

WOODHAM ACADEMY
(A company limited by guarantee)

GOVERNORS' REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2013

WOODHAM ACADEMY
(A company limited by guarantee)

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS GOVERNORS AND ADVISERS
FOR THE PERIOD ENDED 31 AUGUST 2013**

Governors

S Barnett (appointed 1 September 2012)
A Cant (appointed 3 August 2012)
L Cox, Staff Governor (appointed 1 September 2012)
JS Denham (appointed 3 August 2012)¹
A Emmerson (appointed 3 August 2012)¹
C Forsyth, Headteacher and Accounting Officer (appointed 1 September 2012)¹
JJ French (appointed 3 August 2012)¹
M Iveson (appointed 1 September 2012)
AG Kellett (appointed 1 September 2012)
S King, Staff Governor (appointed 1 September 2012)
DG Knight (appointed 15 January 2013)¹
A Marshall (appointed 3 August 2012)¹
RW O'Brien (appointed 1 September 2012)
C Robinson, Chair of Governors (appointed 3 August 2012)¹
E Stephen (appointed 1 September 2012)
B Winwood (appointed 1 September 2012)
A Pluse (appointed 1 September 2012, resigned 6 September 2012)

¹ members of Finance and Resources Committee

Company registered number

08167333

Principal and registered office

Washington Crescent
Newton Aycliffe
County Durham
DL5 4AX

Company secretary

D Coates

Senior management team

C Forsyth, Headteacher
I Bickerdike, Deputy Headteacher
J Lumb, Deputy Headteacher
J Tait, Assistant Headteacher
T Taylor, Assistant Headteacher
D Morgans, Assistant Headteacher
S McTague, Special Educational Needs Co-Ordinator (SENCO)
D Coates, Business Manager

Independent auditors

Clive Owen & Co LLP
Chartered Accountants
Statutory Auditor
140 Coniscliffe Road
Darlington
Co Durham
DL3 7RT

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS GOVERNORS AND ADVISERS
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Advisers (continued)

Bankers

Lloyds TSB
102 Grey Street
Newcastle upon Tyne
NE99 1SL

Solicitors

BHP Law
Kingfisher House
2 Kingfisher Way
Preston Farm
Stockton on Tees
TS18 3EX

Ward Hadaway
Sandgate House
102 Quayside
Newcastle upon Tyne
NE1 3DX

WOODHAM ACADEMY
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GOVERNORS' REPORT
FOR THE PERIOD ENDED 31 AUGUST 2013

The Governors (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of Woodham Academy (the academy) for the period ended 31 August 2013. The Governors confirm that the Annual report and financial statements of the academy comply with the current statutory requirements, the requirements of the academy's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2005.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The academy is a charitable company limited by guarantee and was set up by a Memorandum of Association. The charitable company is known as Woodham Academy.

The academy was incorporated on 3 August 2012, and commenced trading on 1 September 2012.

Details of the Governors who served during the period 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.

Method of recruitment and appointment or election of Governors

The term of office for any Governor shall be 4 years, save that this time limit shall not apply to the Headteacher. Subject to remaining eligible to be a particular type of Governor, any Governor may be re-appointed or re-elected by the members.

Policies and procedures adopted for the induction and training of Governors

The training and induction provided for new Governors depends on their existing experience. Where necessary induction and training is provided on charity, educational, legal and financial matters. All new Governors are given a tour of the academy and the chance to meet with staff and students. All Governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Governors. As there are normally only one or two new Governors a year, induction tends to be done informally and is tailored specifically to the individual.

Organisational structure

During the period the academy continued to operate a unified management structure. The structure consists of four levels: the Members, the Governors, the Senior Leadership Team and the Middle Management Team. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

The Headteacher controls the academy at an executive level implementing the policies laid down by the Governors and reporting back to them. She is responsible for the authorisation of spending within agreed budgets and the appointment of staff up to Assistant Headship level. Some spending control is devolved to members of staff, with limits above which a member of the Senior Leadership Team must countersign.

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GOVERNORS' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2013

Organisational structure (continued)

The Senior Leadership Team includes the Headteacher, two Deputy Headteachers, three Assistant Headteachers, the Special Educational Needs Co-ordinator and the Business Manager. The Middle Management of the academy is centred around the Group of Heads of Department and Heads of Year. These managers are responsible for the day to day operation of the academy, in particular organising the teaching staff, facilities and students.

Connected organisations, including related party relationships

Woodham Academy is the lead school for the Durham School Centred Initial Teacher Training programme (SCITT). The SCITT is a consortia of local schools which design and deliver training within a school environment. The SCITT is government funded through the National College for School Leadership.

Risk management

The Governors have assessed the major risks to which the academy is exposed, in particular those related to the operations and finances of the academy, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks. The Governors have implemented a number of systems to assess risks that the school faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school visits) and in relation to the control of finance. Where significant financial risk still remains they have ensured they have adequate insurance cover. The academy has an effective system of internal financial controls and this is explained in more detail in the Governance Statement.

Governors' indemnities

The academy has purchased insurance to protect Governors from claims arising against negligent acts, errors or omissions occurring whilst on academy business. Further details are provided in note 12.

OBJECTIVES AND ACTIVITIES

Objects and aims

The principal object and activity of the charitable company is the operation of Woodham Academy to provide education for students of different abilities between the ages of 11 and 16.

In accordance with the Articles of Association the charitable company has adopted a "Scheme of Government" approved by the Secretary of State for Education. The Scheme of Government specifies, amongst other things, the basis for admitting students to the academy, the catchment area from which the students are drawn, and that the curriculum should comply with the substance of the national curriculum.

The main objectives of the academy during the period ended 31 August 2013 are summarised below:

- To raise achievement.
- To improve the quality of teaching.
- To improve behaviour and safety.
- To improve leadership and management.

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GOVERNORS' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2013

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Objectives, strategies and activities

The academy's main objectives are encompassed in its mission statement which is "Achievement for All". To this end the objectives and the strategies used to achieve them include:

- To raise achievement – departmental plans to accelerate students' progress at Key Stage 3 and Key Stage 4.
- To improve the quality of teaching - targeted professional development and the planned sharing of best practice.
- To improve behaviour and safety - open a Behaviour for Learning Centre to provide bespoke behaviour support to students. Reduce persistent absenteeism. Pupil Premium funding will again be used to support vulnerable students via the Learning Centre.
- To improve leadership and management - establish firm partnerships with other schools and stakeholders.

The activities undertaken to achieve these objectives are all intended to provide the highest quality of education in the public sector for students between the ages of 11 and 16.

Public benefit

The charity's aims and achievements are set out within this report. The activities set out in this report have been undertaken to further the charity's charitable purposes for the public benefit. The trustees have complied with the duty under Section 4 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charities Commission and the Governors have paid due regard to this guidance in deciding what activities the charity should undertake.

ACHIEVEMENTS AND PERFORMANCE

Review of activities

Achievement

Priorities for development

- 1.1 To raise achievement through Challenge Partners.
- 1.2 To increase proportion of students achieving 5 A*-C including English and Mathematics
- 1.3 To improve attainment and progress in Geography.
- 1.4 To improve attainment and progress in Drama.
- 1.5 To improve attainment and progress in Engineering.
- 1.6 To accelerate progress at KS3.
- 1.7 To increase the proportion of students exceeding the expected progress Key Stage 2-3 and 2-4.
- 1.8 To accelerate the progress of lower ability students in Mathematics.
- 1.9 To further narrow the gap between those eligible for pupil premium and those not.
- 2.0 To improve standards of reading and encourage students to read widely across all subjects.

WOODHAM ACADEMY
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GOVERNORS' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2013

ACHIEVEMENTS AND PERFORMANCE (continued)

Review of activities (continued)

The quality of teaching

Priorities for development

- 2.1 To improve standards of reading and encourage students to read widely across all subjects.
- 2.2 To embed teaching of numeracy across the curriculum.
- 2.3 To develop students' digital literacy across the curriculum.
- 2.4 To improve feedback to students.
- 2.5 To strengthen effectiveness of homework.
- 2.6 Develop pedagogy to create a culture of learning throughout the teaching staff.
- 2.7 To share best teaching practice amongst the staff.
- 2.8 To strengthen Woodham Learning.
- 2.9 To deliver a teacher coaching programme to raise the standards of teaching further.
- 2.10 To develop a highly personalised teacher education programme.
- 2.11 To become a recognised local hub for teacher professional development.
- 2.12 To communicate student success and outstanding learning to our major stakeholders.
- 2.13 Develop a 'global classroom' approach to teaching using Skype.
- 2.14 Develop 'digital classrooms' at Woodham using the most innovative teaching resources.
- 2.15 Develop 'creative learning spaces' in classrooms.
- 2.16 Strengthen the effectiveness of 'Specialist Days'.
- 2.17 Embed systems to monitor quality of teaching.

Behaviour and safety

Priorities for development

- 3.1 Increase effectiveness of House System in improving behaviour and engagement.
- 3.2 To reduce exclusions to national average through more effective early intervention.
- 3.3 To provide best support to vulnerable students.
- 3.4 Improve quality of CEIAG.
- 3.5 To develop a Learning Support Centre providing a safe, structured, learning environment for students with either learning or social, emotional and behavioural difficulties to achieve academic success by addressing individual needs and to narrow the gap between disadvantaged and more affluent learners.
- 3.6 To improve lunchtime experience.
- 3.7 To improve attendance.
- 3.8 To improve control of bullying

Leadership and management

Priorities for development

- 4.1 To strengthen recruitment.
- 4.2 To strengthen primary links.
- 4.3 To develop customer service.
- 4.4 To provide CPD to support development plan.
- 4.5 To refurbish and develop facilities.
- 4.6 To deliver community links.
- 4.7 To develop business links.
- 4.8 Development of Sports Academy – improving opportunity and provision for our students.
- 4.9 To develop partnerships as an independent academy.

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GOVERNORS' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2013

FINANCIAL REVIEW

Financial and risk management objectives and policies

The academy is subject to a number of risks and uncertainties in common with other academies. The academy has in place procedures to identify and mitigate financial risks. These are discussed further in the Risk Management section of this report, and in the Governance Statement.

Principal risks and uncertainties

The principal risks and uncertainties are centred around changes in the level of funding from the DfE/EFA. In addition the academy is a member of the Local Government Pension Scheme (LGPS), which results in the recognition of a significant deficit on the academy balance sheet.

Reserves policy

The Governors review the reserve levels of the academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Governors have determined that the appropriate level of free reserves should be determined by a risk assessment based on the annual review. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance. Based on this assessment the Governors have determined that the appropriate level of free reserves should be £300,000. The academy's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) are in surplus by £495,000 (see note 18).

Principal funding

Most of the academy's income is obtained from the Department for Education (DfE) via the Education Funding Agency (EFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE/EFA during the period ended 31 August 2013 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The academy also receives grants for fixed assets from the DfE/EFA. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2005), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

During the period ended 31 August 2013, total expenditure of £6,080,000 was in excess of recurrent grant funding from the DfE/EFA together with other incoming resources. The excess of expenditure over income for the period (before transfers and actuarial gains, and excluding restricted fixed asset funds) was £244,000.

All of the expenditure shown in the Statement of Financial Activities is in furtherance of the academy's objectives.

At 31 August 2013 the net book value of fixed assets was £7,169,000 and movements in tangible fixed assets are shown in note 13 to the Financial Statements. The assets were used exclusively for providing education and the associated support services to the students of the academy.

The provisions of Financial Reporting Standard No. 17 'Retirement Benefits' (FRS 17) have been applied in full, resulting in a deficit of £1,070,000 recognised on the balance sheet.

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GOVERNORS' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2013

FINANCIAL REVIEW (continued)

The academy held fund balances at 31 August 2013 of £6,800,000 comprising £6,305,000 of restricted funds and £495,000 of unrestricted funds.

Going concern

After making appropriate enquiries, the Board of Governors has a reasonable expectation that the academy 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 Accounting Policies.

PLANS FOR THE FUTURE

Future developments

Review of effectiveness/strategic

Priorities for development

- 1.1 To raise achievement through Challenge Partners.
- 1.2 To increase proportion of students achieving 5 A*-C including English and Mathematics
- 1.3 To improve attainment and progress in Geography.
- 1.4 To improve attainment and progress in Drama.
- 1.5 To improve attainment and progress in Engineering.
- 1.6 To accelerate progress at KS3.
- 1.7 To increase the proportion of students exceeding the expected progress Key Stage 2-3 and 2-4.
- 1.8 To accelerate the progress of lower ability students in mathematics.
- 1.9 To close the gap between those eligible for pupil premium and those not.
- 2.0 To improve standards of reading and encourage students to read widely across all subjects.

The quality of teaching

Priorities for development

- 2.1 To improve standards of reading and encourage students to read widely across all subjects
- 2.2 To embed teaching of numeracy across the curriculum
- 2.3 To develop students' digital literacy across the curriculum
- 2.4 To improve feedback to students
- 2.5 To strengthen effectiveness of homework
- 2.6 Develop pedagogy to create a culture of learning throughout the teaching staff
- 2.7 To share best teaching practice amongst the staff
- 2.8 To strengthen Woodham Learning
- 2.9 To deliver a teacher coaching programme to raise the standards of teaching further
- 2.10 To develop a highly personalised teacher education programme
- 2.11 To become a recognised local hub for teacher professional development
- 2.12 To communicate student success and outstanding learning to our major stakeholders
- 2.13 Develop a 'global classroom' approach to teaching using Skype
- 2.14 Develop 'digital classrooms' at Woodham using the most innovative teaching resources
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- 2.16 Strengthen the effectiveness of 'Specialist Days'
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GOVERNORS' REPORT (continued)
FOR THE PERIOD ENDED 31 AUGUST 2013

PLANS FOR THE FUTURE (continued)

Future developments (continued)

Behaviour and safety

Priorities for development

- 3.1 Increase effectiveness of House System in improving behaviour and engagement
- 3.2 To reduce exclusions to national average through more effective early intervention.
- 3.3 To provide best support to vulnerable students.
- 3.4 Improve quality of CEIAG.
- 3.5 To develop a Learning Support Centre providing a safe, structured, learning environment for students with either learning or social, emotional and behavioural difficulties to achieve academic success by addressing individual needs and to narrow the gap between disadvantaged and more affluent learners.
- 3.6 To improve lunchtime experience.
- 3.7 To improve attendance.
- 3.8 To improve control of bullying

Quality of leadership and management

Priorities for development

- 4.1 To strengthen recruitment.
- 4.2 To strengthen primary links
- 4.3 To develop customer service.
- 4.4 To provide CPD to support development plan.

Disclosure of information to auditors

Each of the persons who are Governors at the time when this Governors' report is approved has confirmed that:

- so far as that Governor is aware, there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Governor has taken all the steps that ought to have been taken as a Governor in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

This report was approved by order of the Board of Governors on 26 November 2013 and signed on its behalf by:

C Robinson
Chair of Governors

WOODHAM ACADEMY
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GOVERNANCE STATEMENT

Scope of Responsibility

As Governors, we acknowledge we have overall responsibility for ensuring that Woodham 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 Governors 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 Woodham Academy and the Secretary of State for Education. They are also responsible for reporting to the Board of Governors any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Governors' report and in the Governors' responsibilities statement. The Board of Governors has formally met 3 times during the period. Attendance during the period at meetings of the Board of Governors was as follows:

Governor	Meetings attended	Out of a possible
S Barnett	1	3
A Cant	2	3
L Cox, Staff Governor	3	3
JS Denham	2	3
A Emmerson	1	3
C Forsyth, Headteacher and Accounting Officer	3	3
JJ French	2	3
M Iveson	1	3
AG Kellett	1	3
S King, Staff Governor	2	3
DG Knight	2	2
A Marshall	2	3
RW O'Brien	0	3
C Robinson, Chair of Governors	1	3
E Stephen	3	3
B Winwood	3	3
A Pluse	0	0

The Finance and Resources Committee is a sub-committee of the main Board of Governors. Its purpose is to assume responsibility for the proper stewardship of funds and for ensuring economy, efficiency and effectiveness in their use. During the period DG Knight, who is a financial advisor, joined the committee.

Attendance at meetings in the period was as follows:

Governor	Meetings attended	Out of a possible
JS Denham	5	6
A Emmerson	5	6
C Forsyth, Headteacher and Accounting Officer	6	6
JJ French	4	6
DG Knight	4	4
A Marshall	5	6
C Robinson, Chair of Governors	2	6

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GOVERNANCE STATEMENT (continued)

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 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 Woodham Academy for the period 3 August 2012 to 31 August 2013 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Board of Governors has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Governors is 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 3 August 2012 to 31 August 2013 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Governors.

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 Governors;
- regular reviews by the Finance and Resources 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 Governors has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Governors have appointed Clive Owen & Co LLP, the external auditors, to perform additional checks.

The auditors' role includes giving advice on financial matters and performing a range of checks on the academy's financial systems. On a termly basis, the auditors report to the Board of Governors on the operation of the systems of control and on the discharge of the Board of Governors' financial responsibilities.

The external auditors have delivered their schedule of work as planned and no material control issues have arisen as a result of their work.

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GOVERNANCE STATEMENT (continued)

Review of Effectiveness

As Accounting Officer, the Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the period in question the review has been informed by:

- the work of the external auditors;
- 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 Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance and Resources 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 Governors on 26 November 2013 and signed on their behalf, by:

C Robinson
Chair of Governors

C Forsyth
Accounting Officer

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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Woodham Academy I have considered my responsibility to notify the academy Board of Governors 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 and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook (2012).

I confirm that I and the academy Board of Governors 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 (2012).

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

C Forsyth
Accounting Officer
26 November 2013

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GOVERNORS' RESPONSIBILITIES STATEMENT
FOR THE PERIOD ENDED 31 AUGUST 2013

The Governors (who act as governors of Woodham Academy and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Governors' report and the financial statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Governors are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the DfE/EFA have been applied for the purposes intended.

The Governors are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the Board of Governors on 26 November 2013 and signed on its behalf by:

C Robinson
Chair of Governors

WOODHAM ACADEMY
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WOODHAM ACADEMY

We have audited the financial statements of Woodham Academy for the period ended 31 August 2013 which comprise the Statement of financial activities, the Balance sheet, the Cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2013 issued by the Education Funding Agency.

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

Respective responsibilities of Governors and auditors

As explained more fully in the Governors' responsibilities statement, the Governors (who are also the directors of the academy 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 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 academy's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Governors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Governors' report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

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

Opinion on other matter prescribed by the Companies Act 2006

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

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WOODHAM ACADEMY

Matters on which we are required to report by exception

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

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

Christopher Beaumont BA(Hons) FCA DChA (Senior statutory auditor)

for and on behalf of

Clive Owen & Co LLP

Chartered Accountants
Statutory Auditor

140 Coniscliffe Road
Darlington
Co Durham
DL3 7RT
26 November 2013

WOODHAM ACADEMY
(A company limited by guarantee)

**INDEPENDENT REPORTING AUDITORS' ASSURANCE REPORT ON REGULARITY TO WOODHAM
ACADEMY AND THE EDUCATION FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 19 September 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2013, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Woodham Academy during the period 3 August 2012 to 31 August 2013 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 Woodham Academy and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Woodham Academy and the 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 Woodham Academy and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Woodham Academy's accounting officer and the reporting auditors

The accounting officer is responsible, under the requirements of Woodham Academy's funding agreement with the Secretary of State for Education dated 4 September 2012, and the Academies Financial Handbook extant from 2006, 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. 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 3 August 2012 to 31 August 2013 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 2013 issued by the EFA. 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.

WOODHAM ACADEMY
(A company limited by guarantee)

**INDEPENDENT REPORTING AUDITORS' ASSURANCE REPORT ON REGULARITY TO WOODHAM
ACADEMY 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 period 3 August 2012 to 31 August 2013 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Christopher Beaumont BA(Hons) FCA DChA (Senior statutory auditor)

for and on behalf of

Clive Owen & Co LLP

Chartered Accountants
Statutory Auditor

140 Coniscliffe Road
Darlington
Co Durham
DL3 7RT

WOODHAM ACADEMY
(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES
(incorporating income and expenditure account and statement of recognised gains and losses)
FOR THE PERIOD ENDED 31 AUGUST 2013

	Note	Unrestricted funds 2013 £000	Restricted funds 2013 £000	Restricted fixed asset funds 2013 £000	Total funds 2013 £000
INCOMING RESOURCES					
Incoming resources from generated funds:					
Transfer from Local Authority on conversion	2	437	-	7,871	8,308
Other voluntary income	2	2	-	-	2
Activities for generating funds	3	255	-	-	255
Investment income	4	2	-	-	2
Incoming resources from charitable activities	5	-	4,438	7	4,445
TOTAL INCOMING RESOURCES		696	4,438	7,878	13,012
RESOURCES EXPENDED					
Charitable activities	8	201	4,209	702	5,112
Governance costs	6	-	43	-	43
Other resources expended	7	-	925	-	925
TOTAL RESOURCES EXPENDED		201	5,177	702	6,080
NET INCOMING RESOURCES / (RESOURCES EXPENDED) BEFORE REVALUATIONS		495	(739)	7,176	6,932
Actuarial gains and losses on defined benefit pension schemes	23	-	(132)	-	(132)
NET MOVEMENT IN FUNDS FOR THE YEAR		495	(871)	7,176	6,800
Total funds at 3 August 2012		-	-	-	-
TOTAL FUNDS AT 31 AUGUST 2013	17	495	(871)	7,176	6,800

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

The Statement of Financial Activities includes all gains and losses recognised in the period.

The notes on pages 22 to 40 form part of these financial statements.

WOODHAM ACADEMY
(A company limited by guarantee)
REGISTERED NUMBER: 08167333

BALANCE SHEET
AS AT 31 AUGUST 2013

	Note	£000	2013 £000
FIXED ASSETS			
Tangible assets	13		7,169
CURRENT ASSETS			
Stocks	14	4	
Debtors	15	86	
Cash at bank and in hand		942	
		1,032	
CREDITORS: amounts falling due within one year	16	(331)	
		701	
NET CURRENT ASSETS			701
TOTAL ASSETS LESS CURRENT LIABILITIES			7,870
Defined benefit pension scheme liability	23		(1,070)
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			6,800
FUNDS OF THE ACADEMY			
Restricted funds:			
Restricted funds	17	199	
Restricted fixed asset funds	17	7,176	
		7,375	
Restricted funds excluding pension liability		7,375	
Pension reserve		(1,070)	
		6,305	
Total restricted funds			6,305
Unrestricted funds	17		495
TOTAL FUNDS			6,800

The financial statements were approved by the Governors, and authorised for issue, on 26 November 2013 and are signed on their behalf, by:

C Robinson
Chair of Governors

The notes on pages 22 to 40 form part of these financial statements.

WOODHAM ACADEMY
(A company limited by guarantee)

CASH FLOW STATEMENT
FOR THE PERIOD ENDED 31 AUGUST 2013

	Note	2013 £000
Net cash flow from operating activities	19	486
Returns on investments and servicing of finance	20	2
Capital expenditure and financial investment	20	17
Cash transferred on conversion to an academy trust	22	437
INCREASE IN CASH IN THE PERIOD		942

All of the cash flows are derived from acquisitions in the current financial period.

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
FOR THE PERIOD ENDED 31 AUGUST 2013

	2013 £000
Increase in cash in the period	942
MOVEMENT IN NET FUNDS IN THE PERIOD	942
NET FUNDS AT 31 AUGUST 2013	942

The notes on pages 22 to 40 form part of these financial statements.

WOODHAM ACADEMY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2013

1. ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention, with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Statement of Recommended Practice (SORP), 'Accounting and Reporting by Charities' published in March 2005, the Academies Accounts Direction 2013 issued by the EFA, applicable accounting standards and the Companies Act 2006.

1.2 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 Governors.

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

Restricted general funds comprise all other restricted funds received and include grants from the Department for Education.

Investment income, gains and losses are allocated to the appropriate fund.

WOODHAM ACADEMY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2013

1. ACCOUNTING POLICIES (continued)

1.3 INCOMING RESOURCES

All incoming resources are included in the Statement of financial activities when the academy has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability. For legacies, entitlement is the earlier of the academy being notified of an impending distribution or the legacy being received.

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.

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 is certainty of receipt and it is measurable.

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.

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

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

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

1.4 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.

Charitable activities are costs incurred in the academy's educational operations.

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

All resources expended are inclusive of irrecoverable VAT.

WOODHAM ACADEMY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2013

1. ACCOUNTING POLICIES (continued)

1.5 GOING CONCERN

The Governors assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the academy to continue as a going concern. The Governors make this assessment in respect of a period of one year from the date of approval of the financial statements.

1.6 TANGIBLE FIXED ASSETS AND DEPRECIATION

All assets costing more than £1,000 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 are 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.

Tangible fixed assets are stated at cost less depreciation. Depreciation is not charged on freehold land. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost of those assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold land	-	none provided
Freehold property	-	over 10 years
Computer equipment	-	over 3 years

1.7 STOCKS

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.8 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.

WOODHAM ACADEMY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2013

1. ACCOUNTING POLICIES (continued)

1.9 PENSIONS

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 quinquennial valuations using a prospective benefit method. As stated in note 23, the TPS is a multi-employer scheme and the academy 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 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 the 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 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.

1.10 CONVERSION TO AN ACADEMY TRUST

The conversion from a state maintained school to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the school for £NIL consideration and has been accounted for under the acquisition accounting method.

The assets and liabilities transferred on conversion from Woodham Community Technology College to an academy trust have been valued at their fair value, being a reasonable estimate of the current market value that the Governors would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for Woodham Academy. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in the Statement of financial activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Land and buildings have been included at £7,848,000 based on a review by an independent valuer. Computer equipment with depreciated values of £23,000 were transferred on conversion and are included in tangible fixed assets.

School fund balances totalling £437,000 have been included within voluntary income.

A pension deficit of £925,000 as at 1 September 2012 has been transferred from the Local Authority and is included within other resources expended.

Further details of the transaction are set out in note 22.

WOODHAM ACADEMY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2013**

2. VOLUNTARY INCOME

	Unrestricted funds 2013 £000	Restricted funds 2013 £000	Total funds 2013 £000
Transfer from Local Authority on conversion	437	7,871	8,308
	<hr/>	<hr/>	<hr/>
Donations	2	-	2
	<hr/>	<hr/>	<hr/>
Voluntary income	<u>439</u>	<u>7,871</u>	<u>8,310</u>

3. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds 2013 £000	Restricted funds 2013 £000	Total funds 2013 £000
Sundry income	46	-	46
Lettings	6	-	6
Uniform	3	-	3
School trips	75	-	75
Catering	123	-	123
School fund	2	-	2
	<hr/>	<hr/>	<hr/>
	<u>255</u>	<u>-</u>	<u>255</u>

4. INVESTMENT INCOME

	Unrestricted funds 2013 £000	Restricted funds 2013 £000	Total funds 2013 £000
Bank interest	2	-	2
	<hr/>	<hr/>	<hr/>
	<u>2</u>	<u>-</u>	<u>2</u>

WOODHAM ACADEMY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2013**

5. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2013 £000	Restricted funds 2013 £000	Total funds 2013 £000
DfE/EFA grants			
Devolved Formula Capital	-	7	7
General Annual Grant (GAG)	-	4,060	4,060
Pupil Premium	-	288	288
Academy Conversion Grant	-	25	25
Other DfE/EFA Grants	-	1	1
PE Teacher Grant	-	3	3
	<u>-</u>	<u>4,384</u>	<u>4,384</u>
Other Government Grants			
Other Government Grants	-	61	61
	<u>-</u>	<u>61</u>	<u>61</u>
	<u>-</u>	<u>4,445</u>	<u>4,445</u>

6. GOVERNANCE COSTS

	Unrestricted funds 2013 £000	Restricted funds 2013 £000	Total funds 2013 £000
Governance Auditors' remuneration	-	8	8
Governance Auditors' non audit costs	-	7	7
Legal and professional	-	26	26
Consultancy	-	2	2
	<u>-</u>	<u>43</u>	<u>43</u>

7. OTHER RESOURCES EXPENDED

	Unrestricted funds 2013 £000	Restricted funds 2013 £000	Total funds 2013 £000
Transfer from Local Authority on conversion	-	925	925
	<u>-</u>	<u>925</u>	<u>925</u>

WOODHAM ACADEMY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2013**

8. CHARITABLE ACTIVITIES - ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2013 £000	Restricted funds 2013 £000	Total funds 2013 £000
DIRECT COSTS			
Wages and salaries	-	2,333	2,333
National insurance	-	186	186
Pension cost	-	322	322
Educational supplies	-	182	182
Examination fees	-	64	64
Educational consultancy	-	5	5
Other direct costs	-	79	79
Transport	-	5	5
	<hr/>	<hr/>	<hr/>
	-	3,176	3,176
	<hr/>	<hr/>	<hr/>
SUPPORT COSTS			
Wages and salaries	35	465	500
National insurance	-	22	22
Pension cost	-	54	54
Depreciation	-	702	702
Net interest cost on pension scheme	-	35	35
Staff development	-	18	18
Technology costs	-	62	62
Travel and subsistence	-	1	1
Recruitment and support	-	8	8
Maintenance of premises and equipment	-	121	121
Cleaning	-	8	8
Rates	-	53	53
Energy	-	108	108
Insurance	-	30	30
Transport	12	22	34
Catering	91	-	91
Occupancy costs	-	9	9
Other support costs	63	17	80
	<hr/>	<hr/>	<hr/>
	201	1,735	1,936
	<hr/>	<hr/>	<hr/>
	201	4,911	5,112
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

9. NET INCOMING RESOURCES / (RESOURCES EXPENDED)

This is stated after charging:

	2013 £000
Depreciation of tangible fixed assets:	
- owned by the charity	702
Auditors' remuneration	8
	<hr/> <hr/>

WOODHAM ACADEMY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2013**

10. STAFF COSTS

Staff costs were as follows:

	2013 £000
Wages and salaries	2,813
Social security costs	208
Other pension costs (Note 23)	376
	3,397
Supply teacher costs	20
	3,417

Other pension costs is reduced by £22,000 recognised in the Statement of Financial Activities in respect of movements in the LGPS deficit as described in note 23.

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

	2013 No.
Teachers	46
Administration and support	42
Management	8
	96
	96

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

	2013 No.
In the band £80,001 - £90,000	1
	1

The above employee participated in the Teachers' Pension Scheme. During the period ended 31 August 2013, pension contributions for this staff member amounted to £12,000.

WOODHAM ACADEMY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2013**

11. GOVERNORS' REMUNERATION AND EXPENSES

The Headteacher and other staff Governors only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff, and not in respect of their services as Governors. Other Governors did not receive any payments, other than expenses, from the academy in respect of their role as Governors. The value of Governors' remuneration, made up of gross salary plus pension contributions, fell within the following bands:

	2013
	£000
C Forsyth, Headteacher and Accounting Officer	90-95
L Cox, Staff Governor	30-35
S King, Staff Governor	40-45

During the period, no Governors received any benefits in kind.
During the period, no Governors received any reimbursement of expenses.

12. GOVERNORS' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £1,000,000 on any one claim and the cost for the period ended 31 August 2013 was £392.

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

13. TANGIBLE FIXED ASSETS

	Freehold property £000	Computer equipment £000	Total £000
COST			
Transfer on conversion	7,848	23	7,871
	7,848	23	7,871
At 31 August 2013			
DEPRECIATION			
Charge for the period	695	7	702
	695	7	702
At 31 August 2013			
NET BOOK VALUE			
At 31 August 2013	7,153	16	7,169

Included in freehold property is freehold land at valuation of £900,000 which is not depreciated.

WOODHAM ACADEMY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2013**

14. STOCKS

	2013 £000
Finished goods and goods for resale	4
	<u>4</u>

15. DEBTORS

	2013 £000
VAT recoverable	32
Prepayments and accrued income	54
	<u>86</u>

**16. CREDITORS:
AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2013 £000
Trade creditors	17
Other taxation and social security	63
Other creditors	163
Accruals and deferred income	88
	<u>331</u>

	£000
DEFERRED INCOME	
Resources deferred during the year	47
	<u>47</u>

Deferred income relates to grants received which straddle the academic year end.

17. STATEMENT OF FUNDS

	Brought Forward £000	Incoming resources £000	Resources Expended £000	Gains/ (Losses) £000	Carried Forward £000
DESIGNATED FUNDS					
Equal Pay Settlement	-	120	(3)	-	117
	<u>-</u>	<u>120</u>	<u>(3)</u>	<u>-</u>	<u>117</u>
GENERAL FUNDS					
Unrestricted general funds	-	576	(198)	-	378
Total Unrestricted funds	<u>-</u>	<u>696</u>	<u>(201)</u>	<u>-</u>	<u>495</u>

WOODHAM ACADEMY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2013**

17. STATEMENT OF FUNDS (continued)

RESTRICTED FUNDS

General Annual Grant (GAG)	-	4,060	(3,906)	-	154
Pupil Premium	-	288	(248)	-	40
Academy Conversion Grant	-	25	(25)	-	-
Other DfE/EFA Grants	-	4	(4)	-	-
Other Government Grants	-	61	(56)	-	5
Pension reserve	-	-	(938)	(132)	(1,070)
	-	4,438	(5,177)	(132)	(871)

RESTRICTED FIXED ASSET FUNDS

Legacy assets	-	7,871	(702)	-	7,169
Devolved Formula Capital	-	7	-	-	7
	-	7,878	(702)	-	7,176
Total restricted funds	-	12,316	(5,879)	(132)	6,305
Total of funds	-	13,012	(6,080)	(132)	6,800

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

General Annual Grant (GAG) must be used for the normal running costs of the academy including salaries and related costs, overheads, repairs and maintenance and insurance. The carry forward available for future use is £154,000.

Pupil Premium is additional funding to be spent as the school sees fit to support deprived students.

Other DfE/EFA grants includes specific grants toward PE Teacher costs and a WGA consolidation exercise for March 2013.

Other Government Grants are received from Durham County Council to cover Golden Hello payments, ILS and COL.

The pension reserve is the liability due to the deficit on the Local Government Pension Scheme. Further details are shown in note 23.

The restricted fixed asset funds represent monies received to purchase fixed assets. Depreciation is charged against each fund over the useful life of the associated assets.

Unrestricted funds include the income from school trips and catering, as well as other sundry income, with relevant costs allocated accordingly.

Under the funding agreement with the Secretary of State, the academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2013.

WOODHAM ACADEMY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2013**

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2013 £000	Restricted funds 2013 £000	Restricted fixed asset funds 2013 £000	Total funds 2013 £000
Tangible fixed assets	-	-	7,169	7,169
Current assets	495	530	7	1,032
Creditors due within one year	-	(331)	-	(331)
Provisions for liabilities and charges	-	(1,070)	-	(1,070)
	495	(871)	7,176	6,800
	495	(871)	7,176	6,800

19. NET CASH FLOW FROM OPERATING ACTIVITIES

	2013 £000
Net incoming resources before revaluations	6,932
Returns on investments and servicing of finance	(2)
Cash inherited on conversion	(437)
Assets inherited on conversion	(7,871)
Depreciation of tangible fixed assets	702
Capital grants from DfE	(17)
Increase in stocks	(4)
Increase in debtors	(86)
Increase in creditors	331
Pension deficit inherited on conversion	925
FRS 17 adjustments	13
NET CASH INFLOW FROM OPERATIONS	486

20. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN CASH FLOW STATEMENT

	2013 £000
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	
Interest received	2
	2013 £000
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	
Capital grants from DfE	17

WOODHAM ACADEMY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2013

21. ANALYSIS OF CHANGES IN NET FUNDS

	3 August 2012 £000	Cash flow £000	Other non-cash changes £000	31 August 2013 £000
Cash at bank and in hand:	-	942	-	942
NET FUNDS	-	942	-	942

WOODHAM ACADEMY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 AUGUST 2013**

22. CONVERSION TO AN ACADEMY TRUST

On 1 September 2012 Woodham Community Technology College converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Woodham Academy from Durham County Council for £NIL consideration.

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the Balance sheet under the appropriate headings with a corresponding net amount recognised in the Statement of financial activities as voluntary income.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of financial activities.

	Unrestricted funds £000	Restricted funds £000	Restricted fixed asset funds £000	Total funds £000
Tangible fixed assets				
- Freehold land and buildings	-	-	7,848	7,848
- Other tangible fixed assets	-	-	23	23
Budget surplus/(deficit) on LA funds	389	-	-	389
Budget surplus/(deficit) on other school funds	48	-	-	48
LGPS pension surplus/(deficit)	-	(925)	-	(925)
Net assets/(liabilities)	<u>437</u>	<u>(925)</u>	<u>7,871</u>	<u>7,383</u>

The above net assets include £437,000 that were transferred as cash.

23. PENSION COMMITMENTS

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

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

Contributions amounting to £49,000 were payable to the scheme at 31 August 2013 and are included within creditors.

Teachers' Pension Scheme

The TPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August 2013 was £439,000, of which employer's contributions totalled £264,000 and employees' contributions totalled £175,000. The agreed contribution rates for future years are 14.1% for employers and 6.4 - 11.2% for employees.

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010). These regulations apply to teachers in schools that are maintained by local authorities and other educational establishments, including academies, in England and Wales. In addition teachers in many independent and voluntary-aided schools and teachers and

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23. PENSION COMMITMENTS (continued)

lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and from 1 January 2007 automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and are paid by public funds provided by Parliament. 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 under arrangements governed by the above Act.

The Teachers' Pensions Regulations require an annual account, the Teachers' Pension Budgeting and Valuation 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

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

The last valuation of the TPS related to the period 1 April 2001 to 31 March 2004. The Government Actuary's report of October 2006 revealed that the total liabilities of the Scheme (pensions in payment and the estimated cost of future benefits) amounted to £166,500 million. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at that valuation date) was £163,240 million. The assumed real rate of return was 3.5% in excess of prices and 2% in excess of earnings. The rate of real earnings growth was assumed to be 1.5%. The assumed gross rate of return was 6.5%. From 1 January 2007, the SCR was assessed at 19.75%, and the supplementary contribution rate was assessed to be 0.75% (to balance assets and liabilities as required by the regulations within 15 years). This resulted in a total contribution rate of 20.5%, which translated into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable.

Actuarial scheme valuations are dependent on assumptions about the value of future costs, the design of benefits and many other factors. Many of these assumptions are being considered as part of the work on the reformed TPS, as set out below. Scheme valuations therefore remain suspended. The Public Service Pensions Bill, which is being debated in the House of Commons, provides for future scheme valuations to be conducted in accordance with Treasury directions. The timing for the next valuation has still to be determined, but it is likely to be before the reformed schemes are introduced in 2015.

Teachers' Pension Scheme Changes

Lord Hutton published his final report in March 2011 and made recommendations 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 and Ministers engaged in extensive discussions with trade unions and other representative bodies on reform of the TPS. Those discussions concluded on 9 March 2012 and the Department published a Proposed Final

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23. PENSION COMMITMENTS (continued)

Agreement, setting out the design for a reformed TPS to be implemented from 1 April 2015.

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. Importantly, 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 just 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 were to be phased in from April 2012 on a 40:80:100% basis.

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the period ended 31 August 2013 was £169,000, of which employer's contributions totalled £134,000 and employees' contributions totalled £35,000. The agreed contribution rates for future years are 17.3% for employers and 5.5 - 7.5% 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.

As described in note 22 the LGPS obligation relates to the employees of the academy, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy at the balance sheet date.

The amounts recognised in the Balance sheet are as follows:

	2013
	£000
Present value of funded obligations	(1,858)
Fair value of scheme assets	788
	<hr/>
Net liability	(1,070)
	<hr/> <hr/>

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**NOTES TO THE FINANCIAL STATEMENTS
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23. PENSION COMMITMENTS (continued)

The amounts recognised in the Statement of financial activities are as follows:

	2013 £000
Interest on obligation	(68)
Expected return on scheme assets	33
Losses on curtailments and settlements	141
	106
	106

Movements in the present value of the defined benefit obligation were as follows:

	2013 £000
Interest cost	68
Contributions by scheme participants	35
Actuarial Losses	160
Current service costs	119
Benefits paid	(5)
Inherited on conversion	1,481
	1,858
	1,858

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

	2013 £000
Expected return on assets	33
Actuarial gains and (losses)	28
Contributions by employer	141
Contributions by employees	35
Benefits paid	(5)
Inherited on conversion	556
	788
	788

The cumulative amount of actuarial gains and losses recognised in the Statement of total recognised gains and losses was £132,000.

The academy expects to contribute £148,000 to its Defined benefit pension scheme in 2014.

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	2013
Equities	53.30 %
Property	7.00 %
Government bonds	28.00 %
Corporate bonds	9.40 %
Cash	2.30 %

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**NOTES TO THE FINANCIAL STATEMENTS
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23. PENSION COMMITMENTS (continued)

Principal actuarial assumptions at the Balance sheet date (expressed as weighted averages):

	2013
Discount rate for scheme liabilities	4.50 %
Rate of increase in salaries	4.70 %
Rate of increase for pensions in payment / inflation	2.80 %
Inflation assumption (RPI)	3.70 %
Inflation assumption (CPI)	2.80 %
Commutation of pensions to lump sums	2.80 %
Rate of increase to deferred pensions	- %

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

	2013
Retiring today	
Males	22.1
Females	24.3
Retiring in 20 years	
Males	23.9
Females	26.2

Amounts for the current period are as follows:

Defined benefit pension schemes

	2013 £000
Defined benefit obligation	(1,858)
Scheme assets	788
Deficit	(1,070)
Experience adjustments on scheme liabilities	(160)
Experience adjustments on scheme assets	28
	(1,202)

24. OPERATING LEASE COMMITMENTS

At 31 August 2013 the academy had annual commitments under non-cancellable operating leases as follows:

	Land and buildings 2013 £000	Other 2013 £000
EXPIRY DATE:		
1 - 2 years	-	2
Between 2 and 5 years	-	58
	-	60

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25. 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 governors has 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 period an amount of £9,450 was paid to S W Durham Training Limited, a company in which A Cant was a Director.