fund balance on the Statement of Financial Activities as at 31 August 2019 showed a deficit of £1,351,971. However, this is after taking into account the deficit on the pension reserve which is currently £1,357,000. On the Balance Sheet, the pension reserve is shown separately so that we can see the restricted general fund amounts to a surplus of £5,029. The Balance Sheet shows net current assets had fallen by £165,339. The overall revenue reserve (unrestricted and restricted) was a deficit of £790,944 as opposed to last year's deficit of £91,320. However, if the pension fund reserve is excluded, we still had a revenue fund total of £566,056 at 31 August 2019 comprising both restricted and unrestricted funds.

It is worth noting that, of the in-year deficit on the restricted general fund, £114,000 relates to past service costs and interest on liabilities in relation to the LGPS pension reserve.

The deficit on the Local Government Pension Scheme does not mean that an immediate liability crystallises. The deficit results in a cash flow effect for the Academy in the form of possible future increases in pension contributions, which, if required, will be met from the budgeted annual income or supported by accumulated revenue reserves.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of an Academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

Restricted capital grants received from ESFA and other Government Bodies during the year were £25,078. At 31 August 2019, the net book value of fixed assets was £10,587,793 and movements in tangible fixed assets are shown in note 13 to the accounts. These assets are used by the Academy in order to provide education and associated support services to pupils of the Academy and the wider community.

#### Reserves policy

The trustees review the reserve levels of the Academy on a regular basis. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The trustees' view is that free reserves should provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies.

The Academy's level of free reserves (total funds less amounts held under fixed assets and other restricted funds) at 31 August 2019 was a surplus of £561,027.

At 31 August 2019, the restricted general reserve showed a deficit of £1,351,971, but this was after recognising the pension deficit of £1,357,000. The position excluding the pension deficit is a cumulative surplus of £5,029.

#### Investment policy

The trustees' investment powers are governed by the memorandum and articles of association. Currently a significant portion of the unrestricted funds are held on short term deposit.

# WOOD END ACADEMY

## TRUSTEES' REPORT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2019**

---

### Principal risks and uncertainties

The trustees have assessed the major risks and consider that the principal risks to which the Academy is exposed are:

- Risk of being unable to recruit high quality staff
- Risk of fire or other damage to premises
- Risk of improper use of public funds
- Risks associated with safeguarding of children
- Risk of insufficient funding through low pupil numbers

There are a number of other risks that the trustees are aware of, but those shown above are the most significant. The trustees and senior management team frequently review the Trust's risk profile.

### **Fundraising**

The Academy did not actively fundraise during the year to 31 August 2019 and does not hold any agreements with professional fundraisers or commercial participators. However, the Trustees and Senior Managers are exploring new opportunities for fundraising going forward in order to ameliorate the Academy's financial position.

### **Plans for future periods**

The Academy aims to be a school of quality in which all children are able to develop their full potential, gain a sense of self-worth and prepare for the future in a happy, secure and caring environment. Our key objective in future periods is to continue to enhance the quality of education provision in the Academy and to ensure that the same rigour and attention to detail that currently exists in the Academy is maintained going forward.

Trustees appreciate that a continuing high standard of education provision is crucial to the success of the Academy.

### **Auditor**

In so far as the trustees are aware:

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

A resolution proposing that Citroen Wells be reappointed as auditor of the charitable company will be put to the members.

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 18/12/19 and signed on its behalf by:

  
Rev Maureen Hider  
Chair of Governors

# WOOD END ACADEMY

## GOVERNANCE STATEMENT

**FOR THE YEAR ENDED 31 AUGUST 2019**

---

### Scope of responsibility

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

The board of trustees 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 Wood End Academy and the Secretary of State for Education. The Headteacher is also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

### Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met three times during the year. The way in which the Academy ensures that Trustees have effective oversight of the funds such that additional meetings are not required is by regular management reporting to Trustees and regular meetings of the Accounting Officer with the Chair of Governors. Attendance during the year at meetings of the board of trustees was as follows:

Trustees	Meetings attended	Out of possible
Rev Maureen Hider (Chair of Governors and Member appointed)	3	3
Mr Lee Warner Stainbank (Headteacher and Accounting Officer)	3	3
Miss Julie Evans (Vice chair of Governors and Member appointed)	3	3
Mrs Lynette Smith (Staff Governor)	2	3
Mrs Janice Phillpot (Staff Governor)	3	3
Mr Mohammad Arshad (Parent Governor) (Resigned 29 November 2018)	1	3
Mrs Angela Howard (Parent Governor) (Resigned 29 November 2018)	0	3
Ms Gabriella Vince (Parent Governor) (Resigned 29 November 2018)	1	3
Mr Matt Haresnape (Member appointed)	3	3
Mr Imran Khan (Parent Governor) (Resigned 1 September 2018)	0	0
Mrs Pamela Goss (Member appointed) (Appointed 29 November 2018)	0	3
Dr May Sule (Member appointed) (Appointed 29 November 2018)	3	3
Mr Prashant Srivastava (Member appointed) (Appointed 22 March 2019)	1	2
Mrs C Jones (Parent Governor) (Appointed 22 November 2019)	0	3
Mrs M Walc-Ziobro (Parent Governor) (Appointed 22 November 2019)	0	3

During the year the key changes in the composition of the board of trustee were as follows:

- Three new Governors were appointed during the year.
- Rev Maureen Hider was appointed as Chair of Governors.
- Miss Julie Evans was appointed as Vice Chair of Governors.

During the year the Governing Body continued to receive advice from the Local Authority governance team and certain members attended courses to ensure their knowledge remained up to date. In addition, a number of in-house training sessions were organised for Governors.

All Governors undertake and carry out an annual skills audit with the Chair of Governors to assess their effectiveness and identify any skill gaps.

# WOOD END ACADEMY

## GOVERNANCE STATEMENT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2019**

---

The finance and general purposes committee is a sub-committee of the main Governing Body. Its purpose is to consider the annual budget and recommend its approval by the Governing Body and to regularly receive monitoring reports from the Finance Director and Bursar with regard to actual financial performance against budget during the Academy year. The committee also serves as the audit committee and acting as such it reviews the audited financial statements and recommends them to the full Governing Body for approval and acceptance. The committee works in conjunction with the full Governing Body to ensure there is full accountability for the use of public funds.

Its purpose is to:

- receive and monitor the Academy's financial reports;
- review the draft Budget Plan and make recommendations to the Board for approval;
- review the risks to the systems of internal control in the Academy and agree a program of work to:
  - (a) provide assurance on the effective management of those risks.
  - (b) provide effective overall scrutiny of all aspects of the financial management of the Academy's affairs.

The committee also covers audit related matters and it:

- helps promote the highest standards of propriety in the use of public funds and encourage proper accountability for the use of those funds;
- promotes a climate of financial discipline and control which will help to reduce the opportunity for financial mismanagement;
- promotes the development of internal controls systems which will help satisfy the Governing Body that the Academy will achieve its objectives and targets and is operating in accordance with any statutory requirements for the use of public funds within delegated authorities laid down by the Board and the Academy's own rules on which matters should be referred to the Board; and in a manner which will make most economic and effective use of resources available.

In the course of the year, the committee undertook a review of all internal controls in operation in the Academy to satisfy themselves that these controls were operating in accordance with the Academies Financial Handbook 2018.

The committee further examined and updated the Academy's Business Continuity Plan and Risk Register.

The committee also looked at what measures were in place to ensure best practice and fraud prevention.

Attendance at meetings in the year was as follows:

<b>Trustees</b>	<b>Meetings attended</b>	<b>Out of possible</b>
Rev Maureen Hider (Chair of Governors and Member appointed)	3	3
Mr Lee Warner Stainbank (Headteacher and Accounting Officer)	3	3
Mrs Lynette Smith (Staff Governor)	2	3
Mr Prashant Srivastava (Member appointed) (Appointed 22 March 2019)	1	2

### **Review of value for money**

As accounting officer, the Headteacher has responsibility for ensuring that the Academy delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

# WOOD END ACADEMY

## GOVERNANCE STATEMENT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

---

The accounting officer considers how the Academy's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the Academy has delivered improved value for money during the year by:

- Working to reduce the in-year deficit as much as possible whilst looking at possible sources of additional income. Governors and senior managers also promoted the Academy in an effort to secure further admissions during the year.
- Monitoring all expenditure. The trustees and managers received monthly updates on the financial position of the Academy. All areas of expenditure were subject to careful budgeting to ensure that resources needed to deliver the highest possible standard of education were made available whilst the Academy also worked within the funds made available to it by the ESFA and other sources, supported by draw down from reserves.
- Capital Expenditure was kept to a minimum this year and did not require significant support from either the Restricted or unrestricted revenue funds.

#### **The purpose of the system of internal control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Wood End Academy for the period 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and accounts.

#### **Capacity to handle risk**

The trustees of the Academy have 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 trustees are of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks that has been in place for the period 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the trustees.

#### **The risk and control framework**

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- 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 board of trustees continued to engage the services of Umer Siddiqi as internal auditor.

During the year the internal auditor performed a series of checks on the Academy's financial systems in particular on grants received, payroll and pensions, procurement activities, bank reconciliations and correspondence with the ESFA.

On a termly basis, the internal auditor reports to the board of trustees on the operation of the systems of control.

# WOOD END ACADEMY

## GOVERNANCE STATEMENT (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2019**

---

The internal auditor delivered his schedule of work as planned, making three termly visits to the Academy, and there were no material control issues arising as a result of his work.

### 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 internal auditor;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy who have responsibility for the development and maintenance of the internal control framework;
- the review of internal control systems by the finance and general purposes committee.

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 though no material weaknesses have been highlighted during the year, the accounting officer will continue to monitor the system to ensure it remains effective and compliant with the latest Academies Financial Handbook.

Approved by order of the board of trustees on 18/12/19 and signed on its behalf by:

  
Rev Maureen Hider  
Chair of Governors

  
Mr Lee Warner Stainbank  
Headteacher and Accounting Officer

# WOOD END ACADEMY

## STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2019

---

As accounting officer of Wood End Academy I have considered my responsibility to notify the Academy board of trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the Academy and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

I confirm that I and the Academy's board of trustees are able to identify any material irregular or improper use of funds by the Academy, or material non-compliance with the terms and conditions of funding under the Academy's funding agreement and the Academies Financial Handbook 2018.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the board of trustees and ESFA.

Approved on 18/12/19 and signed by:



Mr Lee Warner Stainbank  
Accounting Officer

# WOOD END ACADEMY

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

**FOR THE YEAR ENDED 31 AUGUST 2019**

---

The trustees (who are also the directors of Wood End Academy for the purposes of company law) are responsible for preparing the trustees' report and the accounts in accordance with the Academies Accounts Direction 2018 to 2019 published by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare accounts for each financial year. Under company law, the trustees must not approve the accounts 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 accounts, the trustees are required to:


- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgements 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 accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees 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 accounts 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 trustees 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 that grants received from ESFA/DfE have been applied for the purposes intended.

The trustees 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 accounts may differ from legislation in other jurisdictions.

Approved by order of the members of the board of trustees on 18/12/19 and signed on its behalf by:

  
Rev Maureen Hider  
Chair of Governors

# WOOD END ACADEMY

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WOOD END ACADEMY FOR THE YEAR ENDED 31 AUGUST 2019

---

### Opinion

We have audited the accounts of Wood End Academy for the year ended 31 August 2019 which comprise the statements of financial activities, the balance sheet, the statement of cash flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2019 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the accounts' section of our report. We are independent of the Academy in accordance with the ethical requirements that are relevant to our audit of the accounts in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the accounts is not appropriate; or
- the trustees have not disclosed in the accounts any identified material uncertainties that may cast significant doubt about the Academy's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the accounts are authorised for issue.

### Other information

The trustees are responsible for the other information, which comprises the information included in the annual report other than the accounts and our auditor's report thereon. Our opinion on the accounts does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the accounts or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

# WOOD END ACADEMY

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WOOD END ACADEMY (CONTINUED)

*FOR THE YEAR ENDED 31 AUGUST 2019*

---

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the trustees' report including the incorporated strategic report have been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the Academy and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report, including the incorporated strategic report.

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

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

### **Responsibilities of trustees**

As explained more fully in the statement of trustees' responsibilities, the trustees are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the trustees are responsible for assessing the Academy's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the accounts**

Our objectives are to obtain reasonable assurance about whether the accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these accounts.

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

# WOOD END ACADEMY

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WOOD END ACADEMY (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2019**

---

### **Use of our report**

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



**Stephen Simou FCA (Senior Statutory Auditor)  
for and on behalf of Citroen Wells**

19 December 2019

**Chartered Accountants  
Statutory Auditor**

Devonshire House  
1 Devonshire Street  
London  
W1W 5DR

# WOOD END ACADEMY

## INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO WOOD END ACADEMY AND THE EDUCATION & SKILLS FUNDING AGENCY

**FOR THE YEAR ENDED 31 AUGUST 2019**

---

In accordance with the terms of our engagement letter and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Wood End Academy during the period 1 September 2018 to 31 August 2019 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 Wood End Academy and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Wood End Academy and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Wood End Academy and ESFA, for our work, for this report, or for the conclusion we have formed.

### **Respective responsibilities of Wood End Academy's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Wood End Academy's funding agreement with the Secretary of State for Education dated 28 April 2011 and the Academies Financial Handbook, extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance, and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2018 to 2019. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2018 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

### **Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- a review and evaluation of the general control environment of the Academy, with a particular focus on controls to ensure the regularity of transactions, and implementation-checking these controls;
- substantive testing and analytical review procedures, as part of our standard statutory audit engagement, that also gave us assurance for this report on regularity;
- holding discussions with the Accounting Officer to determine evidence used to support his declaration with regard to regularity and impropriety;
- testing of a sample of:
  - payments to staff to confirm that all transactions requiring prior clearance from the Secretary of State were correctly approved (or that there were no such transactions);
  - payments to suppliers and other third parties regarding procurement activity to ensure this has been in accordance with Annex 4.6 of Managing Public Money; and
- a review of minutes of various committees and other evidence made available to us relevant to our consideration of regularity.

# WOOD END ACADEMY

## INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO WOOD END ACADEMY AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)

**FOR THE YEAR ENDED 31 AUGUST 2019**

---

### **Conclusion**

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 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



**Stephen Simou FCA**  
**Reporting Accountant**

Citroen Wells  
Devonshire House  
1 Devonshire Street  
London  
W1W 5DR

Dated: 19 December 2019

# WOOD END ACADEMY

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2019

	Notes	Unrestricted Funds £	Restricted funds: General Fixed asset £ £		Total 2019 £	Total 2018 £
<b>Income and endowments from:</b>						
Donations and capital grants	3	-	60,500	25,078	85,578	8,656
Charitable activities:						
- Funding for educational operations	4	55,467	1,855,188	-	1,910,655	2,119,027
Other trading activities	5	62,114	-	-	62,114	61,036
Investments	6	2,049	-	-	2,049	2,992
<b>Total</b>		<u>119,630</u>	<u>1,915,688</u>	<u>25,078</u>	<u>2,060,396</u>	<u>2,191,711</u>
<b>Expenditure on:</b>						
Charitable activities:						
- Educational operations	8	652	2,338,290	176,690	2,515,632	2,493,551
<b>Total</b>	7	<u>652</u>	<u>2,338,290</u>	<u>176,690</u>	<u>2,515,632</u>	<u>2,493,551</u>
<b>Net income/(expenditure)</b>		118,978	(422,602)	(151,612)	(455,236)	(301,840)
Transfers between funds	18	(308,602)	308,602	-	-	-
<b>Other recognised gains</b>						
Actuarial (losses)/gains on defined benefit pension schemes	20	-	(396,000)	-	(396,000)	182,000
<b>Net movement in funds</b>		<u>(189,624)</u>	<u>(510,000)</u>	<u>(151,612)</u>	<u>(851,236)</u>	<u>(119,840)</u>
<b>Reconciliation of funds</b>						
Total funds brought forward		750,651	(841,971)	10,763,690	10,672,370	10,792,210
Total funds carried forward		<u>561,027</u>	<u>(1,351,971)</u>	<u>10,612,078</u>	<u>9,821,134</u>	<u>10,672,370</u>

# WOOD END ACADEMY

## STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2019

Comparative year information Year ended 31 August 2018	Notes	Unrestricted	Restricted funds:		Total
		Funds	General	Fixed asset	2018
		£	£	£	£
<b>Income and endowments from:</b>					
Donations and capital grants	3	-	-	8,656	8,656
Charitable activities:					
- Funding for educational operations	4	52,884	2,066,143	-	2,119,027
Other trading activities	5	61,036	-	-	61,036
Investments	6	2,992	-	-	2,992
<b>Total</b>		<u>116,912</u>	<u>2,066,143</u>	<u>8,656</u>	<u>2,191,711</u>
<b>Expenditure on:</b>					
Charitable activities:					
- Educational operations	8	284	2,307,682	185,585	2,493,551
<b>Total</b>	7	<u>284</u>	<u>2,307,682</u>	<u>185,585</u>	<u>2,493,551</u>
<b>Net income/(expenditure)</b>		116,628	(241,539)	(176,929)	(301,840)
Transfers between funds	18	(81,911)	80,000	1,911	-
<b>Other recognised gains</b>					
Actuarial gains on defined benefit pension schemes	20	-	182,000	-	182,000
<b>Net movement in funds</b>		34,717	20,461	(175,018)	(119,840)
<b>Reconciliation of funds</b>					
Total funds brought forward		715,934	(862,432)	10,938,708	10,792,210
Total funds carried forward		<u>750,651</u>	<u>(841,971)</u>	<u>10,763,690</u>	<u>10,672,370</u>

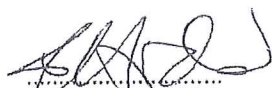
# WOOD END ACADEMY

## BALANCE SHEET

AS AT 31 AUGUST 2019

	Notes	2019		2018	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	13		10,587,793		10,763,690
<b>Current assets</b>					
Debtors	15	70,231		105,513	
Cash at bank and in hand		642,302		773,248	
			712,533		878,761
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	16	(122,192)		(123,081)	
<b>Net current assets</b>			590,341		755,680
<b>Net assets excluding pension liability</b>			11,178,134		11,519,370
Defined benefit pension scheme liability	20		(1,357,000)		(847,000)
<b>Total net assets</b>			9,821,134		10,672,370
<b>Funds of the Academy:</b>					
<b>Restricted funds</b>	18				
- Fixed asset funds			10,612,078		10,763,690
- Restricted income funds			5,029		5,029
- Pension reserve			(1,357,000)		(847,000)
<b>Total restricted funds</b>			9,260,107		9,921,719
<b>Unrestricted income funds</b>	18		561,027		750,651
<b>Total funds</b>			9,821,134		10,672,370

The accounts on pages 19 to 42 were approved by the trustees and authorised for issue on 18/12/19 and are signed on their behalf by:



Rev Maureen Hider  
Chair of Governors

Company Number 07601680

# WOOD END ACADEMY

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2019

---

	Notes	2019 £	£	2018 £	£
<b>Cash flows from operating activities</b>					
Net cash used in operating activities	21		(157,280)		(29,302)
<b>Cash flows from investing activities</b>					
Dividends, interest and rents from investments		2,049		2,992	
Capital grants from DfE Group		25,078		8,656	
Purchase of tangible fixed assets		(793)		(10,567)	
<b>Net cash provided by investing activities</b>			26,334		1,081
<b>Net decrease in cash and cash equivalents in the reporting period</b>			(130,946)		(28,221)
Cash and cash equivalents at beginning of the year			773,248		801,469
<b>Cash and cash equivalents at end of the year</b>			642,302		773,248

---

# WOOD END ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 AUGUST 2019

---

#### 1 Accounting policies

Wood End Academy is a charitable company incorporated in England and Wales. The address of its principal place of business is given on page 1 and the nature of its operations are set out in the trustees' report.

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgements and key sources of estimation uncertainty, is set out below.

##### 1.1 Basis of preparation

The accounts of the Academy, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Wood End Academy meets the definition of a public benefit entity under FRS 102.

##### 1.2 Going concern

The trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the charitable company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the accounts.

The Academy's forecasts and projections, taking account of reasonable possible changes to student numbers and expenditure in the business plan, show that the Academy should be able to operate within its current available funds. The trustees therefore have a reasonable expectation that the Academy has adequate resources to continue for the foreseeable future and therefore adopt the going concern basis in preparing the annual accounts.

##### 1.3 Income

All incoming resources are recognised when the Academy has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

###### Grants

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 meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the statement of financial activities in the period for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.

Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the balance sheet in the restricted fixed asset fund. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

# WOOD END ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

---

### 1 Accounting policies

(Continued)

#### Sponsorship income

Sponsorship income provided to the Academy which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

#### Donations

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable 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 Academy has provided the goods or services.

#### Donated goods, facilities and services

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

Upon becoming an Academy, the company received a transfer of property, and other assets, for no consideration. These assets were reflected as an incoming resource in the first year's accounts, at an amount that the trustees considered to be the estimated fair value of the property and assets to the Academy at that time.

#### Donated fixed assets

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor is used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Academy's accounting policies.

### 1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

All expenditure is stated net of VAT.

#### Expenditure on raising funds

This includes all expenditure incurred by the Academy to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

# WOOD END ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

---

### 1 Accounting policies

(Continued)

#### Charitable activities

These are costs incurred on the Academy's educational operations, including support costs and costs relating to the governance of the Academy apportioned to charitable activities.

#### Governance costs

These include the costs attributable to the Academy's compliance with constitutional and statutory requirements, including audit, strategic management and trustees' meetings and reimbursed expenses. Such costs include both direct and allocated support costs.

### 1.5 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost or, in the case of donated assets, at trustees' valuation less depreciation and any provision for impairment. Assets costing £500 or more are capitalised.

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

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 life, as follows:

Freehold buildings	2% on straight line basis
Computer equipment and software	25% on straight line basis
Fixtures, fittings and equipment	20% reducing balance basis

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.

### 1.6 Liabilities

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

### 1.7 Leased assets

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

### 1.8 Financial instruments

The Academy only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Academy and their measurement basis are as follows.

# WOOD END ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

---

#### 1 Accounting policies

(Continued)

##### Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

Cash at bank is classified as a basic financial instrument and is measured at face value.

##### Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition.

Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

#### 1.9 Taxation

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

#### 1.10 Pensions benefits

Retirement benefits to employees of the Academy are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes and the assets are held separately from those of the Academy.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy 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 quadrennial valuations using a prospective unit credit method. The TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the Academy in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit 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 the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

#### 1.11 Fund accounting

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

# WOOD END ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 1 Accounting policies

(Continued)

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

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Education Funding Agency and Department for Education.

### 2 Critical accounting estimates and areas of judgement

Accounting estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

#### Critical accounting estimates and assumptions

The Academy makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 20, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

#### Critical areas of judgement

The Academy's accounting policy for tangible fixed assets is set out in note 1.5. The carrying value of fixed assets as at 31 August 2019 was £10,587,793 and the depreciation charge for the year was £176,690. The estimated useful economic lives of fixed assets are based on management's judgement and experience. Asset lives and residual values are reviewed annually and an adjustment is made for any material difference arising from the difference between the actual and estimated useful lives. Historically however, any changes to the estimates of useful economic lives of any assets have not been material.

### 3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Capital grants	-	25,078	25,078	8,656
Other donations	-	60,500	60,500	-
	-	85,578	85,578	8,656

# WOOD END ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 4 Funding for the Academy's educational operations

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
<b>DfE / ESFA grants</b>				
General annual grant (GAG)	-	1,670,577	1,670,577	1,846,613
Other DfE group grants	-	142,255	142,255	172,448
	-	1,812,832	1,812,832	2,019,061
<b>Other government grants</b>				
Local authority grants	-	42,356	42,356	47,082
<b>Other funding</b>				
Other incoming resources	55,467	-	55,467	52,884
<b>Total funding</b>	<b>55,467</b>	<b>1,855,188</b>	<b>1,910,655</b>	<b>2,119,027</b>

### 5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Catering income	62,114	-	62,114	61,036

### 6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Interest from short term deposits	2,049	-	2,049	2,992

### 7 Expenditure

	Staff costs £	Premises & equipment £	Other costs £	Total 2019 £	Total 2018 £
Academy's educational operations					
- Direct costs	1,259,957	176,690	173,541	1,610,188	1,619,905
- Allocated support costs	570,603	105,588	229,253	905,444	873,646
	1,830,560	282,278	402,794	2,515,632	2,493,551

# WOOD END ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

<b>7 Expenditure</b>		<b>(Continued)</b>	
<b>Net income/(expenditure) for the year includes:</b>		<b>2019</b>	<b>2018</b>
		<b>£</b>	<b>£</b>
Fees payable to auditor for:			
- Audit		13,950	13,550
- Other services		14,725	11,215
Depreciation of tangible fixed assets		176,690	185,585
Net interest on defined benefit pension liability		25,000	25,000
		<u>          </u>	<u>          </u>
<b>8 Charitable activities</b>			
	<b>Unrestricted funds</b>	<b>Restricted funds</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>2019</b>
			<b>£</b>
			<b>Total</b>
			<b>2018</b>
			<b>£</b>
Direct costs - educational operations	-	1,610,188	1,610,188
Support costs - educational operations	652	904,792	905,444
	<u>          </u>	<u>          </u>	<u>          </u>
	652	2,514,980	2,515,632
	<u>          </u>	<u>          </u>	<u>          </u>
			<u>          </u>
			<u>          </u>
<b>Analysis of costs</b>		<b>2019</b>	<b>2018</b>
		<b>£</b>	<b>£</b>
<b>Direct costs</b>			
Teaching and educational support staff costs		1,259,957	1,329,795
Depreciation and amortisation		176,690	185,585
Educational supplies and services		71,066	67,237
Educational consultancy		73,698	6,863
Other direct costs		28,777	30,425
		<u>          </u>	<u>          </u>
		1,610,188	1,619,905
		<u>          </u>	<u>          </u>
<b>Support costs</b>			
Support staff costs		570,603	545,049
Technology costs		22,893	17,953
Maintenance of premises and equipment		27,645	33,338
Cleaning		6,005	6,080
Energy costs		32,091	30,466
Rent and rates		20,157	22,952
Insurance		12,109	13,162
Security and transport		7,581	332
Catering		37,592	39,333
Interest and finance costs		25,000	25,000
Other support costs		64,545	61,886
Governance costs (See note 9)		79,223	78,095
		<u>          </u>	<u>          </u>
		905,444	873,646
		<u>          </u>	<u>          </u>

# WOOD END ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 9 Governance costs

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
<b>Amounts included in support costs</b>				
Legal and professional fees	-	38,259	38,259	33,200
Auditor's remuneration				
- Audit of financial statements	-	13,950	13,950	13,550
- Other audit costs	-	14,725	14,725	11,215
Other governance costs	652	11,637	12,289	20,130
	<u>652</u>	<u>78,571</u>	<u>79,223</u>	<u>78,095</u>

### 10 Staff

#### Staff costs

Staff costs during the year were:

	2019 £	2018 £
Wages and salaries	1,342,895	1,459,711
Social security costs	122,478	123,662
Pension costs	313,196	290,831
Amounts paid to employees	<u>1,778,569</u>	<u>1,874,204</u>
Agency staff costs	35,335	640
Staff restructuring costs	16,656	-
Total staff expenditure	<u><u>1,830,560</u></u>	<u><u>1,874,844</u></u>

Staff restructuring costs comprise:

Redundancy payments	<u>16,656</u>	<u>-</u>
---------------------	---------------	----------

#### Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £7,206 (2018: £nil) made to only one member of staff.

# WOOD END ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 10 Staff

(Continued)

#### Staff numbers

The average number of persons employed by the Academy during the year was as follows:

	2019 Number	2018 Number
Teachers	21	25
Administration and support	31	34
Management	8	8
	<u>60</u>	<u>67</u>

#### Higher paid staff

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2019 Number	2018 Number
£60,001 - £70,000	1	2
£70,001 - £80,000	1	1
	<u>2</u>	<u>3</u>

#### Key management personnel

The key management personnel of the Academy comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy was £251,347 (2018: £322,620).

# WOOD END ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

---

#### 11 Trustees' remuneration and expenses

One or more trustees have been paid remuneration or have received other benefits from an employment with the Academy. The Headteacher and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff members under their contracts of employment, and not in respect of their services as trustees. Other trustees did not receive any payments, other than expenses, from the Academy in respect of their role as trustees.

The value of trustees' remuneration and other benefits was as follows:

Mr Lee Warner Stainbank (Headteacher):

- Remuneration £75,000 - £80,000 (2018: £70,000 - £75,000)
- Employer's pension contributions £10,000- £15,000 (2018: £10,000- £15,000)

Mrs Lynette Smith (staff):

- Remuneration £25,000 - £30,000 (2018: £25,000 - £30,000)
- Employer's pension contributions £0 - £5,000 (2018: £0 - £5,000)

Mrs Janice Phillpot (staff):

- Remuneration £15,000 - £20,000 (2018: £15,000 - £20,000)
- Employer's pension contributions £0 - £5,000 (2018: £0 - £5,000)

Ms Gabriella Vince (staff):

- Remuneration £10,000 - £15,000 (2018: £10,000 - £15,000)
- Employer's pension contributions £0 - £5,000 (2018: £0 - £5,000)

During the year, travel and subsistence payments totalling £1,310 (2018: £498) were reimbursed or paid directly to 1 trustee (2018: 2 trustees).

#### 12 Trustees and officers insurance

The Academy has opted into the Department for Education's Risk Protection Arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business, and provides cover up to £10,000,000. It is not possible to quantify the trustees and officers indemnity element from the overall cost of the RPA scheme.

# WOOD END ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 13 Tangible fixed assets

	Freehold buildings	Computer equipment and software	Fixtures, fittings and equipment	Total
	£	£	£	£
<b>Cost</b>				
At 1 September 2018	11,579,185	208,982	404,030	12,192,197
Additions	-	793	-	793
At 31 August 2019	11,579,185	209,775	404,030	12,192,990
<b>Depreciation</b>				
At 1 September 2018	933,810	195,871	298,826	1,428,507
Charge for the year	147,033	8,617	21,040	176,690
At 31 August 2019	1,080,843	204,488	319,866	1,605,197
<b>Net book value</b>				
At 31 August 2019	10,498,342	5,287	84,164	10,587,793
At 31 August 2018	10,645,375	13,111	105,204	10,763,690

### 14 Financial instruments

	2019 £	2018 £
<b>Carrying amount of financial assets</b>		
Debt instruments measured at amortised cost	19,360	41,070
<b>Carrying amount of financial liabilities</b>		
Measured at amortised cost	82,382	89,781

### 15 Debtors

	2019 £	2018 £
VAT recoverable	11,384	13,552
Other debtors	27,336	50,683
Prepayments and accrued income	31,511	41,278
	70,231	105,513

# WOOD END ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

<b>16 Creditors: amounts falling due within one year</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Trade creditors	47,381	37,577
Other taxation and social security	30,043	33,300
Other creditors	11,767	17,333
Accruals and deferred income	33,001	34,871
	<u>122,192</u>	<u>123,081</u>
	<u><u>122,192</u></u>	<u><u>123,081</u></u>
<b>17 Deferred income</b>	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Deferred income is included within:		
Creditors due within one year	4,801	5,103
	<u>4,801</u>	<u>5,103</u>
	<u><u>4,801</u></u>	<u><u>5,103</u></u>
Deferred income at 1 September 2018	5,103	5,011
Released from previous years	(5,103)	(5,011)
Amounts deferred in the year	4,801	5,103
	<u>4,801</u>	<u>5,103</u>
<b>Deferred income at 31 August 2019</b>	<u><u>4,801</u></u>	<u><u>5,103</u></u>

Deferred income held at 31 August 2019 relates to the deferred portion of a devolved capital grant received from the ESFA for the year ending 31 March 2020.

# WOOD END ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 18 Funds

	Balance at 1 September 2018 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2019 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	5,029	1,670,577	(1,979,179)	308,602	5,029
Other DfE / ESFA grants	-	142,255	(142,255)	-	-
Other government grants	-	42,356	(42,356)	-	-
Other restricted funds	-	60,500	(60,500)	-	-
Pension reserve	(847,000)	-	(114,000)	(396,000)	(1,357,000)
	<u>(841,971)</u>	<u>1,915,688</u>	<u>(2,338,290)</u>	<u>(87,398)</u>	<u>(1,351,971)</u>
<b>Restricted fixed asset funds</b>					
DfE group capital grants	18,562	25,078	(5,783)	-	37,857
Capital expenditure from GAG	137,618	-	(16,772)	-	120,846
Transfer on conversion	10,607,510	-	(154,135)	-	10,453,375
	<u>10,763,690</u>	<u>25,078</u>	<u>(176,690)</u>	<u>-</u>	<u>10,612,078</u>
<b>Total restricted funds</b>	<u>9,921,719</u>	<u>1,940,766</u>	<u>(2,514,980)</u>	<u>(87,398)</u>	<u>9,260,107</u>
<b>Unrestricted funds</b>					
General funds	<u>750,651</u>	<u>119,630</u>	<u>(652)</u>	<u>(308,602)</u>	<u>561,027</u>
<b>Total funds</b>	<u>10,672,370</u>	<u>2,060,396</u>	<u>(2,515,632)</u>	<u>(396,000)</u>	<u>9,821,134</u>

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

The Restricted General Funds comprise funds received from ESFA and other local government bodies and are used to finance the ongoing expenditure of the normal day to day educational activities of the Academy. Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of General Annual Grant that it could carry forward at 31 August 2019.

The Restricted Fixed Asset Funds comprise the net book value of fixed assets that have been acquired from funds received from ESFA, assets donated by the Primary School on conversion into an Academy, assets donated by Ealing Council and capital grants that have yet to be used for the purchase of fixed assets.

The Pension Reserve relates to the Academy's share of the deficit of the London Borough of Ealing Local Government Pension Scheme (LGPS).

The deficit on the LGPS does not mean that an immediate liability crystallises. The deficit results in a cash flow effect for the Academy in the form of possible future increases in pension contribution, which, if required, will be met from the budgeted annual income. There is therefore no direct impact on the free reserves of the Academy because of recognising the deficit.

# WOOD END ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 18 Funds

(Continued)

Comparative information in respect of the preceding period is as follows:

	Balance at 1 September 2017 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2018 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	82,568	1,846,613	(2,004,152)	80,000	5,029
Other DfE / ESFA grants	-	172,448	(172,448)	-	-
Other government grants	-	47,082	(47,082)	-	-
Pension reserve	(945,000)	-	(84,000)	182,000	(847,000)
	<u>(862,432)</u>	<u>2,066,143</u>	<u>(2,307,682)</u>	<u>262,000</u>	<u>(841,971)</u>
<b>Restricted fixed asset funds</b>					
DfE group capital grants	17,674	8,656	(7,768)	-	18,562
Capital expenditure from GAG	157,187	-	(21,480)	1,911	137,618
Transfer on conversion	10,763,847	-	(156,337)	-	10,607,510
	<u>10,938,708</u>	<u>8,656</u>	<u>(185,585)</u>	<u>1,911</u>	<u>10,763,690</u>
<b>Total restricted funds</b>	<u>10,076,276</u>	<u>2,074,799</u>	<u>(2,493,267)</u>	<u>263,911</u>	<u>9,921,719</u>
<b>Unrestricted funds</b>					
General funds	<u>715,934</u>	<u>116,912</u>	<u>(284)</u>	<u>(81,911)</u>	<u>750,651</u>
<b>Total funds</b>	<u>10,792,210</u>	<u>2,191,711</u>	<u>(2,493,551)</u>	<u>182,000</u>	<u>10,672,370</u>

### 19 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
<b>Fund balances at 31 August 2019 are represented by:</b>				
Tangible fixed assets	-	-	10,587,793	10,587,793
Current assets	683,219	5,029	24,285	712,533
Creditors falling due within one year	(122,192)	-	-	(122,192)
Defined benefit pension liability	-	(1,357,000)	-	(1,357,000)
<b>Total net assets</b>	<u>561,027</u>	<u>(1,351,971)</u>	<u>10,612,078</u>	<u>9,821,134</u>

# WOOD END ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

### 19 Analysis of net assets between funds

(Continued)

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
<b>Fund balances at 31 August 2018 are represented by:</b>				
Tangible fixed assets	-	-	10,763,690	10,763,690
Current assets	750,651	123,007	5,103	878,761
Creditors falling due within one year	-	(117,978)	(5,103)	(123,081)
Defined benefit pension liability	-	(847,000)	-	(847,000)
<b>Total net assets</b>	<b>750,651</b>	<b>(841,971)</b>	<b>10,763,690</b>	<b>10,672,370</b>

### 20 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 Mercer Limited. Both are multi-employer defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012, and that of the LGPS related to the period ended 31 March 2016.

Contributions amounting to £3,583 (2018: £17,333) were payable to the schemes at 31 August 2019 and are included within creditors.

#### Teachers' Pension Scheme

##### Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis - these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

##### Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014.

# WOOD END ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

#### 20 Pension and similar obligations

(Continued)

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 September 2019.

The pension costs paid to the TPS in the period amounted to £114,553 (2018: £124,071).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The Academy 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.

#### Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 14.9% for employers together with a £43,000 lump sum annually in respect of past service deficit and 5.5 to 6.5% for employees.

The estimated value of employer contributions for the forthcoming year is £109,000.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of an Academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

Total contributions made	2019 £	2018 £
Employer's contributions	107,000	94,000
Employees' contributions	26,000	25,000
Total contributions	133,000	119,000

# WOOD END ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2019

#### 20 Pension and similar obligations (Continued)

Principal actuarial assumptions	2019 %	2018 %
Rate of increase in salaries	3.35	3.35
Rate of increase for pensions in payment/inflation	2.20	2.20
Discount rate for scheme liabilities	1.80	2.80
Inflation assumption (CPI)	2.10	2.10

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

	2019 Years	2018 Years
Retiring today		
- Males	23.20	23.20
- Females	26.20	26.10
Retiring in 20 years		
- Males	25.50	25.40
- Females	28.50	28.40

#### Sensitivity analysis

	Central £	Sensitivity 1 +0.1% p.a discount rate £	Sensitivity 2 +0.1% p.a inflation £	Sensitivity 3 +0.1% p.a pay growth £	Sensitivity 4 1 year increase in life expectancy £
Liabilities	2,367,000	2,320,000	2,414,000	2,375,000	2,408,000
Assets	(1,010,000)	(1,010,000)	(1,010,000)	(1,010,000)	(1,010,000)
Deficit	1,357,000	1,310,000	1,404,000	1,365,000	1,398,000
Projected Service Cost for next year	194,000	189,000	199,000	194,000	198,000
Projected Interest Cost for next year	23,000	24,000	24,000	24,000	24,000

# WOOD END ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

### 20 Pension and similar obligations (Continued)

The Academy's share of the assets in the scheme	2019 Fair value £	2018 Fair value £
Equities	599,000	496,000
Other bonds	240,000	187,000
Cash/liquidity	74,000	73,000
Property	93,000	77,000
Other assets	4,000	-
	<hr/>	<hr/>
Total market value of assets	1,010,000	833,000
	<hr/> <hr/>	<hr/> <hr/>

The actual return on scheme assets was £44,000 (2018: £34,000).

Amount recognised in the Statement of Financial Activities	2019 £	2018 £
Current service cost	139,000	153,000
Past service cost	57,000	-
Interest income	(22,000)	(15,000)
Interest cost	47,000	40,000
	<hr/>	<hr/>
Total operating charge	221,000	178,000
	<hr/> <hr/>	<hr/> <hr/>

The above figures include an estimated cost of impact of the recent McCloud judgement as a past service cost of £57,000 as at 31 August 2019.

Changes in the present value of defined benefit obligations	2019 £
At 1 September 2018	1,680,000
Current service cost	139,000
Interest cost	47,000
Employee contributions	26,000
Actuarial loss/(gain)	418,000
Past service cost	57,000
	<hr/>
At 31 August 2019	2,367,000
	<hr/> <hr/>

# WOOD END ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

20 Pension and similar obligations		(Continued)	
<b>Changes in the fair value of the Academy's share of scheme assets</b>			
		<b>2019</b>	
		<b>£</b>	
At 1 September 2018		833,000	
Interest income		22,000	
Actuarial gain		22,000	
Employer contributions		107,000	
Employee contributions		26,000	
		<hr/>	
At 31 August 2019		1,010,000	
		<hr/> <hr/>	
<b>21 Reconciliation of net expenditure to net cash flow from operating activities</b>		<b>2019</b>	<b>2018</b>
		<b>£</b>	<b>£</b>
Net expenditure for the reporting period (as per the statement of financial activities)		(455,236)	(301,840)
Adjusted for:			
Capital grants from DfE and other capital income		(25,078)	(8,656)
Investment income receivable		(2,049)	(2,992)
Defined benefit pension costs less contributions payable		89,000	59,000
Defined benefit pension scheme finance cost		25,000	25,000
Depreciation of tangible fixed assets		176,690	185,585
Decrease/(increase) in debtors		35,282	(9,920)
(Decrease)/increase in creditors		(889)	24,521
		<hr/>	<hr/>
<b>Net cash used in operating activities</b>		<b>(157,280)</b>	<b>(29,302)</b>
		<hr/> <hr/>	<hr/> <hr/>
<b>22 Contingent liabilities</b>			
<p>In the event, during the period of the Funding Agreement, of the sale or disposal by other means of any asset for which a capital grant was received or which was transferred to the Academy for no consideration, the Academy shall, if it does not reinvest the proceeds, repay to the Secretary of State of 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,</p>			
<p>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:</p>			
<p>(a) the value at that time of the Academy's site and premises and other assets held for the purpose of the Academy, and;</p>			
<p>(b) the extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the Funding Agreement.</p>			

# WOOD END ACADEMY

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

*FOR THE YEAR ENDED 31 AUGUST 2019*

---

### **23 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, transactions may take place with organisations in which a member of the Board of Governors has an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and in accordance with the Academy's financial regulations and normal procurement procedures relating to connected and related party transactions. The following related party transactions took place in the financial period.

At the year end, Mr Lee Warner Stainbank, a trustee, owed the Academy £nil (2018: £1,200) in respect of childcare vouchers.

### **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 or she is a member, or within one year after he or she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he or she ceases to be a member.