

Registration number: 07664348 (England and Wales)

Westfield Academy Trust

(A company limited by guarantee)

Annual Report and Financial Statements

for the year ended 31 August 2014

Westfield Academy Trust

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Westfield Academy Trust

Reference and Administrative Details

Members	A Dyer S Bachrach A Britten W Petheram H Nourse
Governors and Trustees (Directors)	A Dyer, Chair, member of the Business Committee S Bachrach, Vice Chair, member of the Business Committee A Britten, member of the Business Committee J Divall, member of the Business Committee W Petheram M Bunting, member of the Business Committee H Nourse S Rollick, Staff trustee C Hunt, Principal and trustee, member of the Business Committee K Minter (resigned 2 July 2014) E Trickey (resigned 6 April 2014) P Davies C Travers, Staff trustee J Lock (appointed 1 September 2013) J Livingstone (appointed 1 September 2013) R Llewellyn (appointed 1 April 2014) P Unsworth (appointed 1 April 2014) S Howes (appointed 8 July 2014)
Company Secretary	L Jeffreys
Senior Management Team	C Hunt, Principal and Accounting Officer S Dallimore, Vice Principal M Payne, Assistant Principal J Strange, Assistant Principal S Brimson, Associate Assistant Principal J Coles, Associate Assistant Principal S Rollick, Associate Assistant Principal
Principal and Registered Office	Stiby Road Yeovil Somerset BA21 3EP

Westfield Academy Trust

Reference and Administrative Details (continued)

Company Registration Number 07664348 (England and Wales)

Independent auditor Milsted Langdon LLP
Chartered Accountants and Statutory Auditors
Motivo House
Yeovil
BA20 2FG

Bankers Lloyds TSB Bank PLC
9 High Street
Yeovil
Somerset
BA20 1RN

Solicitors Browne Jacobson LLP
Mowbray House
Castle Meadow Road
Nottingham
NG2 1BJ

Westfield Academy Trust

Trustees' Report for the Year Ended 31 August 2014

The trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2014. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The trust operates an academy for pupils aged 11 to 16 serving a catchment area in Yeovil. It has a pupil capacity of 1,040 and had a roll of 730 in the school census in October 2014.

Structure, governance and management

Constitution

The academy trust is a company limited by guarantee and is an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The company registration number is 07664348.

The governors act as the trustees for the charitable activities of Westfield Academy Trust and are also the directors of the charitable company for the purposes of company law.

Details of the trustees who served throughout the year, except as noted, are included in the Reference and Administrative Details on page 1.

Members' liability

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

Trustees' Indemnities

The Academy is a member of the EFA's Risk Protection Arrangement. This provides unlimited Professional Indemnity Cover.

Method of recruitment and appointment or election of trustees

Members may appoint up to one governor.

Parent governor(s) shall be elected by parents of registered pupils at the Academy. A parent governor must be a parent of a pupil at the Academy at the time when he/she is elected. All parents will be eligible to stand as a governor and all parents must be notified when a vacancy arises.

Staff governors are elected by the staff with one position available for teaching staff and one for support staff.

The community governors may be appointed by the governing body provided that the person who is appointed as a community governor is:

- (a) a person who lives or works in the community served by the Academy; or
- (b) a person who, in the opinion of the governing body, is committed to the government and success of the Academy.

The governors may appoint up to 3 co-opted governors. A 'co-opted governor' means a person who is appointed to be a governor by being co-opted by governors who have not themselves been so appointed. The governors may not co-opt an employee of the Academy Trust as a co-opted governor if the number of governors who are employed by the Academy Trust (including the Principal) would thereby exceed one third of the total number of governors.

Westfield Academy Trust

Trustees' Report for the Year Ended 31 August 2014 (continued)

Policies and procedures adopted for the induction and training of trustees

The Academy buys back into Somerset Governors Services who provide training events and will also provide bespoke training on request. All new governors attend the governors induction training run by Somerset Governor Services. All governors have attended child protection training.

The governors annually appoint a training governor who is responsible for ensuring that governors' stay up to date with latest legislation and changes impacting upon the management of schools.

Organisational structure

The full governing body meets three times a year and is responsible for setting general policy, adopting an annual plan and budget and monitoring the work of the Academy and its leadership team. The detailed work is devolved to three sub committees:

Learning and Teaching – which monitors the work of curriculum teams, focusing on raising achievement and ensuring academy teaching and learning policies are fully implemented,

Student Matters – which monitors the work of the pastoral teams, focusing on behaviour and inclusion and ensuring academy pastoral policies are fully implemented,

Business – which monitors the work of the Finance and Site teams, focusing on financial, personnel and site management and ensuring all policies in these areas are fully implemented.

The leadership team is led by the Principal who is the Accounting Officer for the Academy, who is supported in all financial matters by the Assistant Principal (Business) who acts as the Principal Finance Officer of the Academy. The leadership team also consists of a Vice Principal and one further Assistant Principal and three Associate Assistant Principals.

The senior leadership team manage the Academy, implementing the policies agreed by the governors and reporting back to them on progress. The Principal and Assistant Principal (Business) are responsible for the authorisation of spending within agreed budgets. Some spending control is devolved to middle leaders within the Academy.

The wider management team includes faculty heads, pastoral leaders and support staff team leaders. These middle leaders are responsible for the day to day operation of the Academy.

Risk management

The governors have implemented systems to assess risks that the academy faces especially in the areas of health and safety, school trips, and financial control. The Academy has effective systems of internal financial control and uses a Responsible Officer to test these systems. They have clear policies for the vetting of new staff and visitor procedures and have installed CCTV to reduce the risk of personal injury to staff and students.

The Academy has a comprehensive package of insurance in place to cover buildings, contents and all likely liabilities.

Westfield Academy Trust

Trustees' Report for the Year Ended 31 August 2014 (continued)

Connected organisations, including related party relationships

The Academy has agreed to form a trading subsidiary - WA Community Enterprises - which was registered at Companies House on the 15th July 2014 and will begin trading on the 1st September 2014. The trading subsidiary will manage all non-educational income in particular the increasing use of the site by the Community in the evenings.

Westfield Academy is a member of Yeovil Federation which is a loose federation of schools from all sectors aimed at raising achievement in the Yeovil area.

Objectives and activities

Objects and aims

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

- to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum ("the Academy"); and
- to promote for the benefit of individuals living in Yeovil and the surrounding area who have need by reason of their age, infirmity or disability, financial hardship or social and economic circumstances or for the public at large the provision of facilities for recreation or other leisure time activities in the interests of social welfare and with the object of improving the condition of life of the said individuals.

The Academy's mission is:

To ensure every learner makes the most of outstanding chances to make the most of their life chances.

The Key measures are:

- Outstandingly high 5+ A*-C including English and Maths
- All students make three levels of progress
- 95%+ attendance
- NEET = 0%
- Very high levels of post 16 progression
- Full or oversubscribed
- A good judgement at the next OFSTED inspection
- Success at extra-curricular activities

Westfield Academy Trust

Trustees' Report for the Year Ended 31 August 2014 (continued)

Objectives, strategies and activities

The main objective for the year ended 31 August 2014 was to raise achievement by:

- Putting into place regular assessment followed by intervention strategies in English and Maths.
- Further improving the way in which students improve their own work through responding to written and verbal feedback.
- Implementing a robust programme of intervention strategies for students with poor literacy and numeracy skills.
- Improving students levels of literacy by overtly teaching literacy through all subject areas.
- Developing a system to monitor student progress following the discontinuation of national curriculum levels.
- Embedding the rewards system to ensure all students are motivated and take responsibility for their own learning.

In addition:

- The new and very thorough system of appraisal has had a significant impact on focussing the work of teachers on strategies that are having the greatest impact on student progress.
- Further development of the site continued, including the building of a floodlit 3G artificial turf pitch, opened in September 2014. The facility greatly enhances the opportunities available to students and members of the community.

The success of the academy is evident through:

- In 2014, 57% of students achieved 5 or more A*-C grades including English and Maths. This headline figure was above the national figure of 52.6%.
- In September 2014, an OfSTED inspection judged the school as good for leadership and management, behaviour and safety of pupils, teaching and learning and achievement and attainment. The overall judgement was good.

Public benefit

The governors confirm that they have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education.

Westfield Academy Trust

Trustees' Report for the Year Ended 31 August 2014 (continued)

Strategic Report

Achievements and performance

Exam Results in 2014 continued to show strong performance especially in the Core Subjects of English and Maths. 57% of students at Westfield achieved 5 GCSEs including English and Maths compared to 52.6 nationally. English results were 14% above the national average and Maths were 5% above.

Going concern

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

Principal risks and uncertainties

Changes to the funding formula

The DfE introduced a new funding formula in September 2013 which significantly reduces the number of factors that can be considered when delegating funds to schools. This formula is more closely allied to total pupil numbers. There are likely to be further adjustments to this formula for future funding rounds, which will again cause variation in funding levels.

Pupil Numbers

Pupil numbers have declined significantly over the last few years as a result of demographics. However in September 2014 our numbers will show a small increase for the first time in several years, rising from 718 to 730. This should help to stabilise the funding income for the academy for 2015/16.

For 2014/15 the combination of falling numbers (income based on Oct 2013 numbers) and changes in the formula reduced our like for like income by £460,000. The Academy has managed its staffing successfully to ensure we have continued to set a balanced budget – but this has meant a virtual freeze on recruitment and very little replacement of staff when they leave. In addition a number of other non staffing costs have been significantly reduced.

Fraud or mismanagement of funds

The Academy has clear finance procedures laid out in the Academy Finance Manual. This is overseen by the business committee. There is clear division of duties with several people involved in every transaction. Finance staff are very experienced and have undergone appropriate training. With the retirement of the previous Responsible Officer, the Governors agreed to appoint Somerset Financial Services to carry out the RO role four times a year.

Westfield Academy Trust

Trustees' Report for the Year Ended 31 August 2014 (continued)

Strategic Report

Financial review

Most of the Academy's income is obtained from the Education Funding Agency in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the EFA during the year ended 31 August 2014 and the associated expenditure is shown as restricted funds in the Statement of Financial Activities.

The Academy also receive grants from Somerset County Council for Individually Assigned Resources, to support students who are eligible for School Action Plus funding which are also shown as restricted income on the Statement of Financial Activities.

Whilst the Academy was not successful in an ACMF bid in 2014 we continue to make significant investment in the buildings and facilities at the school. New facilities include a Music Suite and recording studio, a 300 seat theatre, dance studio and refurbished drama studio. We were also successful in obtaining £140,000 for funding from South Somerset District Council which will part fund the installation of a 3G pitch – opening in September 2014

As an Academy we wish to increase our unrestricted funds through increasing community use of the buildings and facilities and generating income through a range of activities. As at 31 August 2014 our unrestricted fund balance was £412,894 (2013 £284,186).

Trading performance of non-consolidated subsidiaries

The Academy has agreed to form a trading subsidiary - WA Community Enterprises - which was registered at Companies House on the 15th July 2014 and will begin trading on the 1st September 2014. It was therefore dormant for the period relating to these financial statements.

Financial and risk management objectives and policies

The governors business committee receives financial reports six times a year reviewing performance against budgets and overall expenditure. The business committee reports to full governors three times a year. All budget holders receive regular statements indicating expenditure and balances and the Assistant Principal (Business) and the finance team monitor expenditure across all areas.

Reserves policy

The current level of reserves is indicated in the Statement of Financial Activities.

Given the uncertainty surrounding future funding the governors are keen to build a significant reserve to assist in the transition and to continue to invest in the capital improvement of the facilities, as well as cater for unforeseeable emergencies. The governors are aiming for a reserve equivalent to 10% of income.

The pension reserve is in deficit at the period end. This represents the defined benefit pension scheme liability as at 31 August 2014.

Investment policy

The governors have adopted a separate policy in which Westfield Academy Trust aims to manage its cash balances to provide for the day-to-day working capital requirements of its operations, whilst protecting the real long-term value of any surplus cash balances against inflation. In addition, Westfield Academy Trust aims to invest surplus cash funds to optimise returns, but ensuring the investment instruments are such that there is no risk to the loss of these cash funds. Investment is restricted to the major high street banks.

Westfield Academy Trust

Trustees' Report for the Year Ended 31 August 2014 (continued)

Strategic Report

Plans for future periods

At the heart of the Academy's focus is a relentless drive to improve teaching and learning and to improve achievement for all the students at the school.

Westfield Academy Trust

Trustees' Report for the Year Ended 31 August 2014 (continued)

Funds held as Custodian Trustee on behalf of others

The Academy does not hold any funds on behalf of any other body.

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.

Trustees' report, incorporating a strategic report, approved by order of the members of the board of trustees, as the company directors on 9 December 2014 and signed on its behalf by:

.....
A Dyer
Governor and trustee

Westfield Academy Trust

Governance Statement

Scope of responsibility

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

The board of trustees has delegated the day-to-day responsibility to Mr C Hunt, the principal and member of the Business Committee, 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 Westfield Academy Trust and the Secretary of State for Education. They are 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 4 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
A Dyer, Chair, member of the Business Committee	4	4
S Bachrach, Vice Chair, member of the Business Committee	3	4
A Britten, member of the Business Committee	3	4
J Divall, member of the Business Committee	1	4
W Petheram	4	4
M Bunting, member of the Business Committee	4	4
H Nourse	4	4
S Rollick, Staff trustee	4	4
C Hunt, Principal and trustee, member of the Business Committee	4	4
K Minter	3	3
E Trickey	1	3
J Lock	3	4
J Livingstone	4	4
R Llewellyn	2	2
P Davies	4	4
C Travers, Staff trustee	3	4
P Unsworth	2	2
S Howes	1	1

J Lock and J Livingstone were appointed on 1 September 2013. R Llewellyn and P Unsworth were appointed on 1 April 2014. S Howes was appointed on 8 July 2014. E Trickey and K Minter resigned on 6 April 2014 and 2 July 2014 respectively.

Westfield Academy Trust

Governance Statement (continued)

The Business Committee is a sub-committee of the main board of trustees. Its purpose is to work in consultation with the Principal and the Assistant Principal (Business) to provide guidance to the governing body on all financial and premises matters. Attendance at meetings during the year was as follows:

Trustee	Meetings attended	Out of a possible
A Dyer	3	6
S Bachrach	6	6
A Britten	5	6
J Divall	2	6
M Bunting	4	6
C Hunt	6	6

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 ongoing process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Westfield Academy Trust for the year ended 31 August 2014 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the year ending 31 August 2014 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the Business 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 has considered the need for a specific internal audit function and has decided:

- not to appoint an internal auditor. However the trustees have appointed Mrs K Keal as responsible officer (RO).

Westfield Academy Trust

Governance Statement (continued)

The RO's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. On a quarterly basis, the RO reports to the board of trustees on the operation of the systems of control and on the discharge of the board of trustees's financial responsibilities.

There were no material control or other issues reported by the RO to date.

Review of effectiveness

As accounting officer, Mr C Hunt, the principal and member of the Business Committee has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

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

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

Approved by order of the members of the board of trustees on 9 December 2014 and signed on its behalf by:

.....
A Dyer
Governor and trustee

.....
C Hunt
Accounting Officer

Westfield Academy Trust

Statement on Regularity, Propriety and Compliance

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

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

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

.....
C Hunt
Accounting Officer

Date: 9 December 2014

Westfield Academy Trust

Statement of trustees' Responsibilities

The trustees (who act as the governors of Westfield Academy Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Annual Accounts Direction 2013 to 2014 published by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The 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 financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The 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 grants received from the EFA/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 financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the board of trustees on 9 December 2014 and signed on its behalf by:

.....
A Dyer
Governor and trustee

Westfield Academy Trust

Independent Auditor's Report on the Financial Statements to the board of trustees of Westfield Academy Trust

We have audited the financial statements of Westfield Academy Trust for the year ended 31 August 2014, which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, Balance Sheet, Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Annual Accounts Direction 2013/14 issued by the Education Funding Agency.

This report is made solely to the charitable company's trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity's trustees 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 its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of governors and auditors

As explained more fully in the Statement of Trustees' Responsibilities (set out on page 15), the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2014 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice and the Annual Accounts Direction 2013 to 2014 published by the Education Funding Agency; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

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

Westfield Academy Trust

Independent Auditor's Report on the Financial Statements to the board of trustees of Westfield Academy Trust (continued)

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

.....
Mr Gary Salter (Senior Statutory Auditor)
For and on behalf of
Milsted Langdon LLP
Chartered Accountants and Statutory Auditors
Motivo House
Yeovil
BA20 2FG

12 December 2014

Westfield Academy Trust

Independent Reporting Accountant's Assurance Report on Regularity to Westfield Academy Trust and the Education Funding Agency

In accordance with the terms of our engagement letter dated 15 October 2014 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013 to 2014, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Westfield Academy Trust during the period 1 September 2013 to 31 August 2014 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Westfield Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of the Westfield Academy Trust funding agreement with the Secretary of State for Education dated 1 August 2011 and the Academies Financial Handbook extant from 1 September 2013, 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 2013 to 2014. 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 year 1 September 2013 to 31 August 2014 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 Annual Accounts Direction 2013 to 2014 published by the Education Funding Agency. 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 trust's income and expenditure.

Our work included identification and assessment of the design and operational effectiveness of the controls, policies and procedures that have been implemented to ensure compliance with the framework of authorities including high level financial control areas and areas assessed of presenting a high risk of impropriety. We undertook detailed testing, based on our assessment of risk of material irregularity, where such controls, policies and procedures apply to classes of transactions. This work was integrated with our audit on the financial statements to the extent evidence from the conduct of that audit supports the regularity conclusion.

Westfield Academy Trust

**Independent Reporting Accountant's Assurance Report on Regularity to Westfield
Academy Trust and the Education Funding Agency (continued)**

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 year 1 September 2013 to 31 August 2014 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

.....
For and on behalf of
Milsted Langdon LLP
Reporting Accountant
Motivo House
Yeovil
BA20 2FG

12 December 2014

Westfield Academy Trust

Statement of Financial Activities for the Year Ended 31 August 2014 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2014 £	Total 2013 £
Incoming resources						
<i>Incoming resources from generated funds:</i>						
Voluntary income	3	5,620	1,135	-	6,755	26,596
Activities for generating funds	4	275,108	35,367	-	310,475	329,950
Investment income	5	4,229	-	-	4,229	5,132
<i>Incoming resources from charitable activities:</i>						
Funding for the academy's educational operations	6	592	4,169,403	88,110	4,258,105	4,666,923
Total incoming resources		<u>285,549</u>	<u>4,205,905</u>	<u>88,110</u>	<u>4,579,564</u>	<u>5,028,601</u>
Resources expended						
<i>Cost of generating funds:</i>						
Costs of generating voluntary income	7	-	5,483	-	5,483	7,818
<i>Charitable activities:</i>						
Academy's educational operations	8	157,841	4,200,599	315,757	4,674,197	4,904,173
Governance costs	9	-	13,420	-	13,420	13,797
Total resources expended	7	<u>157,841</u>	<u>4,219,502</u>	<u>315,757</u>	<u>4,693,100</u>	<u>4,925,788</u>
Net incoming/(outgoing) resources before transfers		127,708	(13,597)	(227,647)	(113,536)	102,813
Gross transfers between funds		-	(170,587)	170,587	-	-
Net income/(expenditure) for the year		127,708	(184,184)	(57,060)	(113,536)	102,813
Other recognised gains and losses						
Actuarial gains/(losses) on defined benefit pension schemes	27	-	120,000	-	120,000	(90,000)
Net movement in funds		127,708	(64,184)	(57,060)	6,464	12,813

Westfield Academy Trust

Statement of Financial Activities for the Year Ended 31 August 2014 (Including Income and Expenditure Account and Statement of Total Recognised Gains and Losses) (continued)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2014 £	Total 2013 £
Reconciliation of funds						
Total funds brought forward at 1 September 2013	18	<u>284,186</u>	<u>(1,647,912)</u>	<u>10,082,841</u>	<u>8,719,115</u>	<u>8,706,302</u>
Funds carried forward at 31 August 2014	18	<u><u>411,894</u></u>	<u><u>(1,712,096)</u></u>	<u><u>10,025,781</u></u>	<u><u>8,725,579</u></u>	<u><u>8,719,115</u></u>

All of the Academy's activities derive from continuing operations during the above two financial periods.

A Statement of Total Recognised Gains and Losses is not required as all gains and losses are included in the Statement of Financial Activities.

Westfield Academy Trust

(Registration number: 07664348 (England and Wales)) Balance Sheet as at 31 August 2014

	Note	2014 £	2013 £
Fixed assets			
Tangible assets	13	10,025,781	10,082,841
Current assets			
Stocks	15	8,805	6,443
Debtors	16	210,846	87,711
Cash at bank and in hand		<u>541,804</u>	<u>565,197</u>
		761,455	659,351
Creditors: Amounts falling due within one year	17	<u>(258,657)</u>	<u>(270,077)</u>
Net current assets		<u>502,798</u>	<u>389,274</u>
Total assets less current liabilities		<u>10,528,579</u>	<u>10,472,115</u>
Net assets excluding pension liability		10,528,579	10,472,115
Pension scheme liability	27	<u>(1,803,000)</u>	<u>(1,753,000)</u>
Net assets including pension liability		<u><u>8,725,579</u></u>	<u><u>8,719,115</u></u>
Funds of the academy:			
Restricted funds			
Restricted general fund		90,904	105,088
Restricted fixed asset fund		10,025,781	10,082,841
Restricted pension reserve		<u>(1,803,000)</u>	<u>(1,753,000)</u>
		8,313,685	8,434,929
Unrestricted funds			
Unrestricted general fund		<u>411,894</u>	<u>284,186</u>
Total funds	18	<u><u>8,725,579</u></u>	<u><u>8,719,115</u></u>

The financial statements on pages 20 to 44 were approved by the trustees, and authorised for issue on 9 December 2014 and are signed on their behalf by:

.....
A Dyer
Governor and trustee

Westfield Academy Trust

Cash Flow Statement for the Year Ended 31 August 2014

	Note	2014 £	2013 £
Net cash inflow from operating activities	22	147,849	405,503
Returns on investments and servicing of finance	23	4,229	5,132
Capital expenditure and financial investment	24	<u>(175,471)</u>	<u>(317,936)</u>
(Decrease)/increase in cash in the year	25	<u>(23,393)</u>	<u>92,699</u>
Reconciliation of net cash flow to movement in net funds			
(Decrease)/increase in cash in the year		(23,393)	92,699
Net funds at 1 September 2013		<u>565,197</u>	<u>472,498</u>
Net funds at 31 August 2014		<u>541,804</u>	<u>565,197</u>

All of the cash flows are derived from continuing operations during the above two periods.

Westfield Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2014

1 Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction 2013 to 2014 issued by the Education Funding Agency and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

Going concern

The 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 company to continue as a going concern. The trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

Incoming resources

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

Grants receivable

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

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund.

Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

Donations

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

Other income

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

Donated services and gifts in kind

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

Westfield Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2014 (continued)

1 Accounting policies (continued)

Resources expended

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

All resources expended are inclusive of irrecoverable VAT.

Cost of generating funds

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

Charitable activities

These are costs incurred on the academy trust's educational operations.

Governance costs

These include the costs attributable to the academy trustees' compliance with constitutional and statutory requirements, including audit, strategic management and trustees' meetings and reimbursed expenses.

Tangible fixed assets

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy trust's depreciation policy. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset over its expected useful life, per the table below.

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

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

Asset class	Depreciation method and rate
Long leasehold buildings	2% straight line
Property improvements	2% straight line
Furniture and equipment	10% straight line
Computer equipment	25% straight line

Westfield Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2014 (continued)

1 Accounting policies (continued)

Leased assets

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

Stock

Unsold uniforms are valued at the lower of cost or net realisable value.

Taxation

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

Pension benefits

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

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

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

Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by 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/Department for Education.

Westfield Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2014 (continued)

2 General Annual Grant (GAG)

Under the funding agreement with the Secretary of State the academy trust was subject to limits at 31 August 2014 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

The academy trust has not exceeded these limits during the year ended 31 August 2014.

3 Voluntary income

	Unrestricted funds £	Restricted funds £	Total 2014 £	Total 2013 £
Donations	5,620	1,135	6,755	26,596

4 Activities for generating funds

	Unrestricted funds £	Restricted funds £	Total 2014 £	Total 2013 £
Lettings income	39,296	-	39,296	32,806
Fundraising	-	2,056	2,056	338
Catering income	71,290	792	72,082	64,205
Educational lecturing	51,397	-	51,397	50,812
Income for trips and activities	64,512	32,224	96,736	148,461
School shop sales	21,376	-	21,376	18,044
Other sales	27,237	295	27,532	15,284
	275,108	35,367	310,475	329,950

5 Investment income

	Unrestricted funds £	Total 2014 £	Total 2013 £
Investment income	4,229	4,229	5,132

Westfield Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2014 (continued)

6 Funding for academy's educational operations

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total 2014 £	Total 2013 £
DfE/EFA capital grants					
DfE capital grants	-	-	73,249	73,249	268,590
DfE/EFA revenue grants					
General annual grant (GAG)	-	3,945,273	-	3,945,273	4,074,816
Pupil premium	-	178,706	-	178,706	141,451
Other DfE/EFA grants	-	-	-	-	7,900
	<u>-</u>	<u>4,123,979</u>	<u>-</u>	<u>4,123,979</u>	<u>4,224,167</u>
Other government grants					
Individually assigned resources	-	42,197	-	42,197	149,352
Other capital grants	-	-	14,861	14,861	24,058
	<u>-</u>	<u>42,197</u>	<u>14,861</u>	<u>57,058</u>	<u>173,410</u>
Non-government grants and other income					
Other	<u>592</u>	<u>3,227</u>	<u>-</u>	<u>3,819</u>	<u>756</u>
Total grants	<u><u>592</u></u>	<u><u>4,169,403</u></u>	<u><u>88,110</u></u>	<u><u>4,258,105</u></u>	<u><u>4,666,923</u></u>

Westfield Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2014 (continued)

7 Resources expended

	Non pay expenditure			Total 2014 £	Total 2013 £
	Staff costs £	Premises £	Other costs £		
Costs of generating voluntary income	-	-	5,483	5,483	7,818
Academy's educational operations					
Direct costs	2,689,968	315,757	306,182	3,311,907	3,491,463
Allocated support costs	539,125	218,779	604,386	1,362,290	1,412,710
	<u>3,229,093</u>	<u>534,536</u>	<u>910,568</u>	<u>4,674,197</u>	<u>4,904,173</u>
Governance costs including allocated support costs	-	-	13,420	13,420	13,797
	<u>3,229,093</u>	<u>534,536</u>	<u>929,471</u>	<u>4,693,100</u>	<u>4,925,788</u>

Westfield Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2014 (continued)

7 Resources expended (continued)

Net incoming/outgoing resources for the year include:

	2014	2013
	£	£
Operating leases - plant and machinery	22,603	36,299
Fees payable to auditor - audit	8,250	8,000
Fees payable to auditor - other audit services	3,520	4,678
(Profit) / loss on disposal of tangible fixed assets	-	1,852

8 Charitable activities

	Total	Total
	2014	2013
	£	£
Direct costs - educational operations		
Teaching and educational support staff costs	2,689,968	2,839,968
FRS 17 pension costs less contributions payable	73,000	52,000
Depreciation	315,757	302,141
Educational supplies	51,663	65,104
School uniform costs	21,929	9,597
Examination fees	59,546	81,442
Staff development	12,815	28,363
Other professional costs	50,785	79,102
Other direct costs	36,444	31,894
(Profit) / loss on disposal of fixed assets	-	1,852
	3,311,907	3,491,463
Support costs - educational operations		
Support staff costs	539,125	534,532
FRS 17 service cost adjustment	97,000	88,000
Recruitment and support	10,276	8,967
Maintenance of premises and equipment	111,982	108,336
Security and transport	30,754	20,276
Cleaning	3,756	5,668
Rent and rates	38,223	37,409
Light and heat	68,574	70,912
Telephone	5,384	3,997
Insurance	40,090	43,354
Office costs	39,009	28,881
Hire of equipment	37,495	36,299
Catering	107,552	103,027
Computer equipment and materials	45,284	65,257
Bank interest and charges	625	415
Printing, postage and stationery	15,454	15,374

Westfield Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2014 (continued)

8 Charitable activities (continued)

	Total 2014 £	Total 2013 £
Trade subscriptions	31,594	23,150
Professional fees	53,056	63,160
Trips and activities	79,352	132,651
Other support costs	7,705	23,045
	1,362,290	1,412,710
	4,674,197	4,904,173

9 Governance costs

	Total 2014 £	Total 2013 £
Legal and professional fees	5,170	5,797
Auditors' remuneration		
Audit of financial statements	8,250	8,000
	13,420	13,797
	13,420	13,797

10 Staff costs

	2014 £	2013 £
Staff costs during the year were:		
Wages and salaries	2,652,610	2,775,089
Social security costs	182,413	194,761
Pension costs	383,718	393,562
Supply teacher costs	10,352	11,088
	3,229,093	3,374,500
	3,229,093	3,374,500

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

	2014 No	2013 No
Charitable Activities		
Teachers	44	50
Administration and support	42	41
Management	7	6
	93	97
	93	97

Westfield Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2014 (continued)

10 Staff costs (continued)

Higher paid staff

The number of employees whose emoluments exceeded £60,000 was:

	2014 No	2013 No
£60,001 - £70,000	2	1
£80,001 - £90,000	<u>1</u>	<u>1</u>

Three (2013 - Two) of the above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2014, employers pension contributions for these staff amounted to £27,518 (2013 - £18,612).

11 Trustees' remuneration and expenses

The principal and staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff 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 was as follows:

C Travers (staff trustee):	£15,000 - £20,000	(2013 - £0 - £5,000)
S Rollick (staff trustee):	£45,000 - £50,000	(2013 - £40,000 - £45,000)
M Bennett (staff trustee (resigned 1/6/2013)):	£Nil	(2013 - £10,000 - £15,000)
C Hunt (Principal and trustee):	£85,000 - £90,000	(2013 - £85,000 - £90,000)

During the year ended 31 August 2014, there were no travel and expenses reimbursed to trustees.

Other related party transactions involving the trustees are set out in note 28.

12 Trustees' and officers' insurance

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2014 was £2,566 (2013 - £2,373).

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

Westfield Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2014 (continued)

13 Tangible fixed assets

	Leasehold land and buildings £	Property improvements £	Furniture and equipment £	Computer equipment £	Total £
Cost					
At 1 September 2013	9,258,000	836,083	128,131	475,078	10,697,292
Additions	-	218,220	40,477	-	258,697
At 31 August 2014	<u>9,258,000</u>	<u>1,054,303</u>	<u>168,608</u>	<u>475,078</u>	<u>10,955,989</u>
Depreciation					
At 1 September 2013	331,327	17,741	22,214	243,169	614,451
Charge for the year	159,040	21,086	16,861	118,770	315,757
At 31 August 2014	<u>490,367</u>	<u>38,827</u>	<u>39,075</u>	<u>361,939</u>	<u>930,208</u>
Net book value					
At 31 August 2014	<u>8,767,633</u>	<u>1,015,476</u>	<u>129,533</u>	<u>113,139</u>	<u>10,025,781</u>
At 31 August 2013	<u>8,926,673</u>	<u>818,342</u>	<u>105,917</u>	<u>231,909</u>	<u>10,082,841</u>

14 Investments

The Academy has formed a limited by guarantee entity in the name of WA Community Enterprises Limited, a company incorporated in England and Wales. The principal activity of the company is Non-educational income.

The subsidiary was incorporated on 15 July 2014 and will begin trading on 1 September 2014. It was therefore dormant for the period of these accounts and no consolidated accounts are required.

15 Stock

	2014 £	2013 £
Stock	<u>8,805</u>	<u>6,443</u>

Westfield Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2014 (continued)

16 Debtors

	2014	2013
	£	£
Trade debtors	4,887	6,348
Prepayments and accrued income	158,290	37,061
VAT recoverable	47,669	44,302
	<u>210,846</u>	<u>87,711</u>

17 Creditors: amounts falling due within one year

	2014	2013
	£	£
Trade creditors	17,696	37,342
Other taxation and social security	54,507	60,998
Other creditors	4,442	9,526
Pension scheme creditor	49,811	49,500
Accruals	18,935	70,582
Deferred income	113,266	42,129
	<u>258,657</u>	<u>270,077</u>
		2014
		£
Deferred income at 1 September 2013		42,129
Resources deferred in the period		113,266
Amounts released from previous periods		(42,129)
		<u>113,266</u>
Deferred income at 31 August 2014		<u>113,266</u>

At the balance sheet date the academy was holding funds received in advance for student trips, individually assigned resources and rates.

Westfield Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2014 (continued)

18 Funds

	Balance at 1 September 2013 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2014 £
Restricted general funds					
General annual grant (GAG)	112,414	3,945,273	(3,788,870)	(175,471)	93,346
Pupil premium	-	178,706	(178,706)	-	-
Individually assigned resources	-	42,197	(42,197)	-	-
Transfer of loan from Local Authority	(7,326)	-	-	4,884	(2,442)
Other funds	-	39,729	(39,729)	-	-
	<u>105,088</u>	<u>4,205,905</u>	<u>(4,049,502)</u>	<u>(170,587)</u>	<u>90,904</u>
Restricted fixed asset funds					
Transfer from Local Authority on conversion	9,197,802	-	(278,290)	-	8,919,512
DfE/EFA capital grants	524,449	73,249	(11,954)	-	585,744
General annual grant (GAG)	360,590	14,861	(25,513)	170,587	520,525
	<u>10,082,841</u>	<u>88,110</u>	<u>(315,757)</u>	<u>170,587</u>	<u>10,025,781</u>
Restricted pension funds					
Pension reserve	<u>(1,753,000)</u>	<u>-</u>	<u>(170,000)</u>	<u>120,000</u>	<u>(1,803,000)</u>
Total restricted funds	8,434,929	4,294,015	(4,535,259)	120,000	8,313,685
Unrestricted funds					
Unrestricted general funds	<u>284,186</u>	<u>285,549</u>	<u>(157,841)</u>	<u>-</u>	<u>411,894</u>
Total funds	<u><u>8,719,115</u></u>	<u><u>4,579,564</u></u>	<u><u>(4,693,100)</u></u>	<u><u>120,000</u></u>	<u><u>8,725,579</u></u>

Westfield Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2014 (continued)

18 Funds (continued)

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

Restricted general funds

General annual grant (GAG) – Income from the EFA which is to be used for the normal running costs of the academy, including education and support costs.

Pupil premium – Income from the EFA which is to be used to address the current inequalities by ensuring that funding to tackle disadvantage reaches the pupils who need it most.

Over government grants – Represents other income received with restrictions.

Individually assigned resources – Funding received from the Local Authority to fund further support for students with additional needs.

Pension reserve – This represents the defined benefit pension scheme liability at 31 August 2014.

Restricted fixed asset funds

Transfers from Local Authority on conversion – This fund has been set up to recognise the tangible assets gifted to the academy upon conversion by the Local Authority which represents the school site inherited from the Local Authority including the leasehold land and buildings and all material items of plant and machinery included therein. Depreciation charged on those inherited assets is allocated to the fund.

DfE/EFA capital grants – This represents devolved capital grants received during the period.

Capital expenditure from GAG – This represents fixed assets which were funded from general GAG funding. Resources expended represents depreciation charges on these assets for the period ended 31 August 2014.

Transfer between funds - The gross transfers between funds amounts to £170,587 and relates to capital expenditure from GAG income.

Restricted pension funds

Pension reserve - This represents the defined benefit pension scheme liability at 31 August 2014.

Unrestricted funds

Unrestricted general funds - This represents income received that does not have restrictions.

Under the funding agreement with the Secretary of State, the academy trust was subject to a limit on the amount of GAG that it could carry forward at 31 August 2014. Note 2 discloses whether the limit was exceeded.

Westfield Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2014 (continued)

19 Analysis of net assets between funds

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	10,025,781	10,025,781
Current assets	411,894	349,561	-	761,455
Current liabilities	-	(258,657)	-	(258,657)
Pension scheme liability	-	(1,803,000)	-	(1,803,000)
Total net assets	411,894	(1,712,096)	10,025,781	8,725,579

20 Capital commitments

	2014 £	2013 £
Contracted for, but not provided in the financial statements	140,000	50,000

21 Financial commitments

Operating leases

At 31 August 2014 the academy trust had annual commitments under non-cancellable operating leases as follows:

Operating leases which expire:

	2014 £	2013 £
Land and buildings		
Within one year	13,998	21,323
Within two to five years	8,605	11,303
	22,603	32,626

Westfield Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2014 (continued)

22 Reconciliation of net (expenditure)/income to net cash inflow/(outflow) from operating activities

	2014	2013
	£	£
Net (expenditure)/income	(113,536)	102,813
Depreciation	315,757	302,141
Loss on disposal of tangible fixed assets	-	1,852
Capital grants from DfE and other capital income	(88,110)	(292,648)
Interest receivable	(4,229)	(5,132)
FRS 17 pension costs less contributions payable	73,000	52,000
FRS 17 service cost adjustment	97,000	88,000
(Increase)/decrease in stocks	(2,362)	3,129
(Increase)/decrease in debtors	(123,135)	82,327
(Decrease)/increase in creditors	(6,536)	71,021
	<u>147,849</u>	<u>405,503</u>
Net cash inflow from operating activities	<u>147,849</u>	<u>405,503</u>

23 Returns on investments and servicing of finance

	2014	2013
	£	£
Interest received	4,229	5,132
Net cash inflow from returns on investments and servicing of finance	<u>4,229</u>	<u>5,132</u>

24 Capital expenditure and financial investment

	2014	2013
	£	£
Purchase of tangible fixed assets	(258,697)	(605,915)
Sale of tangible fixed assets	-	215
Capital grants from DfE	88,110	292,648
Repayment of energy efficient loan	(4,884)	(4,884)
Net cash outflow from capital expenditure and financial investment	<u>(175,471)</u>	<u>(317,936)</u>

25 Analysis of changes in net funds

	At 1		At 31 August
	September	Cash flows	2014
	2013	£	£
	£	£	£
Cash at bank and in hand	<u>565,197</u>	<u>(23,393)</u>	<u>541,804</u>

Westfield Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2014 (continued)

26 Members' liability

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

27 Pension and similar obligations

The academy's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Somerset County Council Pension Fund. Both are defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2004 and of the LGPS 31 March 2013.

Contributions amounting to £49,811 (2013 - £49,500) were payable to the schemes at 31 August 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' Pensions Regulations (2010) and, from 1 April 2014, 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.

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

Valuation of the Teachers' Pension Scheme

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. 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 (currently 14.1%);
- total scheme liabilities for service to the effective date of £191,500 million, and notional assets of £176,600 million, giving a notional past service deficit of £14,900 million; and
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations.

Westfield Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2014 (continued)

27 Pension and similar obligations (continued)

The new employer contribution rate is applicable from 1 April 2015 and will be implemented for the TPS from September 2015. A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Teachers' Pension Scheme Changes

Lord Hutton made recommendations in 2011 about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation with trade unions and other representative bodies. In March 2012 the Department for Education published proposals for the design for a reformed TPS.

The key provisions of the reformed scheme include: a pension based on career average earnings; an accrual rate of 1/57th; and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Pension benefits built up before 1 April 2015 will be fully protected.

In addition, the proposed final agreement includes a Government commitment that those within 10 years of normal pension age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall up to three and a half years outside of the 10 year protection.

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases have been phased in since April 2012 on a 40:80:100% basis.

The Department for Education has continued to work closely with trade unions and other representatives bodies to develop the reformatted Teachers' Pension Scheme and regulations giving effect to it came into force on 1 April 2014. Communications are being rolled out and the reformatted scheme will commence on 1 April 2015.

Under the definitions set out in Financial Reporting Standard 17 (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The academy is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the academy has taken advantage of the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy has set out above the information available on the scheme.

Local government pension scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2014 was £194,000 (2013 - £196,000), of which employer's contributions totalled £141,000 (2013 - £144,000) and employees' contributions totalled £53,000 (2013 - £52,000). The agreed contribution rates for future years are 18.1 per cent for employers and average of 7.1 per cent for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of 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.

Westfield Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2014 (continued)

27 Pension and similar obligations (continued)

Principal actuarial assumptions

	At 31 August 2014	At 31 August 2013
	%	%
Rate of increase in salaries	4.50	5.10
Rate of increase for pensions in payment/inflation	2.70	2.90
Discount rate for scheme liabilities	4.00	4.70
Inflation assumptions (CPI)	2.70	2.90
RPI increases	3.50	3.70

Sensitivity analysis

A sensitivity analysis for the principal assumptions used to measure scheme liabilities is set out below:

	+ 0.1%	0.0%	- 0.1%
	£	£	£
Adjustment to discount rate			
Present value of total obligation	2,686,000	2,761,000	2,838,000
Projected service cost	230,000	236,000	243,000
	+ 0.1%	0.0%	- 0.1%
	£	£	£
Adjustment to rate of inflation			
Present value of total obligation	2,819,000	2,761,000	2,705,000
Projected service cost	243,000	236,000	230,000
	+ 0.1%	0.0%	- 0.1%
	£	£	£
Adjustment to rate of salary growth			
Present value of total obligation	2,781,000	2,761,000	2,741,000
Projected service cost	236,000	236,000	236,000
	+ 1 Year	None	- 1 Year
	£	£	£
Adjustment to mortality age rating assumption			
Present value of total obligation	2,669,000	2,761,000	2,854,000
Projected service cost	228,000	236,000	244,000

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

	At 31 August 2014	At 31 August 2013
Retiring today		
Males retiring today	23.60	20.10
Females retiring today	26.00	24.10
Retiring in 20 years		
Males retiring in 20 years	25.80	22.10
Females retiring in 20 years	28.30	26.00

The academy's share of the assets and liabilities in the scheme were:

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Notes to the Financial Statements for the Year Ended 31 August 2014 (continued)

27 Pension and similar obligations (continued)

	At 31 August 2014	At 31 August 2013
	£	£
Equities	673,000	668,000
Gilts	62,000	55,000
Other bonds	111,000	101,000
Property	93,000	73,000
Cash	19,000	18,000
	<u>958,000</u>	<u>915,000</u>
Total market value of assets	958,000	915,000
Present value of scheme liabilities - funded	<u>(2,761,000)</u>	<u>(2,668,000)</u>
Deficit in the scheme	<u>(1,803,000)</u>	<u>(1,753,000)</u>

The expected rates of return were:

	At 31 August 2014	At 31 August 2013
	%	%
Equities	6.70	6.50
Gilts	3.00	3.50
Other bonds	3.60	4.40
Property	5.90	5.50
Cash	<u>2.90</u>	<u>.50</u>

The expected return on assets is based on the long-term future expected investment return for each asset class at the beginning of the period. The returns on gilts and other bonds are assumed to be the gilt yield and corporate bond yield (with an adjustment to reflect the default risk) respectively at the relevant date. The returns on equities and property are then assumed to be a margin above gilt yields.

The actual return on scheme assets was £113,000 (2013 - £102,000).

Westfield Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2014 (continued)

27 Pension and similar obligations (continued)

Amounts recognised in the statement of financial activities

	2014 £	2013 £
Current service cost	97,000	88,000
Total operating charge	97,000	88,000

Analysis of pension finance income/(costs)

	2014 £	2013 £
Expected return on pension scheme assets	58,000	37,000
Interest on pension liabilities	(131,000)	(89,000)
Pension finance costs	(73,000)	(52,000)

The actuarial gains and losses for the current year are recognised in the statement of financial activities. The cumulative amount of actuarial gains and losses recognised in the statement of financial activities since the adoption of FRS 17 is a £773,000 loss (2013 - £893,000 loss).

Movements in the present value of defined benefit obligation

	2014 £	2013 £
At 1 September	2,668,000	2,143,000
Current service cost	238,000	232,000
Interest cost	131,000	89,000
Employee contributions	53,000	52,000
Actuarial (gains)/losses	(268,000)	154,000
Benefits paid	(61,000)	(2,000)
At 31 August	2,761,000	2,668,000

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

	2014 £	2013 £
At 1 September	915,000	620,000
Expected return on assets	58,000	37,000
Actuarial (losses)/gains	(148,000)	64,000
Employer contributions	141,000	144,000
Employee contributions	53,000	52,000
Benefits paid	(61,000)	(2,000)
At 31 August	958,000	915,000

The estimated value of employer contributions for next period is £158,000.

Westfield Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2014 (continued)

27 Pension and similar obligations (continued)

History of experience adjustments

Amounts for the current and previous 2 periods are as follows:

	2014	2013	2012
	£	£	£
Present value of scheme liabilities	(2,761,000)	(2,668,000)	(2,143,000)
Fair value of scheme assets	958,000	915,000	620,000
Deficit in the scheme	(1,803,000)	(1,753,000)	(1,523,000)
	2014	2013	2012
	£	£	£
Experience adjustments arising on scheme assets	(148,000)	64,000	9,000
Experience adjustments arising on scheme liabilities	509,000	-	-

28 Related party transactions

Owing to the nature of the academy's operations and the composition of the board of governors being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the board of governors may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy's financial regulations and normal procurement procedures.

During the year the academy made the following related party transactions:

A J Collier

(sole trader and husband of K Collier, key staff)

During the year the academy paid for the services of building work to A J Collier amounting to £7,883. The transactions were carried out at arms length and at commercial rates.

In entering into the transaction the academy has complied with the requirements of the EFA's Academies Financial Handbook. At the balance sheet date the amount due to A J Collier was £Nil (2013 - £Nil).