

COMPANY REGISTRATION NUMBER 08523370



**WESTBROOK PRIMARY SCHOOL
FINANCIAL STATEMENTS
31 AUGUST 2019**

WESTBROOK PRIMARY SCHOOL
FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2019

CONTENTS	PAGE
Members of the board and professional advisers	2
Trustees' Report	3
Governance statement	8
Statement on regularity, propriety and compliance	11
Statement of Trustees' responsibilities	12
Independent auditor's report to the members	13
Independent reporting accountant's report on regularity	15
Statement of financial activities including the income and expenditure account	17
Balance sheet	18
Statement of cash flows	19
Notes to the Financial Statements including:	
Accounting policies	20
Other notes to the financial statements	24

WESTBROOK PRIMARY SCHOOL
MEMBERS OF THE BOARD AND PROFESSIONAL ADVISERS
YEAR ENDED 31 AUGUST 2019

REFERENCE AND ADMINISTRATIVE DETAILS

The trustees who served the company during the period were as follows:

	Also a member
Mr D S Roop	x
Mrs M Coffey (Vice chair to 14.1.2018; Chair from 15.1.18)	x
Miss L Gallagher	
Ms A Khungar	x
Mrs C E Benton	
Mr M S Babbra (Vice chair from 5.3.18)	x
Dr M Tatters	
Mrs D Al Assaad (resigned on 20.12.17)	
Mrs P Pabari	
Mr A Leggett (from 20.12.17; previously associate governor)	
Mrs R Gondal (from 25.6.18)	x

Secretary Mrs S M Vass (resigned 13 November 2019)
Mrs T Aryee (appointed 13 November 2019)

Management team

- Headteacher M Tatters
- Deputy Headteacher C E Benton
- Assistant Headteachers S Artoonian, L Gallagher, H Keane, F Shaikh
- VI Centre Manager A McGrotty
- School Business Manager S M Vass

Registered charity name Westbrook Primary School

Company registration number 08523370

Principal and registered office Westbrook Road
Hounslow
TW5 0NB

Auditor Audit for Business Development and Solutions Limited
Chartered Accountants
& Statutory Auditor
15 Oxford Street
Southampton
Hampshire SO14 3DJ

Bankers Natwest
Direct Business Banking
PO Box 4115
Hornchurch
Essex RM12 4DF

Solicitors Winckworth Sherwood
Minerva House
5 Montague Close
London SE1 9BB

WESTBROOK PRIMARY SCHOOL

TRUSTEES' REPORT

YEAR ENDED 31 AUGUST 2019

The trustees present their annual report together with the financial statements of the charitable company for the year from 1 September 2018 to 31 August 2019. The annual report serves the purposes of both a trustees' report and a directors' report under company law.

The trust operates an academy for pupils aged 3 to 11 serving a catchment area in Heston in the London Borough of Hounslow. It has a pupil capacity of 718 and has a roll of 658 in the School Census in May 2019.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees of the academy are also directors of the charitable company for the purposes of company law. Reference and administrative details are shown in the schedule of members of the board and professional advisers on page 2.

Members' Liability

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

Trustees' Indemnities

The academy 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.

Method of Recruitment and Appointment or Election of Trustees

The members appoint the governors. The members may appoint staff governors through such process as they may determine, provided that such total numbers (including the headteacher) who are employees of the academy does not exceed one third of the total number of governors. Parent governors shall be elected by parents of registered pupils. The secretary of state may appoint governors under certain circumstances.

Governors are subject to retirement at the expiry of their term of office but are eligible for re-election at the meeting at which they retire.

Policies and Procedures Adopted for the Induction and Training of Trustees

All new governors will be given a tour of the academy and the opportunity to meet 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.

Organisational Structure

The unified management structure consists of three levels: the Governors, the Senior Managers and the Management Team. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

The governors are responsible for setting general policy, adopting an annual plan and budget, monitoring the academy by the use of budgets and making major decisions about the direction of the academy, capital expenditure and senior staff appointments.

WESTBROOK PRIMARY SCHOOL

TRUSTEES' REPORT YEAR ENDED 31 AUGUST 2019

The Senior Managers are the Headteacher, the Deputy Headteacher and the Assistant Headteachers. These managers control the academy at an executive level implementing the policies laid down by the governors and reporting back to them. As a group the managers are responsible for the authorisation of expenditure within agreed budgets and the appointment of staff, though appointment boards for posts in the management team always contain a governor. Some spending control is devolved to members of the management team, with limits above which a senior manager must countersign.

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

The pay scale for each teacher is set by the Governing Body (Executive Committee). Progression within the scale and to a higher scale (eg UPS) is agreed by governors on the recommendation of managers using evidence collected during the performance management cycle. For the Headteacher, the recommendation comes from the Headteacher's performance management panel, which comprises an external adviser and two governors.

Non-teaching staff – the scale of each post is determined by the Headteacher, although governors are often involved particularly for more senior posts (and always for the Business Manager). Progression within the scale is agreed by the Headteacher following recommendations from managers using evidence collected during the performance management cycle.

Related Parties and other connected charities and organisations

There are no related parties or other connected charities and organisations.

OBJECTIVES AND ACTIVITIES

Objects and aims

The principal activities are to advance for the public benefit education in the United Kingdom, by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.

Objectives, Strategies and Activities

The principal object and activity of the charitable company is the operation of the school to provide education for pupils of all abilities between the ages of 3 and 11.

In accordance with the Articles of Association the school has adopted a 'Scheme of Governance' approved by the Secretary of State for Education. The Scheme of Governance specifies, among other things, the basis for admitting children to the school, and that the curriculum should comply with the substance of the national curriculum.

The main objectives are:

- To provide a safe learning environment for every pupil.
- To provide facilities and opportunities to all pupils to stimulate creativity and learning and enable every student to achieve.
- To provide a broad and challenging curriculum.
- To enable all students to achieve their individual potential regardless of disability or background.
- To develop broad based enterprise skills and encourage all students to become independent, active, citizens who contribute positively to the community in which they live.

Public Benefit

The school's trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission (on their website at <http://www.charitycommission.gov.uk/trustees-staff-and-volunteers/trustee-board/public-benefit-a-summary>) in exercising their powers or duties.

WESTBROOK PRIMARY SCHOOL

TRUSTEES' REPORT

YEAR ENDED 31 AUGUST 2019

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

KS2

Key Stage 2 Results 2019

Subject	Level	Result	Floor Target	National
Reading	Exp	77%	65%	73%
	High Score	20%		27%
Writing	Exp	81%	65%	78%
	High Score	19%		20%
Maths	Exp	89%	65%	79%
	High Score	30%		27%
GPS	Exp	86%	65%	78%
	High Score	62%		36%

Measure	Result	Target	National
Reading Progress	0.0	0	0
Writing Progress	0.4	0.1	0
Maths Progress	2.6	1.0	0
Exp BOTH RWM	72%	70%	65%
High Score in BOTH RWM	7%	10%	11%

National Floor Targets

- Have 65%+ in RWM or
- VA core better than -5 in reading, -5 maths, -7 writing.

Key Stage 1 Results

Subject	Level	Result	Target	National
Reading	Exp	84%	85%	75%
	GDS	26%		26%
Writing	Exp	82%	85%	70%
	GDS	22%		16%
Maths	Exp	84%	85%	76%
	GDS	24%		22%

Subject	Level	Result	Target	National
Yr1 Phonics	Exp	91%	85%	

EYFS Results

Subject	Level	Result	Target	Hounslow
Reading	Exp	85%	74%	78%
Writing	Exp	84%	74%	76%
Maths/Numbers	Exp	87%	74%	80%
Good Dev	Exp	81.7%	74%	74%

WESTBROOK PRIMARY SCHOOL

TRUSTEES' REPORT

YEAR ENDED 31 AUGUST 2019

These are provisional results as we are still awaiting confirmation that the results of some children can be disapplied.

Key Financial Performance Indicators

The governors have identified the following key financial performance indicators:

- Average gross income per pupil - £5,217
- Ratio of staff costs to total costs – 77%
- (Deficit) as percentage of income – (0.06)%
- Free reserves expressed as number of days expenditure – 102 days

Going Concern

After making appropriate enquiries, the board of governors has a reasonable expectation that the school has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

FINANCIAL REVIEW

The school's income and expenditure for the period is set out in the Statement of Financial Activities. Income and expenditure is separately disclosed by type of fund, as follows:

1. Unrestricted Funds

Funds which must be spent for the benefit of the school generally and at the discretion of the governors.

2. Restricted Funds

Funds which must be spent for the benefit of a particular aspect of the school and at the discretion of the governors.

3. Restricted Fixed Asset Funds

A specific Restricted Fund relating to the school's fixed assets, including its land and buildings.

97% of the school's income consisted of recurrent grants from the Department for Education's delivery agency, the Education & Skills Funding Agency (ESFA). The grants received from the ESFA during the period ended 31 August 2019 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

During the year ended 31 August 2019 total income from recurrent grant funding and other incoming resources was £3.43m. The excess of expenditure over income (excluding transfers of funds and movements on the Restricted Fixed Assets Fund) was £204k.

Reserves Policy

The governors review the reserve levels of the school annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves.

The governors have determined that the appropriate level of free reserves should be equivalent to 30 days of average expenditure, approximately £297k. This is to provide sufficient working capital to cover delays between spending and the receipt of grants and to provide the ability to deal with unexpected emergencies such as urgent maintenance. The school's current net current assets amount to £913k which corresponds to 102 days of expenditure.

Included within net current assets is the school's current level of free reserves (being the income funds that are freely available for general purposes which under the SORP, would generally be unrestricted funds) of £nil.

The school will aim to build reserves to support the rolling three year budget projection.

Cash balances are deposited with UK banks.

WESTBROOK PRIMARY SCHOOL

TRUSTEES' REPORT

YEAR ENDED 31 AUGUST 2019

Financial and Risk Management Objectives and Policies

The Local Government Pension Scheme (LGPS) for support staff is a defined benefit pension scheme. A deficit of £2,894k is to be eliminated over 20 years by increased contribution percentages and annual payments.

Principal Risks and Uncertainties

The governors have assessed the major risks to which the school is exposed, in particular those relating to:

1. Operational areas of the school including teaching, recruitment, health and safety, school trips, pupil safety and the suitability of facilities.
2. Finances and the internal controls over accounting procedures.

The governors have implemented systems, including operational procedures and internal financial controls in order to minimise risks. The school has an effective system of internal control and this is explained in more detail on pages 9 and 10.

Plans for Future Periods

Converting to Academy Status has also made the school eligible to bid for capital grants that would otherwise not have been available.

Future pressure in finance is coming from reduction of ESFA grants, minimum funding guarantee reductions, reduced Educational Support Grant (ESG) funding, reduced SEN funding and contractual pay rises.

It is likely that existing cash reserves will be absorbed as the school adjusts to a more austere funding environment.

AUDITOR

Each of the persons who is a trustee at the date of approval of this report confirms that:

- so far as each trustee is aware, there is no relevant audit information of which the company's auditor is unaware; and
- each trustee has taken all steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors on 2 December 2019 and signed on the board's behalf by:



Mrs M Coffey
Chair of Governors

Registered office:
Westbrook Road
Hounslow
TW5 0NB

WESTBROOK PRIMARY SCHOOL

GOVERNANCE STATEMENT

YEAR ENDED 31 AUGUST 2019

Scope of Responsibility

As governors we acknowledge we have overall responsibility for ensuring that the school 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 the school 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 Statement of Governors' Responsibilities. The board of governors has formally met 5 times during the period. Attendance during the year at meetings of the board of governors was as follows:

	Meetings attended	Out of a possible
D S Roop	3	5
C E Benton (staff)	5	5
M Coffey (vice chair to 14.1.18) (chair from 15.1.18)	5	5
L Gallager (staff)	5	5
M Tatters (headteacher)	5	5
A Khungar	5	5
M Babbra (vice-chair from 5.3.18)	3	5
P Pabari	5	5
A Leggett (from 20.12.17 - previously associate)	1	3
R Gondal (from 25.6.18)	1	1

The executive committee of governors (incorporating the Pay Committee) has formally met 6 times during the period. Attendance during the period at meetings of the board of governors was as follows:

	Meetings attended	Out of a possible
M Coffey (chair to 3.6.18)	6	6
C E Benton	5	6
M Babbra (chair from 4.6.18)	4	6
M Tatters (headteacher)	5	6
L Gallagher (from 5.3.18)	3	3
R Gondal (from 9.7.18)	1	1

The Trust intends to conduct its next review of governance during 2020.

WESTBROOK PRIMARY SCHOOL

GOVERNANCE STATEMENT

YEAR ENDED 31 AUGUST 2019

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 trustees 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 Teaching and Learning with further movement to outstanding, as shown in the KS1 & KS2 results;
- Ensuring attainment and progress in reading is above the national floor target of 65%.
- Use of iTrack- new tracking system, which shows children above, at, or below expectations;
- Forming partnership links;
- Promoting from within, which helps retain good and outstanding staff, and keeping advertising costs down – for example Assistant Headteachers, which is also part of future planning to keep costs down; and
- Good control of expenditure.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of school 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 the School from 1 September 2018 to 31 August 2019 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 school 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 on-going process for identifying, evaluating and managing the school's significant risks that has been in place for the period from 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of governors.

The Risk and Control Framework

The school'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 preparation

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 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.

WESTBROOK PRIMARY SCHOOL

GOVERNANCE STATEMENT

YEAR ENDED 31 AUGUST 2019

The Risk and Control Framework (continued)

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 delegated to the external auditors the giving of advice on financial matters and the performance of a range of checks on the school's financial systems, including testing of:

- payroll systems
- purchase systems
- control account/ bank reconciliations
- income.

The external auditors reported to the board of governors on the operation of the systems of control and on the discharge of the board of governors' financial responsibilities, as a result of which no material control issues arose.

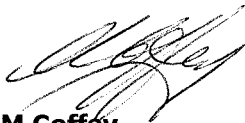
Review of Effectiveness

As accounting officer the Headteacher has responsibility for reviewing the effectiveness of the system of internal control. During the period in question the review has been performed by:

- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the school 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 committee and ensures continuous improvement of the system is in place.

Approved by order of the members of the board of governors on 2 December 2019 and signed on its behalf by:



Mrs M Coffey
Chair of Governors



M Tatters
Accounting Officer

WESTBROOK PRIMARY SCHOOL
STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE
YEAR ENDED 31 AUGUST 2019

As accounting officer of Westbrook Primary School Academy Trust I have considered my responsibility to notify the school board of governors and the Education & Skills Funding Agency of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the school and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

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

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



M Tatters
Accounting Officer

2 December 2019

WESTBROOK PRIMARY SCHOOL
STATEMENT OF TRUSTEES' RESPONSIBILITIES
YEAR ENDED 31 AUGUST 2019

The trustees (who are also the directors of Westbrook Primary School for the purposes of company law) are responsible for preparing the Trustees Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 company and the income and expenditure of the company 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 in the Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in operation.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the 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 company and hence for taking reasonable steps for the prevention and the 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 to 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.

Approved by order of the members of the board of trustees on 2 December 2019 and signed on its behalf by:



Mrs M Coffey
Chair of Governors

WESTBROOK PRIMARY SCHOOL
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
WESTBROOK PRIMARY SCHOOL
YEAR ENDED 31 AUGUST 2019

I have audited the financial statements of Westbrook Primary School for the year ended 31 August 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction issued by the Education and Skills Funding Agency.

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

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITOR

As explained more fully in the Trustees Annual Report, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of financial statements and for being satisfied that they give a true and fair view.

My responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK). Those standards require me 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 company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. In addition, I read all the financial and non-financial information in the Trustees Annual Report to identify material inconsistencies with the audited financial statements. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my report.

OPINION ON FINANCIAL STATEMENTS

In my opinion the financial statements:

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

WESTBROOK PRIMARY SCHOOL
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
WESTBROOK PRIMARY SCHOOL (continued)

YEAR ENDED 31 AUGUST 2019

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

I have nothing to report in respect of the following matters where the Companies Act 2006 requires me to report to you if, in my opinion:

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

Peter James Ham

Peter James Ham

Senior Statutory Auditor

For and on behalf of

Audit for Business Development and Solutions Limited

Chartered Accountants & Statutory Auditor

15 Oxford Street
Southampton
Hampshire
SO14 3DJ

2 December 2019

WESTBROOK PRIMARY SCHOOL
INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT
ON REGULARITY TO WESTBROOK PRIMARY SCHOOL
AND THE EDUCATION & SKILLS FUNDING AGENCY
YEAR ENDED 31 AUGUST 2019

In accordance with the terms of my engagement letter dated 1 October 2019 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, I have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Westbrook Primary School during the year from 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Westbrook Primary School and the ESFA in accordance with the terms of my engagement letter. My work has been undertaken so that I might state to the Westbrook Primary School and the ESFA those matters I am required to state in a report and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the School and the ESFA, for my work, for this report, or for the conclusion I have formed.

Respective responsibilities of Westbrook Primary School's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Westbrook Primary School's funding agreement with the Secretary of State for Education dated 28 June 2013 and the Academies Financial Handbook extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

My 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 my engagement letter and the requirements of the Academies Accounts Direction 2018 to 2019. I report to you whether anything has come to my attention in carrying out my work which suggests that, in all material respects, expenditure disbursed and income received during the year from 1 September 2018 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide me 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 me to obtain assurance that I would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, I do not express a positive opinion.

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

WESTBROOK PRIMARY SCHOOL
INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON
REGULARITY TO WESTBROOK PRIMARY SCHOOL
AND THE EDUCATION & SKILLS FUNDING AGENCY (continued)
YEAR ENDED 31 AUGUST 2019

The work undertaken to draw to my conclusion includes:

- An assessment of the risk of material irregularity and impropriety across all of the academy trust's activities;
- Further testing and review of the areas identified through the risk assessment including enquiry, identification of control processes and examination of supporting evidence across all areas identified as well as additional verification work where considered necessary; and
- Consideration of evidence obtained through the work detailed above and the work completed as part of my financial statements audit in order to support the regularity conclusion.

Conclusion

In the course of my work, nothing has come to my attention which suggests that in all material respects the expenditure disbursed and income received during the period from 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Peter James Ham

Peter James Ham

Reporting Accountant
For and on behalf of
Audit for Business Development and Solutions Limited
Chartered Accountants
& Statutory Auditor

15 Oxford Street
Southampton
Hampshire
SO14 3DJ

2 December 2019

WESTBROOK PRIMARY SCHOOL
STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING THE INCOME AND EXPENDITURE ACCOUNT)
YEAR ENDED 31 AUGUST 2019

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Assets Fund £	Total Funds 2019 £	Total Funds 2018 £
INCOME FROM:						
Donations and capital grants	2	11,943	–	35,481	47,424	21,970
Charitable activities	3	28,963	20,356	–	49,319	57,155
Funding for the academy trust's educational activities	3	106,015	3,220,046	–	3,326,061	3,300,864
Other trading activities	4	6,187	–	–	6,187	5,137
Investments	5	3,504	–	–	3,504	1,302
TOTAL INCOME		156,612	3,240,402	35,481	3,432,495	3,386,428
EXPENDITURE ON						
Academy trust educational operations	6	(203,430)	(3,397,320)	(143,660)	(3,744,410)	(3,525,681)
TOTAL		(203,430)	(3,397,320)	(143,660)	(3,744,410)	(3,525,681)
NET EXPENDITURE						
Transfer between funds	6 11	(46,818) 3,002	(156,918) (62,594)	(108,179) 59,592	(311,915) –	(139,253) –
Actuarial gain/(loss) on defined benefit pension scheme	22	–	(450,000)	–	(450,000)	536,000
NET MOVEMENT IN FUNDS		(43,816)	(669,512)	(48,587)	(761,915)	396,747
RECONCILIATION OF FUNDS						
Total funds brought forward	15	43,816	(1,311,909)	9,351,353	8,083,260	7,686,513
TOTAL FUNDS CARRIED FORWARD		–	(1,981,421)	9,302,766	7,321,345	8,083,260

The Statement of Financial Activities includes all gains and losses in the year and therefore a statement of total recognised gains and losses has not been prepared.

The notes on pages 20 to 36 form part of these financial statements.

WESTBROOK PRIMARY SCHOOL

BALANCE SHEET

YEAR ENDED 31 AUGUST 2019

	Note	2019 £	2018 £
FIXED ASSETS			
Tangible assets	12	9,302,766	9,351,353
CURRENT ASSETS			
Debtors	13	164,991	100,718
Cash at bank		1,083,728	1,182,790
		<u>1,248,719</u>	<u>1,283,508</u>
CREDITORS: Amounts falling due within one year	14	<u>(336,140)</u>	<u>(274,601)</u>
NET CURRENT ASSETS		<u>912,579</u>	<u>1,008,907</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>10,215,345</u>	<u>10,360,260</u>
PROVISIONS FOR LIABILITIES			
Pensions	22	(2,894,000)	(2,277,000)
NET ASSETS		<u>7,321,345</u>	<u>8,083,260</u>
FUNDS OF THE ACADEMY TRUST			
Restricted funds			
Fixed asset fund	15	9,302,766	9,351,353
Restricted income fund	15	912,579	965,091
Pension fund deficiency	15	(2,894,000)	(2,277,000)
Total restricted funds		<u>7,321,345</u>	<u>8,039,444</u>
Unrestricted income funds	15	–	43,816
TOTAL FUNDS		<u>7,321,345</u>	<u>8,083,260</u>

These financial statements were approved by the members of the committee and authorised for issue on 2 December 2019 and are signed on their behalf by:


Mrs M Coffey
Chair of Governors

Company Registration Number: 08523370

The notes on pages 20 to 36 form part of these financial statements.

WESTBROOK PRIMARY SCHOOL

STATEMENT OF CASH FLOWS

YEAR ENDED 31 AUGUST 2019

	Note	2019 £	2018 £
CASH FLOWS FROM OPERATING ACTIVITIES	18	(42,974)	229,518
CASH FLOWS FROM INVESTING ACTIVITIES	19	(91,569)	(42,145)
CASH FLOWS FROM FINANCING ACTIVITIES		35,481	11,027
(DECREASE)/INCREASE IN CASH		(99,062)	198,400
CASH AT 1 SEPTEMBER 2018		1,182,790	984,390
CASH AT 31 AUGUST 2019	20	1,083,728	1,182,790

The notes on pages 20 to 36 form part of these financial statements.

WESTBROOK PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2019

1. ACCOUNTING POLICIES

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

Basis of preparation

These financial statements of the academy trust, which is a public benefit entity under FRS102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard applicable in the UK (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 FRS 102 (Charities SORP 2015 (FRS 102)), the Academies Accounts Direction 2018 to 2019 issued by the ESFA, the Charities Act 2011 and the Companies Act 2006.

The assets and liabilities transferred on conversion from Westbrook Primary School to an academy have been valued at their fair value being a reasonable estimate of the current market value that the governors would expect to pay in an open market for an equivalent item. Their fair value is in accordance with the accounting policies set out for Westbrook Primary School. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in voluntary income as income/net expenditure in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Leasehold land and buildings were transferred from the local authority on 1 July 2013. A new building was erected in the school grounds and the original building was demolished to provide a new playground. Fixtures and equipment were transferred for nil consideration and have been included at nil value except for a few recently identifiable major items. The new donated building is stated at cost to London Borough of Hounslow.

Going Concern

The governors assess whether the use of going concern is appropriate, i.e., whether there are any material uncertainties relating to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The governors make this assessment in respect of a period of at least one year from the date of approval of the financial statements and have concluded that the academy trust has adequate resources to continue in operation for the foreseeable future and that 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.

Income

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

Grants

Grants are included in the statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds in the balance sheet. Where income is received in advance of entitlement 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 (GAG) 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 and any abatement in respect of the period is deducted from income and recognised as a liability.

WESTBROOK PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2019

1. ACCOUNTING POLICIES (continued)

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

Donations

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

Other income

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

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 will 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. 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 Raising Funds

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

- Charitable activities

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

All resources expended are inclusive of irrecoverable VAT.

Fixed assets

Tangible fixed assets acquired since the school was established are included in the accounts at cost. 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 life. The related grants are credited to a restricted fixed asset fund (in the statement of financial activities) and carried forward in the balance sheet. The depreciation on such assets is charged in the statement of financial activities over the expected useful economic life of the related asset on a basis consistent with the depreciation policy.

Depreciation

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset on a straight line or reducing balance basis over its expected useful life as follows:

Long leasehold land and buildings	-	0.8% (125yrs) Straight line
Plant and Machinery	-	20% (5yrs) SL with nil residual value
Computer Equipment and Software	-	33.3% (3yrs) SL with nil residual value

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.

WESTBROOK PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2019

1. ACCOUNTING POLICIES (continued)

Liabilities

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the school 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

Provisions are recognised when the school has an obligation at the reporting date as a result of a past event which it is probable will result in a transfer of economic benefits and the obligation can be estimated reliably. Provisions are measured at the best estimate of the amount required to settle the obligation.

Leased assets

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

Financial instruments

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

Financial assets such as trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as included in note 13. Prepayments are not financial instruments.

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

Financial liabilities such as trade creditors, accruals and other creditors and are measured at amortised cost 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 instrument.

Stock

Clothing and unused stationery are valued at the lower of cost or net realisable value and are included in prepayments.

Taxation

The school 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 Corporation Tax purposes. Accordingly, the school 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 income or gains are applied exclusively to charitable purposes.

Pensions Benefits

Retirement benefits to employees of the school are provided by the Teachers' Pension Scheme (TPS) and the Local Government 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 school 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 22, 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 and the contributions recognised as they are paid each year.

WESTBROOK PRIMARY SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2019

1. ACCOUNTING POLICIES (continued)

Pensions Benefits (continued)

The LGPS is a funded scheme and the assets are held separately from those of the school 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 the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprise 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 is recognised in other recognised gains and losses. Actuarial gains and losses are recognised immediately in other gains and losses.

Fund Accounting

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

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

Restricted general funds comprise all other restricted funds received and include grants from the Education & Skills Funding Agency/Department for Education.

Critical accounting estimates and areas of judgement

The school 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 22, 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 pension liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

WESTBROOK PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2019

2. DONATIONS AND CAPITAL GRANTS

	Unrestricted funds £	Restricted fixed asset funds £	Total funds 2019 £	Total funds 2018 £
Capital grants	–	35,481	35,481	11,027
Other donations	11,943	–	11,943	10,943
	11,943	35,481	47,424	21,970
	11,943	35,481	47,424	21,970

All 2018 other donations were from unrestricted resources.

3. FUNDING FOR THE ACADEMY TRUST'S EDUCATIONAL OPERATIONS

	Unrestrict- ed funds 2019 £	Restricted income funds 2019 £	Total funds 2019 £	Total funds 2018 £
DFE/ESFA grants				
Grants receivable - GAG	–	2,437,844	2,437,844	2,527,510
Other DfE/ESFA	106,015	371,917	477,932	363,416
Other government grants				
Local authority grants	–	410,285	410,285	409,938
Other income from the academy's educational operations	–	20,356	20,356	25,846
Trips	28,963	–	28,963	31,309
	134,978	3,240,402	3,375,380	3,358,019
	134,978	3,240,402	3,375,380	3,358,019

4. OTHER TRADING ACTIVITIES

	Unrestricted and total funds 2019 £	Unrestricted and total funds 2018 £
Lettings	6,187	5,137
	6,187	5,137
	6,187	5,137

5. INVESTMENT INCOME

	Unrestricted and total funds 2019 £	Unrestricted and total funds 2018 £
Bank interest receivable	3,504	1,302
	3,504	1,302
	3,504	1,302

WESTBROOK PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2019

6. EXPENDITURE

	Staff costs £	Non Pay Premises £	Expenditure Other £	Total 2019 £	Total 2018 £
Academy's Educational operations					
Direct costs	2,345,831	–	247,521	2,593,352	2,539,616
Allocated support costs	438,990	280,421	431,647	1,151,058	986,065
	2,784,821	280,421	679,168	3,744,410	3,525,681

	Staff costs £	Non Pay Premises £	Expenditure Other £	Total 2018 £
Academy's Educational operations				
Direct costs	2,228,936	–	310,680	2,539,616
Allocated support costs	304,769	296,394	384,902	986,065
	2,533,705	296,394	695,582	3,525,681

Net expenditure for the year includes:

	2019 £	2018 £
Depreciation	143,660	151,585
Auditors' remuneration: Audit of the financial statements	9,250	9,000
Operating lease costs: Plant and machinery	9,656	9,656

7. CHARITABLE ACTIVITIES

ANALYSIS OF SUPPORT COSTS - EDUCATIONAL OPERATIONS

	2019 £	2018 £
Support staff costs	438,990	304,769
Depreciation	143,660	151,586
Technology costs	36,250	43,500
Premises costs	144,687	144,808
Other support costs	371,795	327,432
Governance costs	14,676	13,970
Total support costs	1,150,558	986,065

WESTBROOK PRIMARY SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2019

8. STAFF COSTS AND EMOLUMENTS

a. Staff costs were as follows:

	2019	2018
	£	£
Wages and salaries	2,019,019	1,816,060
Social security costs	189,053	172,127
Other pension costs	468,659	480,651
Supply staff costs	108,090	64,867
	2,784,821	2,533,705

Other pension costs above represents the total operating charge included in resources expended in the statement of financial activities and does not include amounts included in other finance income.

b. Particulars of employees:

The average number of employees during the year was as follows:

	Full time equivalent	
	Year to	Year to
	31 Aug 19	31 Aug 18
	No	No
Teachers	26	28
Administration and support	32	28
Management	7	7
	65	63

c. Higher paid staff

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

	2019	2018
£80,001 - £90,000	1	1
	=	=

d. Key management personnel

The key management personnel comprise the trustees and the senior management team as listed on page 2. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the school was £424,530 (2018 £410,094).

WESTBROOK PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2019

9. RELATED PARTY TRANSACTIONS

The Headteacher and other staff governors receive remuneration only in respect of services they provide undertaking the roles of Headteacher and staff members under their contracts of employment, and not in respect of their role as governors. Other governors did not receive any payments. The value of governors' remuneration and other benefits was as follows:

	2019	2018
M Tatters (Headteacher and ex-officio governor)		
Remuneration	£85,001 - £90,000	£85,001 - £90,000
Employer's pension contributions	£10,001 - £15,000	£10,001 - £15,000
C E Benton (Staff governor)		
Remuneration	£55,001 - £60,000	£50,001 - £55,000
Employer's pension contributions	£5,001 - £10,000	£5,100 - £10,000
L Gallagher (Staff governor)		
Remuneration	£50,001 - £55,000	£45,001 - £50,000
Employer's pension contributions	£5,001 - £10,000	£5,001 - £10,000

Owing to the nature of the school's operations and the composition of the board of governors being drawn from local public and private sector organisations, transactions may take place with organisations in which a governor has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the school's financial regulations and normal procurement procedures. No related party transactions took place in the period of account.

10. GOVERNORS' AND OFFICERS' INSURANCE

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

11. FUND TRANSFERS

A transfer of £59,592 has been made between restricted fixed asset fund and restricted general fund to equalise restricted fixed asset fund with net book value of fixed assets.

WESTBROOK PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 AUGUST 2019

9

12. TANGIBLE FIXED ASSETS

	Long leasehold property £	Computer equipment £	Equipment £	Total £
COST				
At 1 September 2018	9,505,804	274,328	180,313	9,960,445
Additions	20,050	75,023	–	95,073
At 31 August 2019	9,525,854	349,351	180,313	10,055,518
DEPRECIATION				
At 1 September 2018	285,462	233,742	89,888	609,092
Charge for the year	74,501	31,484	37,675	143,660
At 31 August 2019	359,963	265,226	127,563	752,752
NET BOOK VALUE				
At 31 August 2019	9,165,891	84,125	52,750	9,302,766
At 31 August 2018	9,220,342	40,586	90,425	9,351,353

13. DEBTORS

	2019 £	2018 £
Debtors	90,249	31,510
Other debtors - VAT recoverable	28,767	20,444
Other debtors	–	1,759
Prepayments	45,975	47,005
	164,991	100,718

14. CREDITORS: Amounts falling due within one year

	2019 £	2018 £
Trade creditors	94,864	70,924
Taxation and social security	49,830	43,185
Accruals	191,446	160,492
	336,140	274,601

Deferred income

	2019 £	2018 £
Deferred income at 1 September 2018	72,008	62,837
Released from previous years	(72,008)	(62,837)
Resources deferred in the year	85,562	72,008
Deferred income at 31 August 2019	85,562	72,008

At the balance sheet date the school was holding payments on account of grants received in advance.

WESTBROOK PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2019

15. FUNDS

	Balance at 1 August 2018 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2019 £
Restricted general funds					
General Annual Grant	965,091	2,437,844	(2,427,762)	(62,594)	912,579
Other voluntary income	–	20,356	(20,356)	–	–
Other DfE/ESFA grants	–	371,917	(371,917)	–	–
Local authority grants	–	410,285	(410,285)	–	–
Pension reserve	(2,277,000)	–	(167,000)	(450,000)	(2,894,000)
	<u>(1,311,909)</u>	<u>3,240,402</u>	<u>(3,397,320)</u>	<u>(512,594)</u>	<u>(1,981,421)</u>
Restricted fixed asset fund					
Transfer from local authority	8,830,894	–	(143,660)	–	8,687,234
DfE/ESFA capital grants	41,246	35,481	–	–	76,727
Transfer from general fund	479,213	–	–	59,592	538,805
	<u>9,351,353</u>	<u>35,481</u>	<u>(143,660)</u>	<u>59,592</u>	<u>9,302,766</u>
Total restricted funds	<u>8,039,444</u>	<u>3,275,883</u>	<u>(3,540,980)</u>	<u>(453,002)</u>	<u>7,321,345</u>
Unrestricted funds					
Unrestricted funds	43,816	156,612	(203,430)	3,002	–
Total unrestricted funds	<u>43,816</u>	<u>156,612</u>	<u>(203,430)</u>	<u>3,002</u>	<u>–</u>
Total funds	<u>8,083,260</u>	<u>3,432,495</u>	<u>(3,744,410)</u>	<u>(450,000)</u>	<u>7,321,345</u>

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

GAG/ESFA revenue grant fund relates to the school's development and educational activities.

Restricted fixed assets fund relates to fixed assets transferred from the state maintained school. ESFA capital grant fund relates to refurbishment grant.

Under the funding agreement with the Secretary of State, the school was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2019.

WESTBROOK PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2019

15. FUNDS (continued)

Comparative information for the previous period is as follows:

	Balance at 1 August 2017 £	Incoming resources £	Resources expended £	Gains, Losses and transfers £	Balance at 31 August 2018 £
Restricted general funds					
General Annual Grant	735,846	2,422,193	(2,160,527)	(32,421)	965,000
Other voluntary income	-	25,846	(25,846)	-	-
Other DfE/ESFA grants	-	363,416	(363,416)	-	-
Local authority grants	-	409,938	(409,938)	-	-
Pension reserve	(2,617,000)	-	(196,000)	536,000	(2,277,000)
	(1,881,154)	3,321,393	(3,155,727)	503,579	(1,311,909)
Restricted fixed asset fund					
Transfer from local authority	8,982,480		(151,586)	-	8,830,894
DfE/ESFA capital grants	30,219	11,027	-	-	41,246
Transfer from general fund	446,792	-	-	32,421	479,213
	9,459,491	11,027	(151,586)	32,421	9,351,353
Total restricted funds	7,578,337	3,232,420	(3,307,313)	536,000	8,039,444
Unrestricted funds					
Unrestricted funds	108,176	154,008	(218,368)	-	43,816
Total unrestricted funds	108,176	154,008	(218,368)	-	43,816
Total funds	7,686,513	3,386,428	(3,525,681)	536,000	8,083,260

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Fund £	Total Net Assets 2018 £
Tangible fixed assets	-	-	9,302,766	9,302,766
Current assets		1,248,719	-	1,248,719
Current liabilities	-	(336,140)	-	(336,140)
Pension fund liability	-	(2,894,000)	-	(2,894,000)
Total funds		(1,981,421)	9,302,766	7,321,345

WESTBROOK PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2019

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)

Comparative information respect of the preceding period is as follows:

	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Fund	Total Net Assets 2018
	£	£	£	£
Tangible fixed assets	-	-	9,351,353	9,351,353
Current assets	43,816	1,239,692	-	1,283,508
Current liabilities	-	(274,601)	-	(274,601)
Pension fund liability	-	(2,277,000)	-	(2,277,000)
Total funds	43,816	(1,311,909)	9,351,353	8,083,260

17. COMMITMENTS UNDER OPERATING LEASES

At 31 August 2019 the total of the school's future minimum lease payments under non-cancellable operating leases was:

	2019	2018
	£	£
Amounts due within one year	6,437	9,656
Amounts due between one and five years	-	6,437
	6,437	16,093

18. RECONCILIATION OF NET INCOME EXPENDITURE TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2019	2018
	£	£
Net incoming resources before transfers	(311,915)	(139,253)
Interest receivable	(3,504)	(1,302)
Defined benefit pension scheme cost less contributions payable	109,000	131,000
Defined benefit pension scheme finance cost	58,000	65,000
Depreciation	143,660	151,585
Capital grant from DfE	(35,481)	(11,027)
(Increase)/Decrease in debtors	(64,273)	24,946
Increase in creditors	61,539	8,569
Net cash inflow from operating activities	(42,974)	229,518

WESTBROOK PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2019

19. CASH FLOWS FROM INVESTING ACTIVITIES

	2019	2018
	£	£
Interest	3,504	1,302
Purchase of tangible fixed assets	(95,073)	(43,447)
Net cash used in investing activities	<u>(91,569)</u>	<u>(42,145)</u>

20. ANALYSIS OF CASH AND CASH EQUIVALENTS

	31 Aug 19	31 Aug 18
	£	£
Cash at bank	<u>1,083,728</u>	<u>1,182,790</u>

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. PENSION AND SIMILAR OBLIGATIONS

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff, and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by London Borough of Hounslow. Both are multi-employer defined-benefit 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 £0 were payable to the schemes at 31 August 2019.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations 2014. Membership is automatic for full-time teachers 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.

WESTBROOK PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2019

22. PENSION AND SIMILAR OBLIGATIONS (CONTINUED)

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 under way 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 £264,088 (2018: £183,358).

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The academy 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 pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the period was £225,000 (2018 £219,000) of which employer's contributions totaled £177,000 (2018 £175,000) and employees' contributions totalled £48,000 (2018 £44,000).

The agreed contribution rates for future years are 14.4% for employers and various rates 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 of Education. The guarantee came into force on 18 July 2013.

The deficit of £2,894K is envisaged to be eliminated over 25 years by increased contribution rates and annual contributions.

Principal Actuarial Assumptions	At 31 August 2019	At 31 August 2018
Rate of increase in salaries	3.6%	3.8%
Rate of increase for pensions in payment/inflation	2.1%	2.3%
Discount rate for scheme liabilities	1.9%	2.6%

Members will exchange half of their commutable pensions for cash at retirement.

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

Change in assumptions at 31 August 2019	Approximate monetary amount £000
0.1% increase to discount rate	322
1 year increase in member life expectancy	343
0.1% increase in the salary increase rate	331
0.1% increase in the pension increase rate	340

WESTBROOK PRIMARY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 AUGUST 2019

22. PENSION AND SIMILAR OBLIGATIONS (CONTINUED)

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

	At 31 August 2019	At 31 August 2018
Retiring today		
Males	20.6	21.5
Females	24.0	25.2
Retiring in 20 years		
Males	22.3	23.7
Females	25.8	27.5

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

	At 31 August 2019		At 31 August 2018	
		£000		£000
Equities	61.0%	1,254	62.0%	1,063
Gilts	5.0%	111	5.0%	84
Other bonds	9.0%	183	18.0%	138
Property	5.0%	97	5.0%	86
Absolute return funds	18.0%	362	18.0%	317
Cash	2.0%	37	2.0%	42
Total market value of assets		<u>2,044</u>		<u>1,730</u>
Present value of scheme liabilities –				
Funded		<u>(4,938)</u>		<u>(4,007)</u>
(Deficit) in the scheme		<u>(2,894)</u>		<u>(2,277)</u>

The actual return on scheme assets was £133,000 (2018 £62,000).

Amounts recognised in the statement of financial activities:

	At 31 August 2019		At 31 August 2018	
		£000		£000
Current service cost (net of employee contributions)		360		264
Interest on obligation		<u>58</u>		<u>60</u>
Total		<u>418</u>		<u>324</u>

The actuarial gains and losses for the current year are recognised in the statement of financial activities.

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

	2019	2018
	£000	£000
At 1 September Obligation	4,007	4,074
Current service cost	286	306
Interest cost	106	106
Estimated benefits paid	(42)	(7)
Employee contributions	48	44
Past service costs	72	-
Change in financial assumptions	<u>461</u>	<u>(516)</u>
At 31 August Obligation	<u>4,938</u>	<u>4,007</u>

WESTBROOK PRIMARY SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2019

22. PENSION AND SIMILAR OBLIGATIONS (CONTINUED)

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

	2019 £000	2018 £000
Opening fair value of employer assets	1,730	1,457
Expected return on assets	48	41
Interest on assets	83	20
Actuarial gain	-	-
Contributions by members	48	44
Contributions by employer	177	175
Estimated benefits paid	<u>(42)</u>	<u>(7)</u>
Closing fair value of employer assets	<u>2,044</u>	<u>1,730</u>

The estimated value of employer contributions for the year ended 31 August 2020 is £133,000.