

**Registered number: 08167333**

**WOODHAM ACADEMY**  
**(A company limited by guarantee)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

**WOODHAM ACADEMY**  
**(A company limited by guarantee)**

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**WOODHAM ACADEMY**  
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS MEMBERS/ GOVERNORS AND  
ADVISERS  
FOR THE YEAR ENDED 31 AUGUST 2015**

**Members**

JJ French (resigned 2 December 2014)  
S Barnett (appointed 2 December 2014)  
A Cant  
JS Denham  
A Emmerson (resigned 28 May 2015)  
A Marshall

**Governors**

S Barnett, Chairperson from 2/12/14  
JJ French, Chairperson to 2/12/14 (resigned 2 December 2014)<sup>1</sup>  
A Cant  
L Cox, Staff Governor (resigned 31 August 2014)  
JS Denham<sup>1</sup>  
A Emmerson (resigned 28 May 2015)<sup>1</sup>  
C Forsyth, Headteacher and Accounting Officer<sup>1</sup>  
RP Heaven (appointed 17 September 2014)  
M Iveson<sup>1</sup>  
JA Jenkins (appointed 17 September 2014)  
AG Kellett  
S King (resigned 31 August 2014)  
DG Knight, Parent & Chair of Finance Committee<sup>1</sup>  
A Marshall<sup>1</sup>  
V Miller (appointed 13 April 2015)  
AC Russell, Parent (appointed 5 January 2015)  
E Stephen  
DJ Tinkler, Parent (appointed 12 December 2014)  
B Winwood, Parent<sup>1</sup>

<sup>1</sup> members of Finance and Resources Committee

**Company registered number**

08167333

**Principal and registered office**

Washington Crescent  
Newton Aycliffe  
Co Durham  
DL5 4AX

**Company secretary**

D Coates

**Senior leadership team**

C Forsyth, Headteacher  
A Bell, Deputy Headteacher  
D Morgans, Deputy Headteacher  
P Hall, Assistant Headteacher  
T Taylor, Assistant Headteacher  
S McTague, Special Educational Needs Co-Ordinator (SENCO)  
D Coates, Business Manager

**WOODHAM ACADEMY**  
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS MEMBERS/ GOVERNORS AND  
ADVISERS  
FOR THE YEAR ENDED 31 AUGUST 2015**

**Independent auditors**

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

**Bankers**

Lloyds Bank plc  
102 Grey Street  
Newcastle upon Tyne  
NE1 6AG

**Solicitors**

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

**WOODHAM ACADEMY**  
**(A company limited by guarantee)**

**GOVERNORS' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

The Governors present their annual report together with the audited financial statements and auditor's report of Woodham Academy (the academy) for the period 1 September 2014 to 31 August 2015. The annual report serves the purposes of both the Governors' report, and a directors' report under company law.

The trust operates an academy for pupils aged 11 to 16 serving a catchment area in and around Newton Aycliffe. It has a pupil capacity of 1,125 and had a roll of 748 in the school census on 21 May 2015.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Constitution**

The academy is a charitable company limited by guarantee and exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The Governors of Woodham Academy Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as Woodham Academy.

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.

**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.

**Method of recruitment and appointment or election of Governors**

The Governors may agree unanimously in writing to appoint such additional Governors as they think fit and may unanimously (save that the agreement of the Governor(s) to be removed shall not be required) in writing agree to remove any such additional Governors.

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

**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.

**WOODHAM ACADEMY**  
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**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

**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.

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.

No related party transactions took place in the period of account.

**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 2015 are summarised below:

- To improve students' achievement.
- To improve behaviour and attendance.
- To improve teaching.
- To improve leadership and management.

**WOODHAM ACADEMY**  
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**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

**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:

1. To raise attainment and accelerate students' progress.
  - Improve attainment in Mathematics, Science, Geography and D&T.
2. To improve the quality of teaching.
  - NQT induction programme.
  - Challenge Partners improving teachers and outstanding teachers programmes.
  - Bespoke CPD.
3. To improve behaviour.
  - Further reduce fixed term exclusions through more effective alternative provision.
  - Improve attendance and reduce persistent absenteeism (Challenge the Gap Programme).
4. To strengthen leadership and management.
  - Achieve Governor Mark.
  - Access best practice nationally through Challenge Partners and PIXL.

**Public benefit**

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

**STRATEGIC REPORT**

**ACHIEVEMENTS AND PERFORMANCE**

**Review of activities**

**Achievement**

- 5 A\*-C (EM) 56%
- EBACC 32%
- Gap closing for disadvantaged students both within school and against national

**Teaching**

- 94% of teaching good or better
- Challenge Partners review September 2014 judged teaching to be good.

**Behaviour**

- Attendance in line with national figures
- significant reduction in fixed term exclusions

**Leadership and management**

- Effective staff development has allowed for succession planning (internal appointment of Deputy Headteacher).

**WOODHAM ACADEMY**  
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**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

**ACHIEVEMENTS AND PERFORMANCE (continued)**

**Review of activities (continued)**

Membership of Challenge Partners and PIXL has allowed for the sharing of best practice.

**Key Performance Indicators**

The key financial performance indicators used are detailed below.

Key Performance Indicator	2012/2013	2013/2014	2014/2015
Pupil Numbers KS3	455	446	455
Pupil Numbers KS4	337	309	296
GAG Statement Allocation	£4,019,355	£3,908,981	£3,747,929
% Total Pay to GAG plus Pupil Premium Income	78.1%	85.9%	79.5%
% Staff Costs to Total Income	66.6%	80.76%	77.02%
Liquidity (Current Assets/Current Liabilities)	3.12	2.10	2.15
% Premises Costs to Total Costs*	6.3%	6.5%	4.7%

\*Premises Costs include Maintenance, Energy, Cleaning, Rates and Insurance.

**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.

**FINANCIAL REVIEW**

**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 year ended 31 August 2015 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.

In addition the academy receives income from catering for pupils, from other schools that use the academy's staff and lettings.

During the period ended 31 August 2015, total expenditure of £5,050,000 was in excess of recurrent grant funding from the DfE/EFA together with other incoming resources. The excess of income over expenditure for the period (before transfers and actuarial gains, and excluding restricted fixed asset funds) was £47,000.

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



**WOODHAM ACADEMY**  
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**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

**FINANCIAL REVIEW (continued)**

**Principal funding (continued)**

At 31 August 2015 the net book value of fixed assets was £6,465,000 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 £1,067,000 recognised on the balance sheet.

The academy held fund balances at 31 August 2015 of £5,914,000 comprising £5,481,000 of restricted funds and £433,000 of unrestricted funds.

**Reserves policy**

The academy holds restricted and unrestricted funds (the attached financial statements detail these funds). Unrestricted funds are held:

- to provide funds which can be designated to specific areas such as curriculum spending.
- to cover ongoing costs in relation to the running of the academy including catering provisions, school trips, and uniform costs.

The level of reserves is reviewed by the Governors regularly throughout the year. The minimum level of reserves for the ongoing needs of the academy is reviewed by the Governors on an annual basis. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Governors therefore consider it prudent to hold unrestricted reserves in the general fund in the form of free reserves (total funds less the amount held in fixed assets and restricted funds) of £300,000.

This is considered sufficient to cover:

- a) any delay in receipt of EFA funding
- b) replacement of servers
- c) long term sickness absence costs
- d) anticipated capital expenditure which depending on funding will include a 3G pitch

The academy's current level of free reserves are in surplus by £433,000 and therefore are considered to be above the level of reserves required for the ongoing needs of the academy. The Governors continue to consider additional activities related to the academy's objectives to which the excess reserves may be applied.

In addition a designated fund has been established for an equal pay provision. It is intended to increase this in line with any compensation claims received.

**Investment policy and performance**

The academy invests surplus funds through money market accounts. Interest rates are reviewed prior to each investment. This policy maximises investment return whilst minimising risks to the principal sum.

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**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

**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.

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.

The academy has fully implemented the requirements of the Safer Recruitment procedures and all staff have received training in addition to training on Child Protection.

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.

**PLANS FOR FUTURE PERIODS**

**Future developments**

The academy's main future 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 improve the effectiveness of leadership and management.

- To strengthen governance.
- To share best practice through Challenge Partners.
- To ensure consistency of approach across all staff.
- To develop middle leadership as an engine of improvement.
- To maximise support staff efficiency.
- To strengthen data analysis.
- To develop digital literacy across the curriculum.
- To deliver a CPD programme to support all aspects of this development plan.
- To improve facilities.

To improve the quality of teaching, learning and assessment.

- Encourage more creativity and 'sparkle' in teaching.
- Ensure a consistent framework for teaching reflecting best practice.
- Improve KS4 homework.
- Strengthen cross-curricular literacy.
- Strengthen cross-curricular numeracy.
- Prepare students for linear exams.
- Introduce system for assessment in Y7.

To improve students' personal development, behaviour and welfare.

- To develop a culture which promotes learning.
- To ensure consistency in behaviour management.
- To reduce the number of exclusions.
- To prepare students for life in modern Britain.
- To strengthen students' social skills.

**WOODHAM ACADEMY**  
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**GOVERNORS' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

**PLANS FOR FUTURE PERIODS (continued)**

**Future developments (continued)**

To improve outcomes.

- Reduce inter-departmental variation.
- Develop curriculum to maximize progress of lower ability students at KS4.
- Open Most Able Academy to challenge high ability students to achieve academic excellence.
- Close the gap between disadvantaged students and non-disadvantaged students at Woodham Academy and nationally.

**Disclosure of information to auditors**

Insofar as the Governors are aware;

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- the Governors taken all steps that ought to have been taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

This report, incorporating the Strategic report, was approved by order of the Board of Governors, as the company directors, on 17 November 2015 and signed on the board's behalf by:



**S Barnett**  
**Chairperson**

**WOODHAM ACADEMY**  
**(A company limited by guarantee)**

**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 year. Attendance during the year at meetings of the Board of Governors was as follows:

Governor	Meetings attended	Out of a possible
S Barnett	3	3
JJ French	0	1
A Cant	1	3
JS Denham	2	3
A Emmerson	1	3
C Forsyth	3	3
RP Heaven	3	3
M Iveson	1	3
JA Jenkins	3	3
AG Kellett	1	3
DG Knight, Parent & Chair of Finance Committee	3	3
A Marshall	2	3
V Miller	2	2
AC Russell, Parent	2	3
E Stephen	3	3
DJ Tinkler	2	3
B Winwood, Parent	2	3

In December 2014 the Chairperson, JJ French, resigned and S Barnett was elected as his replacement. A Cant was elected Vice Chairperson. A Emmerson resigned as a Member. Thus, the Members were reduced to 4.

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 year JJ French and A Emmerson resigned from the committee and M Iveson and B Winwood, joined the committee. Each member of the Committee has completed a skills audit to identify the skills they have individually and those that they need to acquire collectively.

**WOODHAM ACADEMY**  
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**GOVERNANCE STATEMENT (continued)**

Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
JS Denham	5	6
A Emmerson	2	5
C Forsyth	6	6
JJ French	1	2
DG Knight	5	6
A Marshall	4	6
B Winwood	1	2
M Iveson	1	2

**Review of Value for Money**

As Accounting Officer the Headteacher has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

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

**Improving educational results:**

Examination results 2015 were broadly in line with national at 5A\*-C with English and Mathematics (56%) and well above national at English Baccalaureate (32%).

• **Targeted Improvement:**

Subject-specific development plans led to improved outcomes in Science, Mathematics, French, PE and English.

• **Focus on individual pupils:**

The use of Pupil Premium funding has resulted in a closing of the gap between our most disadvantaged students and their peers. In 2015, the within school gap at 5A\*-C with English and Mathematics reduced by 13 and by 20% against the national figure.

• **Collaboration:**

Woodham Academy became a member of Challenge Partners in 2013. Challenge Partners is a collaborative group of schools focused on school improvement. Through this membership, we are able to access cost-effective staff development and to share best practice. In April 2014, we became a member of PIXL, a national 'club' of schools. This gives us access to best practice in the use of data and assessment.

Woodham Academy works collaboratively with local primary schools. We deliver Science and PE to two primaries on a commercial basis.

• **New Initiatives:**

In September 2014, we set up a Behaviour for Learning Centre to support those students at risk of exclusion. This has contributed to a significant reduction in fixed-term exclusions

• **Quantifying Improvements:**

All improvements are quantified with the Woodham Academy Self-Evaluation Form, using national benchmark data.

**Financial governance and oversight:**

The financial governance is overseen by the Governors' Finance Committee, which meets six times a year. Membership includes five Governors and the Headteacher/Accounting Officer. Minutes of these meetings provide evidence that Governors ask sharply-focused questions to ensure that value for money is achieved as well as providing expert advice.

**WOODHAM ACADEMY**  
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**GOVERNANCE STATEMENT (continued)**

**Review of Value for Money (continued)**

**Better purchasing:**

• **Fitness for purpose:**

All SLAs are reviewed by the Governors' Finance Committee on an annual basis. On conversion to an academy, the committee has compared services and contracts available from a variety of sources to achieve best value for money

• **Benchmarking:**

Benchmarking data is routinely presented to the finance committee to identify areas for making savings. The only area where our spending would appear to be high is support staff. However this is explained by the fact that we directly employ our catering and cleaning staff, areas which many schools out-source. The number of support staff has reduced by 2.7 full time equivalents within the period. We have challenged our water supplier to justify their charges and have seen a 40% reduction in costs in the coming period.

• **Options appraisal:**

The academy uses a range of suppliers and obtains quotes in writing before making all major purchasing decisions. A tender through Crescent Purchasing Consortium was used to determine placement of academy insurance renewal. A tender process was used to allocate a roof maintenance project funded through the Education Funding Agency Condition Improvement Fund.

• **Economies of scale:**

The academy has worked collaboratively with the Durham SCITT to reduce and share administrative costs.

**Better income generation:**

We have utilised surplus staffing to supply subject tutor training to Durham SCITT in Mathematics, Geography and PE and to support specialist teaching in primary schools. Lettings generate a regular income but we continue to explore options to maximise revenue.

**Reviewing controls and managing risks:**

The academy has prepared a risk register which is updated regularly and reviewed by the Finance Committee. The Committee meets every half term and also reviews budgets, income and expenditure and cashflow forecasts.

**Lessons learned:**

Whenever a resignation is accepted, an analysis is done to determine whether or not to replace. An Assistant Headteacher appointment has been deferred from the summer term. Not all curriculum money is distributed according to a formula. Departments can access additional funding through a bidding process, thus aligning spending to strategic need.

**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 year 1 September 2014 to 31 August 2015 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 year 1 September 2014 to 31 August 2015 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Governors.

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**GOVERNANCE STATEMENT (continued)**

**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 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. In particular the checks carried out in the current period included:

- Testing of payroll systems
- Testing purchase systems
- Testing of petty cash/expenses procedures
- Testing of income
- Testing of the accounting systems and management information produced
- Review of governor appointments/resignations and declarations of interest
- Review of gifts and hospitality & honorarium/ex-gratia payments
- Review of information technology strategy
- Review of fixed assets
- Review of VAT and Corporation tax position

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.

**WOODHAM ACADEMY**  
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**GOVERNANCE STATEMENT (continued)**

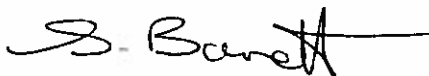
**Review of Effectiveness**

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

- the work of the external auditors;
- 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 30 November 2015 and signed on its behalf, by:



**S Barnett**  
**Chairperson**



**C Forsyth**  
**Accounting Officer**



**WOODHAM ACADEMY**  
**(A company limited by guarantee)**

**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 (2014).

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 (2014).

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 Governors and EFA.



**C Forsyth**  
**Accounting Officer**

30 November 2015

**WOODHAM ACADEMY**  
**(A company limited by guarantee)**

**GOVERNORS' RESPONSIBILITIES STATEMENT**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

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 (including the Strategic 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:

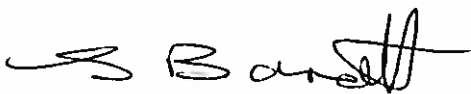
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material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

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

The Governors are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from 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 17 November 2015 and signed on its behalf by:



**S Barnett**  
**Chair of Governors**

**WOODHAM ACADEMY**  
**(A company limited by guarantee)**

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

We have audited the financial statements of Woodham Academy for the year ended 31 August 2015 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 2014 to 2015 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 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 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 2015 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
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2014 to 2015 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, incorporating the Strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

**WOODHAM ACADEMY**  
**(A company limited by guarantee)**

**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 LLP**

Chartered Accountants  
Statutory Auditor

140 Coniscliffe Road  
Darlington  
Co Durham  
DL3 7RT  
17 November 2015

**WOODHAM ACADEMY**  
(A company limited by guarantee)

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

In accordance with the terms of our engagement letter dated 14 September 2015 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Woodham Academy during the year 1 September 2014 to 31 August 2015 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 EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Woodham Academy 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 Woodham Academy and 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 accountant**

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 1 September 2014, 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 2014 to 2015. 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 2014 to 31 August 2015 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 2014 to 2015 issued by 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 ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO WOODHAM  
ACADEMY AND THE EDUCATION FUNDING AGENCY (continued)**

**Approach (continued)**

The work undertaken for us to draw our conclusion includes:

- Review of governing body and committee minutes;
- Review of termly Internal Assurance reports;
- Completion of self assessment questionnaire by Accounting Officer;
- Discussions with the Accounting Officer and finance team;
- Review documentation provided to Governors and Accounting Officer setting out responsibilities;
- Obtained formal letter of representation detailing the responsibilities of Governors;
- Review of payroll, purchases and expenses claims on a sample basis;
- Confirmation that the lines of delegation and limits set have been adhered to;
- Evaluation of internal control procedures and reporting lines;
- Review cash payments for unusual transactions;
- Review of credit card transactions;
- Review of register of interests;
- Review related party transactions;
- Review of borrowing agreements;
- Review of land and building transactions; and
- Review of potential and actual bad debts; and
- Review an instance of gifts/hospitality to ensure in line with policy.

**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 2014 to 31 August 2015 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

**Clive Owen LLP**

Reporting Accountant

140 Coniscliffe Road  
Darlington  
Co Durham  
DL3 7RT

30 November 2015

**WOODHAM ACADEMY**  
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES**  
(Incorporating income and expenditure account and statement of total recognised gains and losses)  
**FOR THE YEAR ENDED 31 AUGUST 2015**

	Note	Unrestricted funds 2015 £000	Restricted funds 2015 £000	Restricted fixed asset funds 2015 £000	Total funds 2015 £000	Total funds 2014 £000
<b>INCOMING RESOURCES</b>						
Incoming resources from generated funds:						
Voluntary income	2	3	-	-	3	10
Activities for generating funds	3	216	-	-	216	256
Investment income	4	2	-	-	2	3
Incoming resources from charitable activities	5	-	4,127	480	4,607	4,334
<b>TOTAL INCOMING RESOURCES</b>		<b>221</b>	<b>4,127</b>	<b>480</b>	<b>4,828</b>	<b>4,603</b>
<b>RESOURCES EXPENDED</b>						
Charitable activities	7	250	4,068	749	5,067	5,303
Governance costs	8	-	20	-	20	29
<b>TOTAL RESOURCES EXPENDED</b>	6	<b>250</b>	<b>4,088</b>	<b>749</b>	<b>5,087</b>	<b>5,332</b>
<b>NET INCOMING / (OUTGOING) RESOURCES BEFORE TRANSFERS</b>						
		(29)	39	(269)	(259)	(729)
Transfers between Funds	17	-	(60)	60	-	-
<b>NET EXPENDITURE FOR THE YEAR</b>		<b>(29)</b>	<b>(21)</b>	<b>(209)</b>	<b>(259)</b>	<b>(729)</b>
Actuarial gains and losses on defined benefit pension schemes		-	(12)	-	(12)	77
<b>NET MOVEMENT IN FUNDS FOR THE YEAR</b>		<b>(29)</b>	<b>(33)</b>	<b>(209)</b>	<b>(271)</b>	<b>(652)</b>
Total funds at 1 September 2014		462	(1,061)	6,747	6,148	6,800
<b>TOTAL FUNDS AT 31 AUGUST 2015</b>		<b>433</b>	<b>(1,094)</b>	<b>6,538</b>	<b>5,877</b>	<b>6,148</b>

All activities relate to continuing operations.

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

The notes on pages 24 to 42 form part of these financial statements.

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

**BALANCE SHEET**  
**AS AT 31 AUGUST 2015**

	Note	£000	2015 £000	2014 £000
<b>FIXED ASSETS</b>				
Tangible assets	13		6,465	6,747
<b>CURRENT ASSETS</b>				
Stocks	14	4		4
Debtors	15	139		269
Cash at bank		823		618
		<u>966</u>		<u>891</u>
<b>CREDITORS: amounts falling due within one year</b>	16	<u>(450)</u>		<u>(424)</u>
<b>NET CURRENT ASSETS</b>			<u>516</u>	<u>467</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>6,981</u>	<u>7,214</u>
Defined benefit pension scheme liability	23		(1,104)	(1,066)
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITY</b>			<u><u>5,877</u></u>	<u><u>6,148</u></u>
<b>FUNDS OF THE ACADEMY</b>				
Restricted funds:				
Restricted funds	17	10		5
Restricted fixed asset funds	17	6,538		6,747
Restricted funds excluding pension liability		<u>6,548</u>		<u>6,752</u>
Pension reserve		(1,104)		(1,066)
Total restricted funds			<u>5,444</u>	<u>5,686</u>
Unrestricted funds	17		433	462
<b>TOTAL FUNDS</b>			<u><u>5,877</u></u>	<u><u>6,148</u></u>

The financial statements were approved by the Governors, and authorised for issue, on 17 November 2015 and are signed on their behalf, by:



**S Barnett**  
**Chair**

The notes on pages 24 to 42 form part of these financial statements.



**WOODHAM ACADEMY**  
(A company limited by guarantee)

**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

	Note	2015 £000	2014 £000
Net cash flow from operating activities	19	190	(179)
Returns on investments and servicing of finance	20	2	3
Capital expenditure and financial investment	20	13	(148)
<b>INCREASE/(DECREASE) IN CASH IN THE YEAR</b>		<b>205</b>	<b>(324)</b>

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

	2015 £000	2014 £000
Increase/(Decrease) in cash in the year	205	(324)
<b>MOVEMENT IN NET FUNDS IN THE YEAR</b>	<b>205</b>	<b>(324)</b>
Net funds at 1 September 2014	618	942
<b>NET FUNDS AT 31 AUGUST 2015</b>	<b>823</b>	<b>618</b>

The notes on pages 24 to 42 form part of these financial statements.

**WOODHAM ACADEMY**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2015**

**1. ACCOUNTING POLICIES**

**1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The financial statements have been prepared under the historical cost convention. 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 2014 to 2015 issued by 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.

Designated funds comprise unrestricted funds that have been set aside by the Governors for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

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 and include grants from the Department for Education.

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

**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.

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.

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.

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.

**WOODHAM ACADEMY**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2015**

**1. ACCOUNTING POLICIES (continued)**

**1.4 RESOURCES EXPENDED**

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.

**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
Motor vehicles	-	over 5 years
Fixtures and fittings	-	over 3 years
Computer equipment	-	over 3 years

**1.7 OPERATING LEASES**

Rentals under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term.

**WOODHAM ACADEMY**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2015**

**1. ACCOUNTING POLICIES (continued)**

**1.8 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.

**1.9 TAXATION**

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

**1.10 PENSIONS**

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.

**1.11 AGENCY ARRANGEMENTS**

The academy acts as an agent in distributing SCITT Schools Direct Funding from EFA. Payments received from EFA and subsequent disbursements to students are excluded from the statement of financial activities as the academy does not have control over the charitable application of the funds. The funds received and paid are disclosed in note 27.

**WOODHAM ACADEMY**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2015**

**2. VOLUNTARY INCOME**

	Unrestricted funds 2015 £000	Restricted funds 2015 £000	Total funds 2015 £000	Total funds 2014 £000
Donations	3	-	3	10

**3. ACTIVITIES FOR GENERATING FUNDS**

	Unrestricted funds 2015 £000	Restricted funds 2015 £000	Total funds 2015 £000	Total funds 2014 £000
Sundry income	50	-	50	80
Lettings	6	-	6	5
Uniform	1	-	1	2
School trips	29	-	29	45
Catering	128	-	128	122
School fund	2	-	2	2
	<u>216</u>	<u>-</u>	<u>216</u>	<u>256</u>

**4. INVESTMENT INCOME**

	Unrestricted funds 2015 £000	Restricted funds 2015 £000	Total funds 2015 £000	Total funds 2014 £000
Bank interest	2	-	2	3

**WOODHAM ACADEMY**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2015**

**5. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted funds 2015 £000	Restricted funds 2015 £000	Total funds 2015 £000	Total funds 2014 £000
<b>DfE/EFA revenue grants</b>				
Devolved Formula Capital	-	17	17	17
Academy Capital Maintenance Fund	-	96	96	147
Condition Improvement Fund	-	367	367	-
General Annual Grant (GAG)	-	3,758	3,758	3,813
Pupil Premium	-	308	308	295
Other DfE/EFA Grants	-	-	-	14
	-	4,546	4,546	4,286
<b>Other Government grants</b>				
SEN	-	-	-	22
Other Government grants	-	52	52	20
	-	52	52	42
<b>Other funding</b>				
Other grants	-	9	9	6
	-	9	9	6
	-	4,607	4,607	4,334

**WOODHAM ACADEMY**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2015**

**6. RESOURCES EXPENDED**

	Staff costs	Non Pay Premises	Expenditure Other costs	Total	Total
	2015	2015	2015	2015	2014
	£000	£000	£000	£000	£000
Direct costs	2,630	-	302	2,932	3,137
Allocated support costs	756	1,005	374	2,135	2,166
<b>CHARITABLE ACTIVITIES</b>	<u>3,386</u>	<u>1,005</u>	<u>676</u>	<u>5,067</u>	<u>5,303</u>
<b>GOVERNANCE</b>	<u>-</u>	<u>-</u>	<u>20</u>	<u>20</u>	<u>29</u>
	<u><u>3,386</u></u>	<u><u>1,005</u></u>	<u><u>696</u></u>	<u><u>5,087</u></u>	<u><u>5,332</u></u>

There were no individual transactions exceeding £5,000 for:

- Ex-gratia/compensation payments
- Gifts made by the academy
- Fixed asset losses
- Stock losses
- Unrecoverable debts
- Cash losses

**WOODHAM ACADEMY**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2015**

**7. CHARITABLE ACTIVITIES**

	Total funds 2015 £000	Total funds 2014 £000
<b>DIRECT COSTS - EDUCATIONAL OPERATIONS</b>		
Wages and salaries	2,162	2,280
National insurance	171	187
Pension cost	297	342
Educational supplies	96	149
Examination fees	64	61
Staff development	33	25
Other direct costs	109	93
	2,932	3,137
<b>SUPPORT COSTS - EDUCATIONAL OPERATIONS</b>		
Wages and salaries	651	702
National insurance	22	19
Pension cost	83	55
Depreciation	749	708
Net interest cost on pension scheme	19	38
Technology costs	135	73
Recruitment and support	26	17
Maintenance of premises and equipment	76	156
Cleaning	15	16
Rates	40	35
Energy	77	108
Insurance	28	31
Security	6	-
Transport	1	2
Catering	99	93
Occupancy costs	14	6
Other support costs	94	107
	2,135	2,166
	5,067	5,303

**8. GOVERNANCE COSTS**

	Unrestricted funds 2015 £000	Restricted funds 2015 £000	Total funds 2015 £000	Total funds 2014 £000
Auditors' remuneration	-	8	8	8
Auditors' non audit costs	-	4	4	11
Legal and professional	-	8	8	4
Consultancy	-	-	-	6
	-	20	20	29
	-	20	20	29



**WOODHAM ACADEMY**  
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2015**

**9. NET INCOMING / (OUTGOING) RESOURCES**

This is stated after charging:

	2015	2014
	£000	£000
Depreciation of tangible fixed assets:		
- owned by the charity	749	708
Auditors' remuneration	8	8
Auditors' remuneration - non-audit	4	11
Operating lease rentals:		
- other operating leases	57	58
	57	58

**10. STAFF**

**a. Staff costs**

Staff costs were as follows:

	2015	2014
	£000	£000
Wages and salaries	2,695	2,926
Social security costs	193	206
Other pension costs (Note 23)	380	397
	3,268	3,529
Supply teacher costs	115	56
Compensation payments	3	-
	3,386	3,585

Included in other pension costs is a LGPS deficit payment of £35,000 and a credit of £30,000 relating to the pension deficit actuarial adjustment.

**b. Staff numbers**

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

	2015	2014
	No.	No.
Teachers	43	44
Administration and support	42	43
Management	8	8
	93	95

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**10. STAFF (continued)**

**c. Higher paid staff**

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

	2015 No.	2014 No.
In the band £80,001 - £90,000	1	1

The above employee participated in the Teachers' Pension Scheme.

**11. GOVERNORS' REMUNERATION AND EXPENSES**

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

<b>C Forsyth (Headteacher and Accounting Officer)</b>	
Remuneration	£85,000 - £90,000 (2014: £85,000 - £90,000)
Employer's pension contributions	£10,000 - £15,000 (2014: £10,000 - £15,000)
<b>RP Heaven (Staff Governor)</b>	
Remuneration	£25,000 - £30,000 (2014: £Nil)
Employer's pension contributions	£0 - £5,000 (2014: £Nil)
<b>JA Jenkins (Staff Governor)</b>	
Remuneration	£35,000 - £40,000 (2014: £Nil)
Employer's pension contributions	£5,000 - £10,000 (2014: £Nil)
<b>L Cox (Staff Governor)</b>	
Remuneration	£Nil (2014: £25,000 - £30,000)
Employer's pension contributions	£Nil (2014: £0 - £5,000)
<b>S King (Staff Governor)</b>	
Remuneration	£Nil (2014: £35,000 - £40,000)
Employer's pension contributions	£Nil (2014: £5,000 - £10,000)

During the year, no Governors received any benefits in kind (2014 - £NIL).

During the year, no Governors received any reimbursement of expenses (2014 - £NIL).

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**12. GOVERNORS' AND OFFICERS' INSURANCE**

In accordance with normal commercial practice the academy has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £1,000,000 on any one claim and the cost for the year ended 31 August 2015 was £617 (2014 - £630). The cost of this insurance is included in the total insurance cost.

**13. TANGIBLE FIXED ASSETS**

	Freehold property £000	Motor vehicles £000	Fixtures and fittings £000	Computer equipment £000	Total £000
<b>COST</b>					
At 1 September 2014	8,129	-	5	23	8,157
Additions	403	4	60	-	467
At 31 August 2015	<u>8,532</u>	<u>4</u>	<u>65</u>	<u>23</u>	<u>8,624</u>
<b>DEPRECIATION</b>					
At 1 September 2014	1,395	-	-	15	1,410
Charge for the year	733	-	8	8	749
At 31 August 2015	<u>2,128</u>	<u>-</u>	<u>8</u>	<u>23</u>	<u>2,159</u>
<b>NET BOOK VALUE</b>					
At 31 August 2015	<u>6,404</u>	<u>4</u>	<u>57</u>	<u>-</u>	<u>6,465</u>
At 31 August 2014	<u>6,734</u>	<u>-</u>	<u>5</u>	<u>8</u>	<u>6,747</u>

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

**14. STOCKS**

	2015 £000	2014 £000
Finished goods and goods for resale	<u>4</u>	<u>4</u>

**15. DEBTORS**

	2015 £000	2014 £000
VAT recoverable	34	133
Other debtors	-	25
Prepayments and accrued income	105	111
	<u>139</u>	<u>269</u>

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

	2015	2014
	£000	£000
Trade creditors	222	153
Other taxation and social security	59	62
Other creditors	48	53
Accruals and deferred income	121	156
	450	424
	450	424

	£000
<b>DEFERRED INCOME</b>	
Deferred income at 1 September 2014	16
Resources deferred during the year	51
Amounts released from previous years	(16)
Deferred income at 31 August 2015	51
	51

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

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**NOTES TO THE FINANCIAL STATEMENTS  
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**17. STATEMENT OF FUNDS**

	Brought Forward £000	Incoming resources £000	Resources Expended £000	Transfers in/out £000	Gains/ (Losses) £000	Carried Forward £000
<b>DESIGNATED FUNDS</b>						
Equal Pay Settlement	5	-	(3)	-	-	2
<b>GENERAL FUNDS</b>						
Unrestricted general funds	457	221	(247)	-	-	431
Total Unrestricted funds	462	221	(250)	-	-	433
<b>RESTRICTED FUNDS</b>						
General Annual Grant (GAG)	-	3,759	(3,689)	(60)	-	10
Pupil Premium	-	307	(307)	-	-	-
Other Government Grants	5	52	(57)	-	-	-
Other Grants	-	9	(9)	-	-	-
Pension reserve	(1,066)	-	(26)	-	(12)	(1,104)
	(1,061)	4,127	(4,088)	(60)	(12)	(1,094)
<b>RESTRICTED FIXED ASSET FUNDS</b>						
Legacy assets	6,467	-	(703)	-	-	5,764
Devolved Formula Capital	145	17	(3)	-	-	159
General Annual Grant (GAG)	113	-	(13)	60	-	160
Academies Capital						
Maintenance Fund	-	96	(25)	-	-	71
Condition Improvement Fund	-	367	(5)	-	-	362
Other EFA capital expenditure	22	-	-	-	-	22
	6,747	480	(749)	60	-	6,538
Total restricted funds	5,686	4,607	(4,837)	-	(12)	5,444
Total of funds	6,148	4,828	(5,087)	-	(12)	5,877

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**NOTES TO THE FINANCIAL STATEMENTS  
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**17. STATEMENT OF FUNDS (continued)**

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 £nil.

Transfers from GAG have been made to fund the purchase of capital assets.

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

Other Government Grants are received from Durham County Council to cover SEN.

Other Grants have been received from BBC Children In Need to provide support to pupils.

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.

The designated fund has been set up to cover equal pay settlements.

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 2015.

**18. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted funds 2015 £000	Restricted funds 2015 £000	Restricted fixed asset funds 2015 £000	Total funds 2015 £000	Total funds 2014 £000
Tangible fixed assets	-	-	6,465	6,465	6,747
Current assets	433	460	73	966	891
Creditors due within one year	-	(450)	-	(450)	(424)
Provisions for liabilities and charges	-	(1,104)	-	(1,104)	(1,066)
	<u>433</u>	<u>(1,094)</u>	<u>6,538</u>	<u>5,877</u>	<u>6,148</u>

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**NOTES TO THE FINANCIAL STATEMENTS  
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**19. NET CASH FLOW FROM OPERATING ACTIVITIES**

	2015 £000	2014 £000
Net incoming resources before revaluations	(259)	(729)
Returns on investments and servicing of finance	(2)	(3)
Depreciation of tangible fixed assets	749	708
Capital grants from DfE	(480)	(138)
Decrease/(increase) in debtors	130	(183)
Increase in creditors	26	93
FRS 17 adjustments	26	73
<b>NET CASH INFLOW/(OUTFLOW) FROM OPERATIONS</b>	<b>190</b>	<b>(179)</b>

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

	2015 £000	2014 £000
<b>RETURNS ON INVESTMENTS AND SERVICING OF FINANCE</b>		
Interest received	2	3
	<b>2</b>	<b>3</b>
<b>CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT</b>		
Purchase of tangible fixed assets	(467)	(286)
Capital grants from DfE	480	138
<b>NET CASH INFLOW/(OUTFLOW) FROM CAPITAL EXPENDITURE</b>	<b>13</b>	<b>(148)</b>

**21. ANALYSIS OF CHANGES IN NET FUNDS**

	1 September 2014 £000	Cash flow £000	Other non-cash changes £000	31 August 2015 £000
Cash at bank and in hand:	618	205	-	823
<b>NET FUNDS</b>	<b>618</b>	<b>205</b>	<b>-</b>	<b>823</b>

**22. CAPITAL COMMITMENTS**

At 31 August 2015 the academy had capital commitments as follows:

	2015 £000	2014 £000
Contracted for but not provided in these financial statements	179	96
	<b>179</b>	<b>96</b>

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**NOTES TO THE FINANCIAL STATEMENTS  
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**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 2012 and of the LGPS 31 March 2013.

Contributions amounting to £47,000 were payable to the scheme at 31 August 2015 (2014 - £49,000) 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.

**Valuation of the Teachers' Pension Scheme**

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. 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 (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million;
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations;
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

During the year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4% from September 2015, which will be payable during the implementation period until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The total contribution made to the TPS in the period amounted to £460,000 (2014: £473,000) of which employer's contributions totalled £255,000 (2014: £271,000) and employees' contributions totalled £189,000 (2014: £202,000).



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**23. PENSION COMMITMENTS (continued)**

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

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust 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 year ended 31 August 2015 was £153,000, of which employer's contributions totalled £128,000 and employees' contributions totalled £35,000. The agreed contribution rates for future years are 14.3% for employers and 5.5% - 12.5% for employees. Additional contributions of £35,000 were paid into the scheme.

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.

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

	Fair value at 31 August 2015 £000	Fair value at 31 August 2014 £000
Equities	547	557
Property	73	67
Government bonds	336	261
Corporate bonds	106	86
Cash	90	34
Total market value of assets	<u>1,152</u>	<u>1,005</u>
Present value of scheme liabilities	(2,256)	(2,071)
(Deficit) in the scheme	<u>(1,104)</u>	<u>(1,066)</u>

The amounts recognised in the Balance sheet are as follows:

	2015 £000	2014 £000
Present value of funded obligations	(2,256)	(2,071)
Fair value of scheme assets	<u>1,152</u>	<u>1,005</u>
Net liability	<u>(1,104)</u>	<u>(1,066)</u>

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**23. PENSION COMMITMENTS (continued)**

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

	2015 £000	2014 £000
Current service cost	(123)	(128)
Interest on obligation	(79)	(87)
Expected return on scheme assets	60	49
<b>Total</b>	<b>(142)</b>	<b>(166)</b>
<b>Actual return on scheme assets</b>	<b>(3)</b>	<b>89</b>

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

	2015 £000	2014 £000
Opening defined benefit obligation	2,071	1,858
Current service cost	123	128
Interest cost	79	87
Contributions by scheme participants	35	36
Actuarial (gains)	(51)	(37)
Benefits paid	(1)	(1)
<b>Closing defined benefit obligation</b>	<b>2,256</b>	<b>2,071</b>

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

	2015 £000	2014 £000
Opening fair value of scheme assets	1,005	788
Expected return on assets	60	49
Actuarial (losses) and gains	(63)	40
Contributions by employer	116	93
Contributions by employees	35	36
Benefits paid	(1)	(1)
<b>Total</b>	<b>1,152</b>	<b>1,005</b>

The cumulative amount of actuarial gains and losses recognised in the Statement of total recognised gains and losses was £67,000 loss (2014 - £55,000 loss).

The academy expects to contribute £123,000 to its Defined benefit pension scheme in 2016.

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

	2015	2014
Discount rate for scheme liabilities	3.80 %	3.70 %
Rate of increase in salaries	3.60 %	3.60 %
Rate of increase for pensions in payment / inflation	2.10 %	2.10 %
Inflation assumption (CPI)	2.10 %	2.10 %
Commutation of pensions to lump sums	80.00 %	75.00 %

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**23. PENSION COMMITMENTS (continued)**

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

	2015	2014
Retiring today		
Males	22.6	22.5
Females	25.1	25.0
Retiring in 20 years		
Males	24.8	24.7
Females	27.4	27.3

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

Defined benefit pension schemes

	2015 £000	2014 £000	2013 £000
Defined benefit obligation	(2,256)	(2,071)	(1,858)
Scheme assets	1,152	1,005	788
Deficit	<u>(1,104)</u>	<u>(1,066)</u>	<u>(1,070)</u>
Experience adjustments on scheme liabilities	51	37	(160)
Experience adjustments on scheme assets	<u>(63)</u>	<u>40</u>	<u>28</u>

**24. OPERATING LEASE COMMITMENTS**

At 31 August 2015 the academy had annual commitments under non-cancellable operating leases as follows:

	2015 £000	2014 £000
<b>EXPIRY DATE:</b>		
Expiring within one year	54	-
Expiring within two and five years inclusive	2	58
Expiring in over five years	<u>1</u>	<u>-</u>

**25. OTHER FINANCE INCOME**

	2015 £000	2014 £000
Expected return on pension scheme assets	60	49
Interest on pension scheme liabilities	<u>(79)</u>	<u>(87)</u>
	<u>(19)</u>	<u>(38)</u>

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**26. RELATED PARTY TRANSACTIONS**

No related party transactions took place in the period of account.

**27. AGENCY ARRANGEMENTS**

The academy distributes SCITT Schools Direct Funding to students as an agent for EFA. In the accounting period ending 31 August 2015 the academy received £33,000 and disbursed £33,000 from the fund.