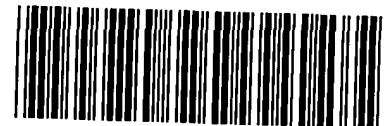


Registered number: 08526440

WESTFIELD ACADEMY
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

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WESTFIELD ACADEMY
(A company limited by guarantee)

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WESTFIELD ACADEMY
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2017

Members

P A Rosen
D W Yuill
A L Farrer

Trustees

P A Rosen
D W Yuill
A L Farrer

Governors

P A Rosen (resigned 4 December 2017)
D W Yuill
A L Farrer
T Body
I Riaz
R S Machen
D Needleman (resigned 19 September 2016)
L Everett
B Mallett
P Thompson (resigned 13 November 2017)

Company registered number

08526440

Company name

Westfield Academy

Principal and registered office

Tolpits Lane
Watford
Hertfordshire
WD18 6NS

Company secretary

R S Machen

Senior management team

Mr T Body, Headteacher
Mr P Creber, Senior Deputy Headteacher
Ms A Hartley, Deputy Headteacher (Post - 16)
Ms I Riaz, Deputy Headteacher (KS4)
Mr R S Machen, Finance and Business Director

WESTFIELD ACADEMY
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2017

Advisers (continued)

Independent auditor

Hillier Hopkins LLP
Chartered Accountants
Radius House
51 Clarendon Road
Watford
Herts
WD17 1HP

Bankers

Lloyds Bank
67 High Street
Watford
Herts
WD17 2DU

WESTFIELD ACADEMY
(A company limited by guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2017

The Trustees (who are also directors of the Charity for the purposes of the Companies Act) present their annual report together with the audited financial statements and Auditor's report of Westfield Academy (the Academy) for the year ended 31 August 2017.

The Trustees, Accounting Officer and the Governing Body are aware that investigations by the ESFA are currently underway relating to the financial processes in use at the academy. Until those investigations are complete, we are unable to provide any more information relating to these matters. Once the recommendations are known, we will work with the appropriate agencies to address any concerns that have been highlighted.

The annual report serves the purposes of both a trustees' report and a directors' report under company law.

Structure, governance and management

a. CONSTITUTION

The Academy is a Charitable Company limited by guarantee. The Charitable Company's Memorandum of Association is the primary governing document of the Academy Trust.

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

- a. to provide secondary education by offering a broad and balanced curriculum for boys and girls aged 11 -18 mainly drawn from the area in which the Academy is situated.
- b. to promote the provision of facilities for hire and recreation

The charitable company's Trust deed is the primary governing document of the academy trust.

The Trustees of Westfield Academy are also the directors of the charitable company for the purpose of company law.

Details of the Trustees who served during the financial year are included in the Reference and administrative details on page 1.

b. 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.

c. TRUSTEES' INDEMNITIES

The Governors are indemnified in respect of their duties on behalf of Westfield Academy to the extent that they are covered under the ESFA's Risk Protection Arrangement (RPA), an alternative to insurance where UK Government funds cover losses that arise. This scheme protects Governors' from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. It is not possible to quantify the Trustees and Officers indemnity element from the overall cost of the RPA scheme

d. METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF TRUSTEES

The Management of the Academy is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association.

WESTFIELD ACADEMY
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

e. POLICIES AND PROCEDURES ADOPTED FOR THE INDUCTION AND TRAINING OF TRUSTEES

Newly appointed governors are provided with key documents, including recent minutes, internal audits and external audits and the last Ofsted report.

An induction session is completed for all new Governors.

The Governing Body arranges an annual training programme for Governors. They also have access to specific courses via Herts for Learning covering key areas of governance including admissions, assessment, finance, governance, health & safety, Ofsted, safeguarding and pupil welfare.

f. ORGANISATIONAL STRUCTURE

The organisational structure of Westfield Academy consists of the following:

- **Trustees:** Responsible for the overall strategic direction of the Westfield Academy Trust and the statutory responsibilities which may not be delegated
- **Board of Directors:** Responsible for the overall strategic direction of Westfield Academy and the statutory responsibilities which may not be delegated to Sub-Committees
- **Governing Body:** All Governors are members of the full Governing Body. All governors are entitled to be members of sub-committees which report to the full Governing Body. The full governing Body is required to meet at least 4 times a year. The Headteacher is an ex officio member of the Governing Body and all sub-committees.
- The Governing Body has two sub-committees: one for Achievement and Attainment; one for Resources (see below). Reports from each of the sub-committees are received and discussed at every meeting of the full Governing Body. Where a particular topic requires special attention the full Governing Body or its sub-committees create a temporary working party to address the topic, in partnership with the academy staff.
- **Senior Leadership Team** meets regularly to review the operation of the Academy and the implementation of the policies and procedures and to review the effectiveness of its activities and the quality of Teaching & Learning. Findings and proposals are presented to the Governing Body.
- **Resources Committee:** to review matters primarily related to "Non-Teaching" aspects of the school such as Finance, Day to Operations (Premises), Human Resources, Policies, Contractual Issues, Business Development and Procurement.
- **Achievement & Attainment Committee:** Meetings are primarily focused on Academic performance of the Students and Monitoring systems that have been put in place to ensure that targets are met. Deep dive sessions take place focused on particular disciplines or educational policy topics throughout the year.
- **Headteacher:** The Headteacher is appointed by the Governing Body to manage the day-to-day operations of the Academy. In order to facilitate effective and efficient day-to day operations and monitoring of existing systems, the Headteacher has delegated authority with the terms approved by the Governors for operational matters within the Academy's Senior Leadership Team.

g. PAY POLICY FOR KEY MANAGEMENT PERSONNEL

The Trustees receive no payments for their duties as Trustees.

All staff are subject to an annual performance review which determines whether they receive a pay rise which is ratified by the full Governing Body.

WESTFIELD ACADEMY
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

h. RISK MANAGEMENT

The Trustees, Accounting Officer and the Governing Body are aware that investigations by the ESFA are currently underway relating to the financial processes in use at the academy. Until those investigations are complete, we are unable to provide any more information relating to these matters. Once the recommendations are known, we will work with the appropriate agencies to address any concerns that have been highlighted.

The governors have assessed the major risks to which Westfield Academy is exposed, in particular those related to the operations and finances of the Westfield Academy, and are satisfied that systems and procedures are in place to mitigate over exposure to the major risks.

Objectives and Activities

a. OBJECT AND AIMS

The principal aim of Westfield Academy, a multicultural school with a comprehensive intake, is the provision of education for the public benefit by maintaining a school offering the best possible education for all Westfield students.

The Academy aims to:

- Enable all students to grow into responsible and fulfilled adults with the skills and confidence to shape their futures
- Nurture and encourage an environment that embraces mutual respect, care, tolerance and trust
- Provide academic excellence and alternative provisions of learning platforms for students who prefer the vocational avenue of education
- Provide careers advisory, counselling and mentoring programmes
- Provide extra-curricular activities for all students.

b. ACTIVITIES

During the year Westfield Academy has worked towards achieving these aims by:

- Ensuring every student enjoys the same high quality education in terms of resourcing, tuition and care.
- Offering a broad-balanced curriculum designed to meet the varying needs of our students.
- Maintaining a drive on excellent Teaching and Learning in the classroom ensuring the best possible opportunities for students to achieve successful outcomes.
- Focusing heavily on the conduct of the students in and around the Academy. Making them a credit to us and to the local community as well as allowing the best possible conditions for successful learning.
- Focusing diligently on the outcomes of all students, tracking achievement regularly and accurately and intervening where necessary in an appropriate and timely manner.
- Placing a high focus on recruiting, training and developing the best possible teachers, through delivering high quality professional development all year round.
- Using the latest classroom technology to ensure learning experiences are interactive, engaging and tailored to the needs of the students.
- Setting, maintaining and monitoring the highest expectations of our staff and students, focusing on our core belief of; Believe, Strive, Achieve.

WESTFIELD ACADEMY
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

c. PUBLIC BENEFIT

The trustees are satisfied that Westfield Academy has complied with its requirement for the public benefit of secondary education for boys and girls in the West Watford and surrounding areas. This is demonstrated by the continued excellent public examination results achieved by the students and by the destination of choice for the majority of the students being University.

Strategic report

Achievements and performance

a. KEY PERFORMANCE INDICATORS

GCSE Results	2015-2016	2016-2017
Progress 8	+0.02	+0.05
Average Attainment 8	46.10	42.00
Grade 4+ in English & Maths	57.00%	57.00%

Sixth Form Results	2015-2016	2016-2017
Average Point Score per A Level Entry	22.75	28.10
Average Point Score per Vocational Entry	49.25	36.10

Westfield Academy is extremely proud of its results. The Progress 8 score is the highest of the non- selective Academies in the Watford/Hemel Hempstead area.

b. GOING CONCERN

After making appropriate enquiries, the Governors have a reasonable expectation that Westfield 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.

c. FUNDRAISING ACTIVITIES/INCOME GENERATION

Westfield Academy's principal source of funding is the General Annual Grant (GAG) and other grants from the ESFA (Education and Skills Funding Agency). The grants received during the year ended 31 August 2017 and the associated expenditure are shown on page 18.

A high percentage of the funding is spent on personnel payroll costs to ensure delivery of Academy's objective of providing education.

Financial review

a. RESERVES POLICY

The Trustees are aware of the need to balance current and future income and expenditure.

WESTFIELD ACADEMY
(A company limited by guarantee)

TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

b. PRINCIPAL RISKS AND UNCERTAINTIES

The changing nature of education in the next five years is something that the academy needs to respond to.

Plans for future periods

- Westfield Academy remains focused in providing the best possible education for its students and to continue to improve the academic examination results.
- The Governors are also committed to raising the quality of teaching and the retention of the teaching staff.
- The Governors are determined to seek an Outstanding Ofsted rating to add to the current Good rating the Academy has already achieved.

DISCLOSURE OF INFORMATION TO AUDITOR

Insofar as the Trustees are aware:-

- There is no relevant audit information of which the charitable company's auditor is unaware; and
- The Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Trustees, Accounting Officer, the Governing Body and the Auditors are aware that investigations are currently underway relating to the financial processes in use at the academy. Until those investigations are complete, we are unable to provide any more information. Once the recommendations are known, we will work with the appropriate agencies to address any concerns that have been highlighted.

1/2/18

This Report was approved by the Trustees on and signed on their behalf by:

Mr D W Yull
Chair of Governors, Trustee

WESTFIELD ACADEMY
(A company limited by guarantee)

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

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

The board of trustees has delegated the day-to-day responsibility to the Headteacher, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Westfield Academy and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

GOVERNANCE

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The board of trustees has formally met 1 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
P A Rosen	1	1
D W Yuill	1	1
A L Farrer	1	1

The Directors have formally met 3 times during the year.

Attendance at meetings in the year was as follows:

Director	Meetings attended	Out of a possible
P A Rosen	2	3
D W Yuill	3	3
A L Farrer	3	3
T Body	3	3

The Governors have formally met 5 times during the year.

Attendance at meetings of the full Governing Body in the year was as follows:

Governor	Meetings attended	Out of a possible
T Body	4	5
L Everett	5	5
A L Farrer	5	5
B Mallett	4	5
R S Machen	5	5
I Riaz	4	5
P A Rosen	4	5
P Thompson	2	5
D W Yuill	4	5

WESTFIELD ACADEMY
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

REVIEW OF VALUE FOR MONEY

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

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

- Managing recruitment of permanent staff through a targeted system of recruitment and retention incentives to ensure continuity and consistency
- Reviewing the structure of the Academy day through regular meetings with Faculty Heads to maintain and improve positive outcomes for students, teachers and support staff
- Monitor outcomes and compare performance with similar Academies and within the Academy
- Consult appropriate stakeholders before major decisions are made

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 Westfield Academy for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements.

CAPACITY TO HANDLE RISK

The board of trustees has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks, that has been in place for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The Trustees, Accounting Officer and the Governing Body are aware that investigations are currently underway by the ESFA relating to the financial processes in use at the academy. Until those investigations are complete, we are unable to provide any more information relating to those matters. Once the recommendations are known, we will work with the appropriate agencies to address any concerns that have been highlighted.

THE RISK AND CONTROL FRAMEWORK

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the full governing body 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;

WESTFIELD ACADEMY
(A company limited by guarantee)

GOVERNANCE STATEMENT (continued)

- identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed Hillier Hopkins LLP, the external auditor, to perform additional checks.

The auditor's 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:

Reviewing bank reconciliations;
Reviewing expenses to gain assurance that they are authorised and recorded correctly;
Reviewing income, ensuring that appropriate controls are in place and operating effectively;
Reviewing the systems and controls surrounding the preparation, authorisation and review of payroll; and
Ensuring a fixed asset register is maintained.

On a termly basis, the auditor reports to the board of trustees on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.


REVIEW OF EFFECTIVENESS

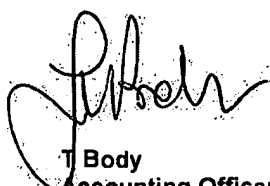
As Accounting Officer, the Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

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

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the full governing body and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 1/2/18 and signed on their behalf, by:


D W Yuill
Chair of Governors, Trustee


T Body
Accounting Officer

WESTFIELD ACADEMY
(A company limited by guarantee)


STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As the Accounting Officer of Westfield Academy, I have considered my responsibility to notify the Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State of Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2016.

Subject to the assertion below, I confirm that I and Board of Trustees are able to identify any material, irregular or improper use of funds by the Academy, or material non-compliance with the terms and conditions of funding under the Academy's funding agreement and the Academies Financial Handbook 2016

I, the Trustees and the Governing Body are aware that investigations by the ESFA are currently underway relating to the financial processes in use at the academy. Until those investigations are complete, we are unable to provide any more information relating to these matters. Once the recommendations are known, we will work with the appropriate agencies to address any concerns that have been highlighted.

An honorarium is paid to a member of staff and prior ESFA approval had not been obtained.



T Body
Accounting Officer

WESTFIELD ACADEMY
(A company limited by guarantee)

**STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2017**

The Trustees (who act as Governors of Westfield Academy and are also the Directors of the Charitable Company for the purposes of company law) are responsible for preparing the Trustees' report (including the Strategic report) and the financial statements in accordance with the Annual Accounts Direction issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

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

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

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

The Trustees, Accounting Officer and the Governing Body are aware that investigations are currently underway by the ESFA relating to the financial processes in use at the academy. Until those investigations are complete, we are unable to provide any more information relating to those matters. Once the recommendations are known, we will work with the appropriate agencies to address any concerns that have been highlighted.

Approved by order of the members of the board of trustees on 1/2/18 and signed on its behalf by:



D W Yuill
Chair of Governors, Trustee

WESTFIELD ACADEMY
(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
WESTFIELD ACADEMY**

QUALIFIED OPINION

We have audited the financial statements of Westfield Academy (the 'academy') for the year ended 31 August 2017 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills 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 Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the academy and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, in our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2017 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, the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

BASIS FOR QUALIFIED OPINION

As disclosed in the Trustees' Report and the Statement on regularity, propriety and compliance, the academy's financial processes are currently being investigated by the Education and Skills Funding Agency. Although the ESFA has issued a draft report to the academy, this has not been made available to us as auditor and therefore represents a limitation in audit scope. We are not able to determine the effect of the investigation on these financial statements.

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

WESTFIELD ACADEMY
(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
WESTFIELD ACADEMY**

CONCLUSIONS RELATING TO GOING CONCERN

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

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

OTHER INFORMATION

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- the information given in the Trustees' Report including the Strategic Report for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of our knowledge and understanding of the academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the Strategic Report.

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

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

WESTFIELD ACADEMY
(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
WESTFIELD ACADEMY**

RESPONSIBILITIES OF TRUSTEES

As explained more fully in the Statement of Trustees' responsibilities, the Trustees (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, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the academy's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the academy or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's report.



Alexander Bottom ACA (Senior statutory auditor)

for and on behalf of

Hillier Hopkins LLP

Chartered Accountants
Statutory Auditor

Radius House
51 Clarendon Road
Watford
Herts

WD17 1HP

Date:

2nd February 2018

WESTFIELD ACADEMY
(A company limited by guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO WESTFIELD ACADEMY AND THE EDUCATION AND SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 21 June 2013 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Westfield Academy during the year 1 September 2016 to 31 August 2017 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 Westfield Academy and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Westfield Academy and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Westfield Academy and the ESFA, for our work, for this report, or for the conclusion we have formed.

RESPECTIVE RESPONSIBILITIES OF WESTFIELD ACADEMY'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The Accounting Officer is responsible, under the requirements of Westfield Academy's funding agreement with the Secretary of State for Education dated 11 March 2013, and the Academies Financial Handbook extant from 1 September 2016, 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 2016 to 2017. 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 2016 to 31 August 2017 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 2016 to 2017 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- An assessment of the risk of material misstatement and irregularity across the Academy Trust's activities.
- Testing and review of areas identified through risk assessment including enquiry, observation, inspection and review of supporting evidence.
- Review of system controls, policies and procedures in place to ensure compliance with the regularity regime
- Consideration of evidence obtained through the work performed as part of our financial statements audit

WESTFIELD ACADEMY
(A company limited by guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO WESTFIELD ACADEMY AND THE EDUCATION AND SKILLS FUNDING AGENCY (continued)

in order to support the regularity conclusion.

CONCLUSION

In the course of our work, except for the matters listed below, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

An honorarium is paid to a member of staff and prior ESFA approval had not been obtained.

An ESFA investigation commenced on 3 October 2017 into the financial processes in use at the academy. The final report as a result of the investigation is not yet available, so we are unable to conclude that there have not been instances of irregularity during the year on which we should report.



Hillier Hopkins LLP

Chartered Accountants
Statutory Auditor

Radius House
51 Clarendon Road
Watford
Herts
WD17 1HP

Date:

2nd February 2018

WESTFIELD ACADEMY
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2017**

	Note	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
INCOME FROM:						
Donations and capital grants	2	-	-	25,511,282	25,511,282	109,693
Charitable activities	3	305,230	5,478,001	-	5,783,231	5,947,894
Investments	4	1,399	-	-	1,399	4,043
TOTAL INCOME		306,629	5,478,001	25,511,282	31,295,912	6,061,630
EXPENDITURE ON:						
Charitable activities		276,785	6,109,480	13,248,333	19,634,598	6,393,907
TOTAL EXPENDITURE		276,785	6,109,480	13,248,333	19,634,598	6,393,907
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS						
Transfers between Funds	15	29,844	(631,479)	12,262,949	11,661,314	(332,277)
		-	(512,467)	512,467	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES						
		29,844	(1,143,946)	12,775,416	11,661,314	(332,277)
Gains on revaluations of fixed assets	12	-	-	1,077,148	1,077,148	-
Actuarial gains/(losses) on defined benefit pension schemes	19	-	299,000	-	299,000	(649,000)
NET MOVEMENT IN FUNDS		29,844	(844,946)	13,852,564	13,037,462	(981,277)
RECONCILIATION OF FUNDS:						
Total funds brought forward		175,723	(732,926)	16,217,507	15,660,304	16,641,581
TOTAL FUNDS CARRIED FORWARD		205,567	(1,577,872)	30,070,071	28,697,766	15,660,304

The notes on pages 21 to 43 form part of these financial statements.

WESTFIELD ACADEMY
(A company limited by guarantee)
REGISTERED NUMBER: 08526440

BALANCE SHEET
AS AT 31 AUGUST 2017

	Note	£	2017 £	£	2016 £
FIXED ASSETS					
Tangible assets	12		30,070,071		16,217,507
CURRENT ASSETS					
Debtors	13	275,344		160,085	
Cash at bank and in hand		597,147		1,938,946	
		<u>872,491</u>		<u>2,099,031</u>	
CREDITORS: amounts falling due within one year	14	<u>(595,796)</u>		<u>(873,234)</u>	
NET CURRENT ASSETS			276,695		1,225,797
TOTAL ASSETS LESS CURRENT LIABILITIES			30,346,766		17,443,304
Defined benefit pension scheme liability	19		<u>(1,649,000)</u>		<u>(1,783,000)</u>
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u>28,697,766</u>		<u>15,660,304</u>
FUNDS OF THE ACADEMY					
Restricted income funds:					
Restricted income funds	15	71,128		1,050,074	
Restricted fixed asset funds	15	30,070,071		16,217,507	
Restricted income funds excluding pension liability		30,141,199		17,267,581	
Pension reserve		<u>(1,649,000)</u>		<u>(1,783,000)</u>	
Total restricted income funds			28,492,199		15,484,581
Unrestricted income funds	15		<u>205,567</u>		<u>175,723</u>
TOTAL FUNDS			<u>28,697,766</u>		<u>15,660,304</u>

The financial statements on pages 18 to 43 were approved by the Trustees, and authorised for issue, on and are signed on their behalf, by:


D W Yuill
Chair of Governors, Trustee

The notes on pages 21 to 43 form part of these financial statements.

WESTFIELD ACADEMY
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2017

	Note	2017 £	2016 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	17	(830,730)	267,568
Cash flows from investing activities:			
Dividends, interest and rents from investments		1,399	4,043
Proceeds from the sale of tangible fixed assets		-	300
Purchase of tangible fixed assets		(26,023,750)	(121,700)
Capital grants from DfE/ESFA		368,782	22,771
New build donation from the ESFA		25,142,500	-
Net cash used in investing activities		(511,069)	(94,586)
Change in cash and cash equivalents in the year		(1,341,799)	172,982
Cash and cash equivalents brought forward		1,938,946	1,765,964
Cash and cash equivalents carried forward	18	597,147	1,938,946

The notes on pages 21 to 43 form part of these financial statements.

WESTFIELD ACADEMY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

1. ACCOUNTING POLICIES

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

1.1 Basis of preparation of financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Westfield Academy constitutes a public benefit entity as defined by FRS 102.

1.2 Going concern

The Trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the academy to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements

WESTFIELD ACADEMY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES (continued)

1.3 Income

All income is recognised once the academy has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the Statement of financial activities incorporating income and expenditure account 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 Statement of financial activities incorporating income and expenditure account in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

Capital grants are recognised when there is entitlement 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 incorporating income and expenditure account in the period in which it is receivable, where receipt is probable and it is measurable.

Donations are recognised on a receivable basis where receipt is probable 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.

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on charitable activities are costs incurred on the academy's educational operations, including support costs and those costs relating to the governance of the academy appointed to charitable activities.

WESTFIELD ACADEMY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES (continued)

1.5 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of financial activities incorporating income and expenditure account and carried forward in the Balance sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of financial activities incorporating income and expenditure account. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

Long-term leasehold property	2% straight line
Long-term leasehold land	Over the length of the lease
Fixtures and fittings	25% straight line
Computer equipment	33.3% straight line

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of financial activities incorporating income and expenditure account.

WESTFIELD ACADEMY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES (continued)

1.6 PFI arrangement

The buildings used by Westfield Academy were built during the year under a Private Finance Initiative (PFI) contract. The Academy Trust entered into an arrangement which stipulates that the Academy Trust will pay a monthly contribution towards maintenance. The PFI arrangement is due to end in November 2041.

PFI payments

The payments made in respect of the PFI arrangement charge is therefore expensed in the Statement of Financial Activities in the period to which they relate.

The Trustees take the view that the substance of the arrangement is such that the principal rights and obligations under the contract remain with the Education and Skills Funding Agency, thus the future payments are disclosed as commitments and not recognised as a liability.

Land and buildings

As the Academy Trust takes on the risks and rewards associated with the land and buildings, including the long term maintenance of the property once the PFI contract has ended, the land and buildings are capitalised within fixed assets on the Academy Trust's balance sheet at valuation on completion. The Freehold Property is depreciated as disclosed in note 1.5.

1.7 Operating leases

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

1.8 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.9 Cash at Bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.10 Liabilities and provisions

Liabilities and provisions are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the academy anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

WESTFIELD ACADEMY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES (continued)

1.11 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 13. Prepayments are not financial instruments. Amounts due to the academy's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in note 14. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments.

1.12 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.

1.13 Pensions

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Governments Pension Scheme ("LGPS"). These are defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 19, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

WESTFIELD ACADEMY
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES (continued)

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of financial activities incorporating income and expenditure account and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

1.14 Fund accounting

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

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 with restrictions imposed by the funder and include grants from the Department for Education.

WESTFIELD ACADEMY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

1. ACCOUNTING POLICIES (continued)

1.15 Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 19, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

1.16 Agency Arrangements

The Academy trust acts as an agent in distributing 16-19 bursary funds from the ESFA. Payments received from the ESFA 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 academy trust can use up to 2% of the allocation towards its own administration costs and this is recognised in the statement of the financial activities. The funds received and paid and any balances held are disclosed in note 24.

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
New school build	-	-	25,142,500	25,142,500	-
Capital Grants	-	-	368,782	368,782	109,693
			25,511,282	25,511,282	109,693
Total 2016	-	-	109,693	109,693	

WESTFIELD ACADEMY
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Educational Activities	-	5,478,001	5,478,001	5,568,564
Rent of facilities income	12,285	-	12,285	13,039
Catering Income	192,976	-	192,976	170,615
Other Income	68,056	-	68,056	94,207
Music tuition income	5,869	-	5,869	8,866
Trip income	23,957	-	23,957	90,555
Exam fee income	2,087	-	2,087	2,048
	<u>305,230</u>	<u>5,478,001</u>	<u>5,783,231</u>	<u>5,947,894</u>
<i>Total 2016</i>	<u>379,330</u>	<u>5,568,565</u>	<u>5,947,895</u>	

FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	5,167,314	5,167,314	5,278,215
Pupil Premium	-	228,322	228,322	247,354
Other Income	-	4,546	4,546	11,758
Other DfE Income	-	25,844	25,844	5,127
Other ESFA Income	-	4,500	4,500	-
Other Government Grants	-	47,475	47,475	26,110
	<u>-</u>	<u>5,478,001</u>	<u>5,478,001</u>	<u>5,568,564</u>
<i>Total 2016</i>	<u>-</u>	<u>5,568,565</u>	<u>5,568,565</u>	

WESTFIELD ACADEMY
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

4. INVESTMENT INCOME

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Investment income	1,399	-	1,399	4,043
<i>Total 2016</i>	<i>4,043</i>	<i>-</i>	<i>4,043</i>	

5. DIRECT COSTS

	Educational Activities	Total 2017	Total 2016
Teaching and educational supplies	245,346	245,346	275,330
Examination Fees	73,310	73,310	78,078
Staff Development	47,780	47,780	10,795
Educational consultancy	-	-	2,434
Maintenance of equipment	124,652	124,652	55,949
Other costs	36,953	36,953	51,796
Wages and salaries	3,063,287	3,063,287	2,992,274
National insurance	281,339	281,339	240,643
Pension cost	439,323	439,323	397,235
	4,311,990	4,311,990	4,104,534
<i>At 31 August 2016</i>	<i>4,132,214</i>	<i>4,132,214</i>	

WESTFIELD ACADEMY
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

6. SUPPORT COSTS

	Educational Activities	Total 2017	Total 2016
Pension income	37,000	37,000	40,000
Staff Development	22,591	22,591	43,843
Technology Costs	22,164	22,164	30,090
Travel and Subsistence	14,544	14,544	10,177
Recruitment	58,757	58,757	36,422
Maintenance of premises	75,837	75,837	77,518
Maintenance of equipment	18,663	18,663	18,324
Cleaning	166,775	166,775	140,329
Rent and Rates	43,479	43,479	48,242
Energy	158,583	158,583	116,363
Insurance	21,985	21,985	27,045
Catering	238,264	238,264	218,541
Bank Interest and charges	2,791	2,791	2,605
Printing, postage & Stationary	9,320	9,320	9,948
Other costs	67,807	67,807	103,826
Management fees	43,832	43,832	43,231
Lease costs	43,329	43,329	36,986
Legal and professional	12,062	12,062	12,637
Telephone	12,453	12,453	10,604
Marketing	47,872	47,872	27,563
Trip expenditure	19,286	19,286	98,754
Music cost	15,805	15,805	15,532
Loss on disposal of fixed assets	12,939,733	12,939,733	
Operating lease premises costs	44,565	44,565	
Wages and salaries	566,955	566,955	520,135
National insurance	51,011	51,011	44,563
Pension cost	258,545	258,545	146,650
Depreciation	308,600	308,600	409,445
	15,322,608	15,322,608	2,289,373
<i>At 31 August 2016</i>	2,261,693	2,261,693	

During the year ended 31 August 2017, the academy incurred the following Governance costs:

£14,800 (2016 - £14,550) included within the table above in respect of educational activities.

WESTFIELD ACADEMY
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

7. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets:		
- owned by the charity	308,600	409,744
Auditor's remuneration - audit	7,750	7,500
Auditor's remuneration - other services	4,325	6,800
Loss on disposal of fixed assets	<u>12,939,733</u>	<u> </u>

WESTFIELD ACADEMY
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

8. STAFF COSTS

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries	3,312,498	3,164,826
Social security costs	332,350	285,206
Operating costs of defined benefit pension schemes	697,869	543,885
	<u>4,342,717</u>	<u>3,993,917</u>
Apprenticeship levy	601	-
Supply teacher costs	288,423	347,584
Staff restructuring costs	29,321	-
	<u>4,661,062</u>	<u>4,341,501</u>

Staff restructuring costs comprise:

Redundancy payments	20,321	-
Severance payments	9,000	-
	<u>29,321</u>	<u>-</u>

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

	2017 No.	2016 No.
Teachers	68	55
Support and admin	57	51
Management	8	10
	<u>133</u>	<u>116</u>

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

	2017 No.	2016 No.
In the band £60,001 - £70,000	3	2
In the band £70,001 - £80,000	1	1
In the band £80,001 - £90,000	1	1

4 of the above employees participated in the Teachers Pension Scheme and 1 to the Local Government Pension Scheme during the period ended 31 August 2016. Employer contributions for these staff under the Teachers Pension Scheme amounted to £45,949 (2016: £35,675). Employer contributions for these staff under the Local Government Pension Scheme amounted to £18,507 (2016: £18,397).

The key management personnel of the School comprise the Governors and the senior management team as listed on page 5. The total amount of employee benefits (including employer pension contributions)

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FOR THE YEAR ENDED 31 AUGUST 2017**

8. STAFF COSTS (continued)

received by key management for their services to the School was £661,945 (2016: £697,331).

9. DIRECTORS' REMUNERATION AND EXPENSES

One or more Trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and other staff members under their contracts of employment, and not in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows:

		2017 £	2016 £
T Body	Remuneration	85,000-90,000	85,000-90,000
	Pension contributions paid	10,000-15,000	10,000-15,000

During the year, no Trustees received any benefits in kind (2016 - £NIL).

During the year ended 31 August 2017, no Trustees received any reimbursement of expenses (2016 - £NIL).

10. OTHER FINANCE INCOME

	2017 £	2016 £
Interest income on pension scheme assets	33,000	45,000
Interest on pension scheme liabilities	(70,000)	(85,000)
	<u>(37,000)</u>	<u>(40,000)</u>

11. TRUSTEES' AND OFFICERS' INSURANCE

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

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12. TANGIBLE FIXED ASSETS

	Long-term leasehold property £	Fixtures and fittings £	Computer equipment £	Astroturf £	Total £
Cost or valuation					
At 1 September 2016	16,856,351	77,643	124,189	248,748	17,306,931
Additions	25,188,639	374,744	451,813	8,553	26,023,749
Disposals	(13,687,990)	(77,643)	(124,189)	-	(13,889,822)
Revaluation surplus/(deficit)	1,000,000	-	-	-	1,000,000
At 31 August 2017	29,357,000	374,744	451,813	257,301	30,440,858
Depreciation					
At 1 September 2016	889,278	45,532	92,427	62,187	1,089,424
Charge for the year	-	93,686	150,589	64,325	308,600
On disposals	(812,130)	(45,532)	(92,427)	-	(950,089)
On revalued assets	(77,148)	-	-	-	(77,148)
At 31 August 2017	-	93,686	150,589	126,512	370,787
Net book value					
At 31 August 2017	29,357,000	281,058	301,224	130,789	30,070,071
At 31 August 2016	15,967,073	32,111	31,762	186,561	16,217,507

During the year the old school premises were demolished. The buildings had been valued at £13,535,500 when the school became an Academy on 13th May 2013. The new school building was completed during the year and the school community moved in December 2016.

The school site has been valued by Brasier Freeth LLP at £29,357,000 of which £25,142,500 is attributable to the buildings. The premises have been valued on a Depreciated Replacement Cost basis in accordance with accounting convention for assets of this type.

The cost of the building has been financed by a donation from the ESFA.

During the valuation, land has also been revalued.

13. DEBTORS

	2017 £	2016 £
Trade debtors	55,680	10,002
Other debtors	124,303	75,165
Prepayments and accrued income	95,361	74,918
	<u>275,344</u>	<u>160,085</u>

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14. CREDITORS: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	156,920	244,635
Other taxation and social security	84,159	83,497
Other creditors	74,889	64,224
Accruals and deferred income	279,828	480,878
	<u>595,796</u>	<u>873,234</u>

	2017 £	2016 £
Deferred income		
Deferred income at 1 September 2016	52,723	81,054
Resources deferred during the year	48,961	52,723
Amounts released from previous years	(52,723)	(81,054)
	<u>48,961</u>	<u>52,723</u>

Included in deferred income is devolved formula capital grant relating to the 2017/18 financial year as well as trip income received in advance.

15. STATEMENT OF FUNDS

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
Designated funds						
Astroturf sinking fund	-	-	-	50,000	-	50,000
General funds						
General Funds - all funds	175,723	306,629	(276,785)	(50,000)	-	155,567
Total Unrestricted funds	<u>175,723</u>	<u>306,629</u>	<u>(276,785)</u>	<u>-</u>	<u>-</u>	<u>205,567</u>
Restricted funds						
GAG	1,050,074	5,197,704	(5,664,183)	(512,467)	-	71,128
Pupil Premium	-	228,322	(228,322)	-	-	-
Other government grants	-	51,975	(51,975)	-	-	-
Pension reserve	(1,783,000)	-	(165,000)	-	299,000	(1,649,000)
	<u>(732,926)</u>	<u>5,478,001</u>	<u>(6,109,480)</u>	<u>(512,467)</u>	<u>299,000</u>	<u>(1,577,872)</u>

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15. STATEMENT OF FUNDS (continued)

Restricted fixed asset funds

Restricted Fixed Asset Funds - all funds	250,434	368,782	(372,473)	29,823,328	-	30,070,071
Old school building	15,967,073	-	(12,875,860)	(4,168,361)	1,077,148	-
Donation of new site	-	25,142,500	-	(25,142,500)	-	-
	<u>16,217,507</u>	<u>25,511,282</u>	<u>(13,248,333)</u>	<u>512,467</u>	<u>1,077,148</u>	<u>30,070,071</u>
Total restricted funds	<u>15,484,581</u>	<u>30,989,283</u>	<u>(19,357,813)</u>	<u>-</u>	<u>1,376,148</u>	<u>28,492,199</u>
Total of funds	<u>15,660,304</u>	<u>31,295,912</u>	<u>(19,634,598)</u>	<u>-</u>	<u>1,376,148</u>	<u>28,697,766</u>

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 September 2015 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2016 £
Designated funds						
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
General funds						
General Funds - all funds	127,079	383,373	(334,729)	-	-	175,723
	<u>127,079</u>	<u>383,373</u>	<u>(334,729)</u>	<u>-</u>	<u>-</u>	<u>175,723</u>
Total Unrestricted funds	<u>127,079</u>	<u>383,373</u>	<u>(334,729)</u>	<u>-</u>	<u>-</u>	<u>175,723</u>
Restricted funds						
GAG	1,074,950	5,278,215	(5,291,384)	(11,707)	-	1,050,074
Pupil Premium	-	247,354	(247,354)	-	-	-
Other government grants	-	42,995	(42,995)	-	-	-
Pension reserve	(1,066,000)	-	(68,000)	-	(649,000)	(1,783,000)
	<u>8,950</u>	<u>5,568,564</u>	<u>(5,649,733)</u>	<u>(11,707)</u>	<u>(649,000)</u>	<u>(732,926)</u>

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

Restricted fixed asset funds

Restricted Fixed Asset Funds - all funds	16,505,552	109,693	(409,445)	11,707	-	16,217,507
	<u>16,505,552</u>	<u>109,693</u>	<u>(409,445)</u>	<u>11,707</u>	<u>-</u>	<u>16,217,507</u>
Total restricted funds	<u>16,514,502</u>	<u>5,678,257</u>	<u>(6,059,178)</u>	<u>-</u>	<u>(649,000)</u>	<u>15,484,581</u>
Total of funds	<u>16,641,581</u>	<u>6,061,630</u>	<u>(6,393,907)</u>	<u>-</u>	<u>(649,000)</u>	<u>15,660,304</u>

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

The General Annual Grant (GAG) represents the core funding for the educational activities of the Academy that has been provided via the Education and Skills Funding Agency (ESFA) by the Department for Education. The GAG fund must be used for the normal running costs of the Academy.

Pupil Premium is a grant allocated to Academies with pupils that are known to be eligible for free school meals. The purpose is to raise attainment for pupils from low income families.

The pension reserve represents the net deficit on the LGPS defined benefit pension scheme. The deficit arose because of the pension scheme deficit inherited upon conversion and future GAG funding agreed by the ESFA is expected to be sufficient to take the fund back into surplus.

The restricted fixed asset fund includes all significant items of fixed assets. Depreciation charged on the assets is allocated to the fund. The transfer of GAG funds to the fixed asset reserve fund represents the spending of GAG monies for fixed asset additions.

The designated fund relates to the Astroturf pitch partly funded by the Football Foundation. It is a requirement of the funding that £25,000 per annum is set aside as a sinking fund for 10 years to resurface the pitch after 10 years in operation. £50,000 has been transferred in 2016/17 for the current and previous year.

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	30,070,071	30,070,071
Current assets	205,567	666,923	-	872,490
Creditors due within one year	-	(595,795)	-	(595,795)
Provisions for liabilities and charges	-	(1,649,000)	-	(1,649,000)
	<u>205,567</u>	<u>(1,577,872)</u>	<u>30,070,071</u>	<u>28,697,766</u>

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16. ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	<i>Unrestricted funds</i>	<i>Restricted funds</i>	<i>Restricted fixed asset funds</i>	<i>Total funds</i>
	2016	2016	2016	2016
	£	£	£	£
Tangible fixed assets	-	-	16,217,507	16,217,507
Current assets	175,723	1,923,307	-	2,099,030
Creditors due within one year	-	(873,233)	-	(873,233)
Provisions for liabilities and charges	-	(1,783,000)	-	(1,783,000)
	<u>175,723</u>	<u>(732,926)</u>	<u>16,217,507</u>	<u>15,660,304</u>

17. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2017 £	2016 £
Net income/(expenditure) for the year (as per Statement of Financial Activities)	11,661,314	(332,277)
Adjustment for:		
Depreciation charges	308,600	409,745
Dividends, interest and rents from investments	(1,399)	(4,043)
Loss/(profit) on the sale of fixed assets	12,939,733	(300)
(Increase)/decrease in debtors	(115,259)	101,869
(Decrease)/increase in creditors	(277,437)	47,345
Capital grants from DfE and other capital income	(25,511,282)	(22,771)
Defined benefit pension scheme finance cost	165,000	68,000
Net cash (used in)/provided by operating activities	<u>(830,730)</u>	<u>267,568</u>

18. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2017 £	2016 £
Cash in hand	597,147	1,938,946
Total	<u>597,147</u>	<u>1,938,946</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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19. 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 Hertfordshire County Council. Both are Multi-employer defined benefit pension schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £67,286 were payable to the schemes at 31 August 2017 (2016 - £61,776) 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

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

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

The employer's pension costs paid to TPS in the period amounted to £358,741 (2016 - £318,894).

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19. PENSION COMMITMENTS (continued)

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx).

Under the definitions set out in FRS 102, 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 2017 was £231,000 (2016 - £243,000), of which employer's contributions totalled £204,000 (2016 - £193,000) and employees' contributions totalled £50,000 (2016 - £50,000). The agreed contribution rates for future years are 25.3% for employers and 5.5% - 12.5% 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.

Principal actuarial assumptions:

	2017	2016
Discount rate for scheme liabilities	2.50 %	2.00 %
Expected return on scheme assets at 31 August	2.50 %	2.00 %
Rate of increase in salaries	2.50 %	3.60 %
Rate of increase for pensions in payment / inflation	2.40 %	2.10 %

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

	2017	2016
Retiring today		
Males	22.5	22.3
Females	24.9	24.5
Retiring in 20 years		
Males	24.1	24.3
Females	26.7	26.7

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19. PENSION COMMITMENTS (continued)

The academy's share of the assets in the scheme was:

	Fair value at 31 August 2017 £	Fair value at 31 August 2016 £
Equities	1,278,550	968,310
Corporate bonds	491,750	430,360
Property	137,690	107,590
Cash and other liquid assets	59,010	30,740
Total market value of assets	<u>1,967,000</u>	<u>1,537,000</u>

The actual return on scheme assets was £33,000 (2016 - £45,000).

The amounts recognised in the Statement of financial activities incorporating income and expenditure account are as follows:

	2017 £	2016 £
Current service cost	(306,000)	(221,000)
Interest income	33,000	45,000
Interest cost	(70,000)	(85,000)
Total	<u>(343,000)</u>	<u>(261,000)</u>
Actual return on scheme assets	<u>204,000</u>	<u>193,000</u>

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

	2017 £	2016 £
Opening defined benefit obligation	3,320,000	2,167,000
Current service cost	306,000	221,000
Interest cost	70,000	85,000
Employee contributions	50,000	50,000
Actuarial (gains)/losses	(133,000)	797,000
Benefits paid	(23,000)	-
Past service costs	26,000	-
Closing defined benefit obligation	<u>3,616,000</u>	<u>3,320,000</u>

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

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

	2017 £	2016 £
Opening fair value of scheme assets	1,537,000	1,101,000
Interest income	33,000	45,000
Actuarial losses	166,000	148,000
Employer contributions	204,000	193,000
Employee contributions	50,000	50,000
Benefits paid	(23,000)	-
	<u>1,967,000</u>	<u>1,537,000</u>
Closing fair value of scheme assets	<u>1,967,000</u>	<u>1,537,000</u>

20. OPERATING LEASE COMMITMENTS

At 31 August 2017 the total of the Academy trust's future minimum lease payments under non-cancellable operating leases was:

	2017 £	2016 £
General leases:		
Within 1 year	13,246	51,118
Between 1 and 5 years	26,947	3,254
Total	<u>40,193</u>	<u>54,372</u>
PFI arrangement:		
Within 1 year	135,744	-
Between 1 and 5 years	542,976	-
After more than 5 years	2,714,880	-
Total	<u>3,393,600</u>	<u>-</u>

As noted in accounting policy note 1.6, the new school build was constructed under a Private Finance Initiative (PFI) agreement.

The PFI arrangement commitments as disclosed above relate to the amounts payable to Education and Skills Funding Agency as the school's contribution to the PFI contract payments.

The commitment under the agreement is based on estimated RPI figures for the monthly contributions. The payment will increase by RPI for the remainder of the PFI contract which expires in November 2041.

The Trustees take the view that the substance of the arrangement is such that the principal rights and obligations under the contract remain with the Education and Skills Funding Agency, thus the future payments are disclosed as commitments and not recognised as a liability.

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21. MEMBERS' LIABILITY

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

22. RELATED PARTY TRANSACTIONS

Owing to the nature of the Academy's operations and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trust 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 year no related party transactions took place, other than certain trustees' remuneration and expenses already disclosed in note 9.

23. CONTROLLING PARTY

In the opinion of the trustees there is no ultimate controlling party.

24. AGENCY ARRANGEMENTS

The Academy distributes 16-19 bursary funds to students as an agent for the ESFA. For the year ended 31 August 2017, the academy received £35,676 and disbursed £25,334 from the fund. An amount of £30,994 is included in other creditors relating to undistributed funds that is repayable to the ESFA.