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West Hill School Trust Limited

Annual Report and Financial Statements

Year ended 31 July 2019

Company Number: 633736

Charity Number: 307343

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West Hill School Trust Limited

Annual report and financial statements for the year ended 31 July 2019

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West Hill School Trust Limited

Reference and administrative information

Company Registration Number

633736

Charity number

307343

Governors and Directors

The Governors of West Hill Park School ("the School") are also Directors of West Hill School Trust Limited ("the Company") and Trustees of the charity under charity law. The following served as Governors for the whole of the year and subsequently except where shown:

A M Bell
R S Jempson
Mrs C M Jonas (from 21 September 2018)
K M Murphy (Chairman)
A Sears
Mrs G C E Sommers (from 21 September 2018)
P A B Taylor
M A Waldron
Mrs B Worsley
Miss M Young

The above individuals are the members of the company.

Company Secretary and Clerk to the Governors

T M Rogerson, BSc (Hons), FCA

Headmaster

A P Ramsay, MSc, BEd (Hons) – until 31 August 2019
C A Ward, BEd (Hons) – from 1 September 2019

Auditor

BDO LLP, Arcadia House, Maritime Walk, Ocean Village, Southampton, SO14 3TL

Bankers

NatWest Bank PLC, 52 West Street, Fareham, PO16 0JX

Registered office

West Hill Park School, West Hill Park, Titchfield, Hampshire, PO14 4BS

School Web Site

www.westhillpark.com

West Hill School Trust Limited

Report of the Governors for the year ended 31 July 2019

The Governors of West Hill School Trust Limited present their Annual Report together with the audited financial statements for the year ended 31 July 2019. The reference and administrative information shown on page 1 forms part of this Report.

OBJECTIVES, MANAGEMENT AND ACTIVITIES

West Hill School Trust Limited exists in order to deliver a range of charitable activities to the community. Its principal activity is the management of West Hill Park School.

Management of the School

Day-to-day management of West Hill Park School is undertaken by the Headmaster and the Senior Leadership Team, supported by the Head of Finance and Estate Manager. The school aims to provide an outstanding and broad preparatory education for girls and boys from the age of two and a half to thirteen. Boarding facilities are provided for children from the age of seven.

There are three subcommittees of the Board (Academic, Pastoral and Compliance, and Finance and General Purposes) which meet at least once each term. Reports from all three subcommittees are presented to the Full Board, which meets at least once each term. It also meets at least once in each academic year to consider the strategic direction of the school. The Governors identify key management personnel (and set the salaries for these posts) as the Headmaster and his wife, the Deputy Headmaster and the Head of Finance (who is also Clerk to the Governors). During the year ended 31 July 2018, in preparation for the process of appointing a new Headmaster, the Governors formed a Strategy subcommittee, which may continue to meet in the future.

Risk Management – Summary of risks and strategies to manage them

In addition to its other roles, the Board of Governors has responsibility for the identification, assessment, management and recording of risk. The Estate Manager acts as the School's Health and Safety Officer and chairs a Health and Safety Committee which meets at least once each term with Governors present and reports to the Board through the Finance and General Purposes Committee. The effectiveness of the policies and controls in place is considered regularly and all School activities, whether taking place on or off site, are subject to risk assessment. Financial and business risks are managed by the Finance and General Purposes Committee and overseen by the full Board of Governors. In common with most independent schools, the most significant risk currently facing the charity is the ongoing recruitment of pupils which the School is managing by maintaining the excellence of the education offered by the School and actively marketing the benefits thereof.

Policy Documents

The Board issues a large number of formal policy documents which direct the management of the School and require that:

- staff have the appropriate qualifications, talents and commitment to deliver its broad academic and pastoral policies;
- the growth of intellectual curiosity and creativity is fostered in all pupils;
- there is an understanding of, and empathy for, different cultures both within and outside the School;
- there is an open and collaborative partnership with parents;
- the School provides a safe, secure and well-supported environment where staff and pupils can work and learn together;
- the School complies with and exceeds its responsibilities in respect of Safeguarding;
- the School equips pupils to move confidently to their next School by supporting parents in their choice and the children in their exam preparation. Where appropriate, children are helped to prepare for scholarship exams.

Volunteers

The Governors are grateful to the large number of volunteers associated with the School. These include local residents, who assist young children by listening to them read, members of the Friends of West Hill Park, a fundraising committee run by parents which organises social events to raise money for the benefit of pupils at the School, and the Old Westhillians, a group of former parents and pupils who aim to keep in contact with former pupils of the School. All Governors are also volunteers.

Public Benefit

The Governors confirm that they have due regard to the guidance on Public Benefit published by the Charity Commission in exercising their power and duties.

The School wishes to ensure that, wherever possible within the context of the School's own financial position, no child is refused entry for financial reasons. Means tested bursaries are available for parents who face financial difficulties or have limited financial means. The School continues to assess how financial assistance can be extended within the constraints of the charitable company's income and expenditure.

West Hill School Trust Limited

Report of the Governors for the year ended 31 July 2019 (continued)

OBJECTIVES, MANAGEMENT AND ACTIVITIES (continued)

Public Benefit (continued)

Across the whole School approximately half of all pupils were in receipt of some form of fee reduction during the year, the total cost of which amounted to £683,428 (2018: £713,969), representing 16.3% (2018: 17.0%) of gross fee income. The School maintains a flexible approach to providing emergency support to existing pupils whose parents are no longer able to afford the fees. The Board of Governors is committed to meeting its responsibilities with regard to the provision of benefit to the wider public.

In addition to offering financial assistance to pupils in the form of bursaries, the School undertakes a range of activities in pursuit of its social and charitable goals. These include:

- making the School's sports hall, swimming pool, sports pitches, netball courts, astro-turf pitch, riding school and other facilities available to sports clubs, other schools, music festivals and individuals from the wider community for a variety of activities. In some cases a small charge is made, in others the School makes them available free of charge;
- making the School's grounds and sporting facilities available to "Super Camps" during School Holidays so that local children can be provided with stimulating and diverting activities during their parents' working day. Following Super Camps decision to withdraw from using the West Hill Park site, the School started its own holiday club in the Summer of 2019, which was billed as "Club WHP";
- running a Community Choir to enable adults from the locality to share in the enjoyable pastime of singing together, taking advantage of the music facilities available in the school and the expertise of those who teach it. The Community Choir has achieved notable successes in Music Festivals and has been on tour to a number of European countries. It also undertakes "outside" engagements by singing at events such as weddings, church fêtes and carol concerts, often to assist local charities in fundraising ventures;
- making the School's minibuses available to local Primary Schools, Scout Groups and other Community organisations for trips and visits;
- making the School's grounds available to local scout groups
- inviting pupils and teachers from other local schools (both independent and maintained) to take part in musical events such as workshops at the School. These are provided without any charge being made and include lunch for those attending
- offering Continuing Professional Development opportunities for teachers and support staff from other schools for a variety of subjects (including Sport, Geography, Dance, Drama, Music, Mathematics, Safeguarding and Early Years);
- providing teacher training as an accredited centre for Winchester and Chichester Universities;
- providing work experience for Apprentices from Fareham College
- encouraging both children and parents to be active in raising money for charities through a number of activities each year. Pupils join in these activities enthusiastically, which raises their awareness of their social responsibility. Charities supported during the year include Cleft Palate Society, Southampton Children's Hospital, Comic Relief, Fareham Basics Bank, Church of England Children's Society, St Peter's Church, Titchfield, The Haven, Wessex, and The RBL Poppy Appeal;
- providing accommodation, catering facilities and rehearsal spaces for choirs singing daily services in Portsmouth or Chichester Cathedrals. Such choirs feature a significant proportion of young singers who benefit greatly from the experience;
- encouraging staff to take a full and active part in the local community. To this end, during the year the Headmaster was a Governor of Fareham College whilst the Head of Finance was a Governor of Peter Symonds College, Winchester, and Treasurer of two charities. Two members of staff, including the Deputy Headmaster, act as Foster Parents providing temporary care for children who, for various reasons, are unable to live with their families. The Registrar is accredited to work with Pets as Therapy and spends time each week visiting Southampton General Hospital with her dogs offering comfort to children with serious or in some cases terminal illnesses. In all cases, the school offers flexible working to these and other staff taking part in activities in the wider community and fully supports them in their roles.

ACHIEVEMENTS AND PERFORMANCE

The School's most recent Independent School's Inspectorate full inspection report, which was published following an inspection that took place in 2016, judged the School's offering to be 'excellent'. During March 2019, the school was inspected under the new style 'compliance' framework and was judged to have reached the required standard in every particular.

West Hill School Trust Limited

Report of the Governors for the year ended 31 July 2019 (continued)

ACHIEVEMENTS AND PERFORMANCE (continued)

Academic Achievements

While West Hill Park School aims to offer a far broader educational experience than can be measured by the award solely of academic distinctions, it is nevertheless proud of its pupils' achievements which, this year, included a total of 11 scholarships and other awards to Year 8 leavers to Clayesmore, Cranleigh, Dauntsey's, Embley, Millfield, Sherborne and Taunton Schools. All remaining Year 8 pupils were successful at Common Entrance to Schools that were their first choice. During the year many pupils took part in a large number of competitions and workshops featuring particular subjects and achieved some excellent results.

Music

In addition to timetabled music lessons, the majority of pupils have additional individual music lessons either for singing or to learn to play an instrument. There were 66 entries for the music examinations with 68% being awarded Merit or Distinction. A large number of performances by choirs and orchestral ensembles took place during the year, some of which included visiting professional musicians. In addition to the various school choirs, the Community Choir, made up of parents, staff and local residents, continues to rehearse weekly during term time and undertakes "outside" engagements by singing at events such as weddings, church fêtes and carol concerts.

Drama and LAMDA

The School prepared and entered a number of pupils for LAMDA exams of whom 63% achieved either a Distinction or Merit. A Poetry and Prose event was held during the Summer Term at which pupils from Years 1 to 7 presented a wide variety of performances. Children in the Early Years classes performed a Nativity Play and three other drama productions were staged during the year:

- the upper year groups presented *Mary Poppins Jr*;
- the middle year groups presented *Treachery at Traitors' Quay*;
- the youngest pupils performed *A Midwife Crisis*.

Extra-curricula Activities

All children in Years 3 to 8 attend school on Saturday mornings on around 24 weeks each year and take part in a wide range of activities run either by members of staff or outside specialists. Children in Years R to 2 have the opportunity to take part in a range of activities each day after the end of the school day.

Trips and Visits

The School has an outdoor classroom which all pupils use as part of a Forest School programme. In addition all pupils are involved in trips and visits to museums, theatres and other venues relevant to some of the subjects that they are studying. Pupils in Year 8 take part in the Leavers' Experience, which is a four-week long programme of activities aimed at giving pupils experiences that that they would not normally encounter in the school day including driving, surfing, visiting the Somme battlefields, a canoeing expedition to the River Wye, learning basic first aid, and watching a professional show in a Theatre.

Sporting Achievements

Pupils at the School take part in Football, Rugby, Hockey, Netball, Cricket, Athletics, Gymnastics, Swimming and Rounders as part of their weekly timetable of games lessons. Individual pupils also take part in other sporting activities including Horse-riding, Sailing, Cross-Country Running, Tennis, and Skiing. A large number of pupils achieved significant individual and team successes in a wide variety of sports and some achieve considerable success playing sports at County Level.

School Facilities

As in recent years a number of development projects and improvements were undertaken during the year, including:

- replacement of the roof on the swimming pool;
- the on-going replacement and upgrading of IT equipment including the purchase of additional interactive screens;
- replacement of windows with double-glazed units in a number of classrooms and other school properties;
- replacement of the suspended ceiling and lighting in the main school (Jubilee) hall;
- improvements to staff accommodation on site;
- replacement of the carpets and flooring in a number of classrooms and corridors;
- replacement of one central heating boiler with more efficient devices;
- the ongoing repainting of large areas of internal and external paintwork.

Fundraising

The School does not currently engage in any active fundraising beyond its immediate parent and alumni bodies.

West Hill School Trust Limited

Report of the Governors for the year ended 31 July 2019 (continued)

ACHIEVEMENTS AND PERFORMANCE (continued)

Outdoor Education

A new initiative in the first half of 2018 was the introduction of an Outdoor Education Programme for pupils in Years 3 to 8. In addition to regular half or whole day activities based in or close to the school, each year group had an overnight stay and some activities during the year. The Year 3 activity was based in the school's grounds, whilst Year 4 stayed at a Water Sports Centre, Year 5 visited the New Forest, Year 6 learned sailing on the Isle of Wight, whilst Year 7 went mountain walking in Wales.

FINANCIAL REVIEW

The School's net fee income increased in the year to £3,471,829 from £3,463,738 in 2018, despite a small decrease in pupil numbers. The financial result is a surplus of £9,646 compared with £197,306 in the previous year. The most significant factor in this reduction in surplus was the need to replace the roof of the swimming pool building, which was first identified in December 2018 and then resulted in the complete closure of the pool until the end of July 2019, giving rise both to a loss of income and also to additional costs as pupils had to use other local pools for swimming lessons. The School's most significant item of expenditure remains its staffing costs which increased to £2,736,273 (2018: £2,626,642) representing 67.8% of total expenditure (2018: 67.7%). The School's net cash position at the end of the year had increased by £74,129 (2018: £171,724). The Governors are pleased to report that over the past ten years the schools net cash position has improved by over £1m.

At 31st July 2019 the School's unrestricted funds were £1,334,202 (2018: £1,321,013), which were wholly represented by premises and equipment meaning that the School had no free reserves (as defined by the Charity Commission). Day-to-day working capital requirements continue to be met by careful management of short-term liquid resources. The Governors believe that the School's assets are sufficient to meet its obligations given that the market value of its Land and Buildings is significantly higher than the depreciated historical cost shown in the accounts. The Governors consider that free reserves of £1,000,000 (broadly equivalent to three months' expenditure) would be appropriate and it is their intention that free reserves should be increased in the long term to this level by returning modest financial surpluses each year.

PLANS FOR FUTURE PERIODS

The Governors are committed to maintaining and improving the School's premises and equipment, so that it can offer the best standard of educational and other services to pupils and those members of the community who benefit from its facilities in other ways, whilst at the same time ensuring that the finances are secure. During the middle of 2018 the Governors undertook a consultation with staff who were members of the Teachers Pension Scheme to determine whether the school should continue to pay into that scheme. Following this formal process, the Governors took the decision that the school would leave the Teachers Pension Scheme with effect from 1st January 2020 and an alternative scheme would be offered to those staff who were currently members of the Teachers Pension Scheme.

STRUCTURE AND GOVERNANCE

West Hill School Trust Limited is a company limited by guarantee and is governed by its Memorandum and Articles of Association dated 29 July 1959 as amended by special resolution on 25 February 1997. The company is also a registered charity. The Trust is managed by a Board of Governors, who also are the members of the Company and its Directors for the purpose of company law. The appointment of new Governors is by election by a majority of the existing Governors. Care is taken to ensure that there is a wide range of appropriate professional, educational and business skills amongst the members of the Board. Opportunities are provided for all Governors to attend School events in addition to the formal meetings so that they gain an insight into the operational workings of the School. Appropriate briefings and training courses are provided, with particular attention being given to new Governors.

The company has one subsidiary, West Hill Park School Limited, which did not trade during the year.

West Hill School Trust Limited

Report of the Governors for the year ended 31 July 2019 (continued)

STATEMENT OF GOVERNORS' RESPONSIBILITIES

The Governors are responsible for preparing the Annual Report and the financial statements in accordance with the Companies Act 2006 and for being satisfied that the financial statements give a true and fair view. The Governors are also responsible for preparing the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Governors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period.

In preparing these financial statements, the Governors are required to:

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

The Governors are responsible for keeping adequate accounting records that show and explain the charity's transactions, disclose with reasonable accuracy at any time the financial position of the charity, 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 charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Where financial statements are published on the charity's website, they are done so in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the charity's website is the responsibility of the Governors. The Governors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

AUDITOR

The Governors have taken all of the steps that they ought to have taken to make themselves aware of any information needed by the company's auditor for the purposes of its audit and to establish that the auditor is aware of that information. The Governors are not aware of any relevant audit information of which the auditor is unaware.

BDO LLP has expressed its willingness to continue in office and a resolution to re-appoint it will be proposed at the Annual General Meeting.

Approved by the Governors on 29th November 2019 and signed on its behalf by:



K M Murphy
Chairman of the Governors

West Hill School Trust Limited

Independent auditor's report to the Members of West Hill School Trust Limited

Opinion

We have audited the financial statements of West Hill School Trust Limited ("the Charitable Company") for the year ended 31 July 2019 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Charitable Company's affairs as at 31 July 2019 and of its incoming resources and application of resources 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.

Basis for opinion

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 Charitable Company in accordance with the ethical requirements relevant to our audit of the financial statements in the UK, including the FRC'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.

Conclusions related 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 Governors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Governors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Charitable Company'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 other information comprises the information included in the Annual Report and Financial Statements, other than the financial statements and our auditor's report thereon. The other information comprises: the Reference and administrative information and the Report of the Governors for the year. The Governors are responsible for the other information.

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.

Opinions 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 Report of the Governors, which includes the Directors' Report prepared for the purposes of Company Law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report, which is included in the Report of the Governors, has been prepared in accordance with applicable legal requirements.

West Hill School Trust Limited

Independent auditor's report to the Members of West Hill School Trust Limited (Continued)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Charitable Company and its environment obtained in the course of the audit, we have not identified material misstatement in the Report of the Governors.

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 Charitable Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Charitable Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Governors' remuneration specified by law are not made;
- we have not received all the information and explanations we require for our audit or
- the governors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of Governors

As explained more fully in the Statement of the Governors' responsibilities, the Governors (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Governors 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 Governors are responsible for assessing the Charitable Company'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 Governors either intend to liquidate the Charitable Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 at the Financial Reporting Council's ("FRC's") website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our Report

This report is made solely to the Charitable Company'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 Charitable Company'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 Charitable Company and the Charitable Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

bdo LLP

David I'Anson (Senior Statutory Auditor)

For and on behalf of BDO LLP, statutory auditor

Southampton

Date: *9 December 2019*.

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

West Hill School Trust Limited

Statement of financial activities for the year ended 31 July 2019

	Note	Unrestricted funds £	Restricted funds £	2019 £	2018 £
Income from:					
<i>Donations and legacies</i>					
Grants and donations		2,456	25,082	27,538	35,681
<i>Charitable activities:</i>					
School fees receivable	2	3,471,829	-	3,471,829	3,463,738
Other educational income		406,758	-	406,758	393,277
<i>Other trading activities</i>					
Trading turnover – school shop		38,598	-	38,598	47,715
Rents and lettings		99,460	-	99,460	133,849
<i>Investments</i>					
Investment income		2,903	-	2,903	622
Total income		4,022,004	25,082	4,047,086	4,074,882
Expenditure on:					
<i>Raising funds</i>					
Cost of goods sold and other costs		32,773	-	32,773	40,262
<i>Charitable activities</i>					
School operating costs		3,988,635	16,032	4,004,667	3,837,314
Total expenditure	3	4,021,408	16,032	4,037,440	3,877,576
Net income	4	596	9,050	9,646	197,306
Transfers		12,593	(12,593)	-	-
Movement in funds for the year		13,189	(3,543)	9,646	197,306
Balance brought forward as at 1 August		1,321,013	24,722	1,345,735	1,148,429
Balance carried forward as at 31 July		1,334,202	21,179	1,355,381	1,345,735

All amounts relate to continuing activities.

There are no recognised gains or losses other than the result for the year.

This statement incorporates the Income and Expenditure account for the purposes of the Companies Act 2006.

The notes on pages 12 to 20 form part of these financial statements.

West Hill School Trust Limited

Balance sheet as at 31 July 2019

Company registration number : 633736

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	6	1,829,844	1,779,631
Investments	20	1	-
		<u>1,829,845</u>	<u>1,779,631</u>
Current assets			
Stocks		31,993	31,262
Debtors	7	153,635	185,993
Cash		579,783	505,654
		<u>765,411</u>	<u>722,909</u>
Creditors: amounts falling due within one year	8	1,037,879	931,770
Net current liabilities		<u>(272,468)</u>	<u>(208,861)</u>
Total assets less current liabilities		1,557,377	1,570,770
Creditors: amounts falling due after more than one year	9	201,996	225,035
Net assets		<u>1,355,381</u>	<u>1,345,735</u>
Represented by:			
Unrestricted funds	11	1,334,202	1,321,013
Restricted funds	12	21,179	24,722
Total funds		<u>1,355,381</u>	<u>1,345,735</u>

The financial statements were approved by the Governors and authorised for issue on 27th November 2019 and were signed on their behalf by:



K M Murphy, Chairman

The notes on pages 12 to 20 form part of these financial statements.

West Hill School Trust Limited

Statement of cash flows for the year ended 31 July 2019

	2019 £	2019 £	2018 £	2018 £
Cash flows from operating activities:				
Cash inflow from operations (below)		371,336		409,354
Interest paid	(4,728)		(4,345)	
		(4,728)		(4,345)
Net cash inflow from operations		366,608		405,009
Cash flows from investing activities				
Interest received	2,903		622	
Payments for tangible fixed assets	(272,224)		(210,376)	
Net cash provided for investing activities		(269,321)		(209,754)
Cash flows from financing activities				
Bank loan repayments	(23,158)		(23,531)	
		(23,158)		(23,531)
Increase in cash and cash equivalents in the year		74,129		171,724
Cash and cash equivalents at 1 August 2018		505,654		333,930
Cash and cash equivalents at 31 July 2019		579,783		505,654

Reconciliation of net incoming resources to net cash provided by operating activities

	2019 £	2019 £	2018 £	2018 £
Net income		9,646		197,306
Adjustments:				
Investment income	(2,903)		(622)	
Financing costs	4,728		4,395	
Depreciation	222,011		191,789	
Decrease in debtors	32,358		66,118	
Increase/(decrease) in creditors	100,242		(61,906)	
(Increase)/decrease in stock	(731)		5,491	
Increase in confirmation fees	5,985		4,400	
Loss on disposal of fixed assets	-		2,383	
		361,690		212,048
Net cash inflow from operations		371,336		409,354

West Hill School Trust Limited

Notes forming part of the financial statements for the year ended 31 July 2019

I Accounting policies and company information

The Charitable company is limited by guarantee, registered in England and Wales (company number 633736) and registered with the Charity Commission for England and Wales (charity number 307343). Its registered office is West Hill Park, Titchfield, Fareham, PO14 4BS.

Under the provision of section 405 of the Companies Act 2006, the company has not prepared consolidated financial statements as the inclusion of the company's dormant subsidiary is not considered material. These financial statements therefore present information about the company as an individual undertaking and not about its group.

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

Basis of preparation

The financial statements have been prepared in accordance with 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) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. West Hill School Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes. The financial statements have also been prepared in accordance with the small companies' regime.

Going concern

The charitable company had net current liabilities of £272,468 at 31 July 2019 (2018: £208,861). The Trustees have prepared cash flow forecasts for future periods which demonstrate that the charitable company is able to continue to operate within its current banking facilities, which include a loan of £225,522 and which is being repaid in instalments until 2028. It manages its working capital as fees for each term are paid in advance. The Trustees therefore consider it appropriate to prepare the financial statement on the going concern basis.

Income

Fees receivable and charges for services and use of premises are accounted for in the year in which the service is provided. Fees receivable are stated after deducting allowances granted by the School. Voluntary income is recognised when received or when it becomes receivable.

Expenditure

Expenditure is accounted for on an accruals basis. Overhead and other costs not directly attributable to particular functional activity categories are apportioned over the relevant categories on the basis of management estimates of the amount attributable to that activity in the year, either by reference to staff time or space occupied, as appropriate. The irrecoverable element of VAT is included with the item of expense to which it relates.

Depreciation

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Freehold property	- over 50 years or 25 years on a straight line basis
Plant and equipment	- over 4 years or 10 years on a straight line basis
Motor vehicles	- 30% of net book value (reducing balance basis)

Items costing less than £1,000 are written off as an expense as incurred.

Stocks

Stocks are stated at the lower of cost and net realisable value.

Pensions

The School contributes to the Teachers' Pension Defined Benefit Scheme at rates set by the Scheme Actuary. The Scheme is a multi-employer pension scheme and it is not possible to identify the assets and liabilities of the Scheme which are attributable to the School and so the scheme is accounted for as a defined contribution scheme. The School also operates defined contribution schemes for non-teaching staff. Contributions to all schemes are charged to the Statement of Financial Activities as they become payable in accordance with the rules of the schemes.

West Hill School Trust Limited

Notes forming part of the financial statements for the year ended 31 July 2019 (continued)

1 Accounting policies (Continued)

Fund accounting

Unrestricted funds are available for use at the discretion of the Governors in furtherance of the general objectives of the charitable company.

Designated funds are unrestricted funds earmarked by the Governors for particular purposes.

Restricted funds are subject to restrictions on their expenditure imposed by the donor or through the terms of an appeal.

Leased assets

Where assets are financed by leasing agreements that give rights approximating to ownership (finance leases), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to the Statement of Financial Activities. Lease payments are analysed between capital and interest components. The interest element of the payment is charged to the profit and loss account over the period of the lease and is calculated so that it represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

All other leases are treated as operating leases. Their annual rentals are charged to the Statement of Financial Activities on a straight line basis over the term of the lease.

Key estimates and judgements

The Trustees consider that the only material areas of judgement or estimation uncertainty concern the impairment of the Charity's fixed and current assets. Fixed assets are considered to be impaired if they are no longer able to be used for the purpose for which they were acquired, whilst provisions are made against current assets to the extent that the Governors do not believe that the full amount will be realised.

Debtors and creditors

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the income statement in other operating expenses.

Loans

The charity has a bank loan that is classified as a basic financial instrument in accordance with FRS 102. The instrument is initially recorded at the transaction price less any transaction costs (historical cost). FRS 102 requires that basic financial instruments are subsequently measured at amortised cost.

Investments

Investments in subsidiary entities are stated at cost less any provision for impairment.

2 Fees

Fees consist of charges for the School for the year ended 31 July 2019, less bursaries and allowances. All income is derived from operations within the United Kingdom.

West Hill School Trust Limited

Notes forming part of the financial statements for the year ended 31 July 2019 (continued)

3 Expenditure	2019 £	2018 £
<i>Raising Funds – cost of goods sold</i>	32,773	40,262
<i>Charitable activities</i>		
Staff costs	2,736,873	2,625,442
Staffing expenses	29,872	45,915
Teaching costs	179,095	180,242
Support and welfare costs	373,954	412,877
Premises costs	437,888	351,582
Financing costs	8,942	9,221
Depreciation	222,011	191,789
Subtotal – unrestricted funds	4,021,408	3,857,330
Expenditure from restricted funds (including £nil (2018: £1,200) of staff costs)	16,032	20,246
Total	4,037,440	3,877,576

All of these amounts relate to the operation of West Hill Park School.

4 Net incoming resources	2019 £	2018 £
These are stated after charging:		
Auditors' remuneration (audit services)	8,076	9,085
Depreciation of tangible fixed assets	222,011	191,789
Bank and loan interest	4,728	4,395
Bad debt charge	-	30,000
Hire of motor vehicles	16,365	25,547
Hire of plant and equipment	5,108	6,529

5 Staff costs	2019 £	2018 £
Wages and salaries	2,298,203	2,211,442
National insurance	203,861	191,445
Pension costs	234,809	223,755
Total	2,736,873	2,626,642

Neither the Governors nor any person connected with them received any remuneration in either the current or comparative years. One Governor (or connected person) received expenses amounting to £376 (2018: £612). One employee received emoluments of between £120,000 and £130,000 (2018: one between £100,000 and £110,000). Contributions amounting to £19,863 (2018: £18,117) were made to a defined benefit pension scheme on this employee's behalf. Aggregate employee benefits of key management personnel amounted to £302,374 (2018: £271,486).

Staff numbers	2019	2018
Teaching	62	65
Support	8	9
Welfare	8	6
Premises	15	14
Catering	8	8
	101	102

Staff numbers as full time equivalents are estimated to be 79 (2018: 77).

West Hill School Trust Limited

Notes forming part of the financial statements for the year ended 31 July 2019 (continued)

6 Tangible fixed assets

	Freehold property £	Plant and equipment £	Motor Vehicles £	Total £
<i>Cost</i>				
At 1 August 2018	2,563,963	1,740,548	33,368	4,337,879
Additions	93,497	147,147	31,580	272,224
Disposals	-	-	-	-
At 31 July 2019	2,657,460	1,887,695	64,948	4,610,103
<i>Depreciation</i>				
At 1 August 2018	1,288,797	1,259,441	10,010	2,558,248
Provided during the year	93,164	112,366	16,481	222,011
Eliminated on disposals	-	-	-	-
At 31 July 2019	1,381,961	1,371,807	26,491	2,780,259
<i>Net book value</i>				
At 31 July 2019	1,275,499	515,888	38,457	1,829,844
At 31 July 2018	1,275,166	481,107	23,358	1,779,631

Included in freehold property is freehold land with a cost of £100,437 (2018: £100,437), which is not depreciated. The freehold property is secured by a legal charge.

7 Debtors

	2019 £	2018 £
Trade debtors	85,801	101,612
Prepayments and accrued income	59,265	53,272
Other debtors	8,569	31,109
	153,635	185,993

All amounts fall due for payment within one year.

8 Creditors : amounts falling due within one year

	2019 £	2018 £
Bank loan	23,526	23,645
Trade creditors	155,780	101,108
Taxation and social security	54,555	45,108
Other creditors	69,617	80,793
Fees in advance	158,885	153,005
Confirmation fees	108,427	102,442
Accruals and deferred income	467,089	425,669
	1,037,879	931,770

The bank loan is secured by a legal charge over the freehold property of the company.

West Hill School Trust Limited

Notes forming part of the financial statements for the year ended 31 July 2019 (continued)

9	Creditors : amounts falling due after more than one year	2019 £	2018 £
	Bank loan	201,996	225,035
		<u> </u>	<u> </u>
		Bank loan 2019 £	Bank loan 2018 £
	In 1 year or less, or on demand	23,526	23,645
		<u> </u>	<u> </u>
	In more than 1 year but less than 2 years	23,951	24,061
	In more than 2 years but less than 5 years	74,859	74,751
	In more than 5 years	103,186	126,223
		<u> </u>	<u> </u>
		201,996	225,035
		<u> </u>	<u> </u>

The bank loan is secured by a legal charge over the freehold property of the company.

The bank loan is repayable by instalments by 2028. Interest is charged at the rate of 1.25% above National Westminster Bank Plc's Base Rate.

10	Financial Instruments	2019 £	2018 £
	Financial Assets		
	Financial assets that are debt instruments measured at amortised cost	674,153	638,375
		<u> </u>	<u> </u>
	Financial Liabilities		
	Financial liabilities measured at amortised cost	863,987	737,873
		<u> </u>	<u> </u>

Financial assets measured at amortised cost comprise cash, trade debtors and other debtors. Financial liabilities measured at amortised cost comprise bank overdraft and loans, trade creditors, obligations under finance lease and hire purchase contracts and other creditors.

West Hill School Trust Limited

Notes forming part of the financial statements for the year ended 31 July 2019 (continued)

11 Unrestricted and designated funds

	Balance at 1 August 2018 £	Transfer (Note 12) £	Net movement in Resources:		Balance at 31 July 2019 £
			Incoming £	Outgoing £	
General Fund - unrestricted	1,321,013	12,593	4,022,004	(4,021,408)	1,334,202
	Balance at 1 August 2017 £	Transfer £	Net movement in Resources:		Balance at 31 July 2018 £
			Incoming £	Outgoing £	
General Fund – unrestricted	1,046,735	89,531	4,042,077	(3,857,330)	1,321,013
Bursary fund – designated	89,191	(89,531)	340	(-)	-
	1,135,926	-	4,042,417	(3,857,330)	1,321,013

The Bursary Fund was built up by payments from parents. Those who contributed were eligible to have their child's fees paid if the principal income-earner died whilst the child was at the School. The scheme was discontinued some years ago and all pupils entered into it had now left the School by 31 July 2018 so the balance on the fund was transferred to unrestricted general funds.

12 Restricted funds

	Balance at 1 August 2018 £	Transfer (Note 11) £	Net movement in Resources:		Balance at 31 July 2019 £
			Incoming £	Outgoing £	
Old Westhillians' Association Fund	6,023	-	1,090	(-)	7,113
Piano Fund	452	2,635	1,156	(1,940)	2,303
Community Choir Fund	-	(4,426)	11,067	(6,641)	-
Friends of West Hill Park Fund	12,445	(5,000)	6,495	(4,062)	9,878
Library Fund	-	-	1,500	(-)	1,500
Charity Collections Fund	-	-	3,774	(3,389)	385
Donations Fund	5,802	(5,802)	-	(-)	-
	24,722	(12,593)	25,082	(16,032)	21,179
		Balance at 1 August 2017 £	Net movement in Resources:		Balance at 31 July 2018 £
			Incoming £	Outgoing £	
Old Westhillians' Association Fund		5,062	2,614	(1,653)	6,023
Piano Fund		1,639	713	(1,900)	452
Community Choir Fund		-	16,693	(16,693)	-
Friends of West Hill Park Fund		-	12,445	(-)	12,445
Donations Fund		5,802	-	(-)	5,802
		12,503	32,465	(20,246)	24,722

West Hill School Trust Limited

Notes forming part of the financial statements for the year ended 31 July 2019 (continued)

12 Restricted funds (continued)

The Old Westhillians' Association Fund comprises donations from former pupils. Use of the fund is determined by the Old Westhillians' Association.

The Donations and Piano Funds represent monies received for specific purposes.

The Friends of West Hill Park Funds represent amounts raised by the Parents' Association. Use of the fund is determined by the Committee of the Friends of West Hill Park.

The Library Fund represents funds for the purchase of books for the Library.

The Charity Collections Fund represents amounts collected for other charities.

The Community Choir Fund represents income generated by the West Hill Park Community Choir.

13 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Total £
2019			
Fixed assets	1,829,845	-	1,829,845
Net current liabilities	(293,647)	21,179	(272,468)
Long term liabilities	(201,996)	-	(201,996)
	<u>1,334,202</u>	<u>21,179</u>	<u>1,355,381</u>
2018			
Fixed assets	1,779,631	-	1,779,631
Net current liabilities	(233,583)	24,722	(208,861)
Long term liabilities	(225,035)	-	(225,035)
	<u>1,321,013</u>	<u>24,722</u>	<u>1,345,735</u>

14 Capital commitments

There were no capital commitments at 31 July 2019 or 31 July 2018.

15 Commitments under operating leases

As at 31 July 2019, the company had the following minimum lease payments under non-cancellable operating leases:-

	Motor vehicles and plant and equipment	
	2019 £	2018 £
Annual payments for leases which expire:-		
Within one year	15,943	17,271
Within two to five years	33,749	35,058
In more than five years	-	473
	<u>49,692</u>	<u>52,802</u>

West Hill School Trust Limited

Notes forming part of the financial statements for the year ended 31 July 2019 (continued)

16 Pension commitments

Teachers

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £212,411 (2018: £206,411) and at the year-end £28,579 (2018: £27,241) was accrued in respect of contributions to this scheme.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by The Teachers' Pensions Regulations 2010 (as amended) and The Teachers' Pension Scheme Regulations 2014 (as amended). Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2016 and the Valuation Report, which was published in March 2019, confirmed that the employer contribution rate for the TPS would increase from 16.4% to 23.6% from 1 September 2019. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 23.68%.

The 31 March 2016 Valuation Report was prepared in accordance with the benefits set out in the scheme regulations and under the approach specified in the Directions, as they applied at 5 March 2019. However, the assumptions were considered and set by the Department for Education prior to the ruling in the 'McCloud/Sargeant case'. This case has required the courts to consider cases regarding the implementation of the 2015 reforms to Public Service Pensions including the Teachers' Pensions.

On 27 June 2019 the Supreme Court denied the government permission to appeal the Court of Appeal's judgment that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied.

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards.

In view of the above rulings and decisions the assumptions used in the 31 March 2016 Actuarial Valuation may become inappropriate. In this scenario, a valuation prepared in accordance with revised benefits and suitably revised assumptions would yield different results than those contained in the Actuarial Valuation.

Until a remedy to the discrimination conclusion has been determined by the Employment Tribunal it is not possible to conclude on any financial impact or future changes to the contribution rates of the TPS. Accordingly no provision for any additional past benefit pension costs is included in these financial statements.

Other staff

The School also makes contributions to certain employees' individual defined contribution pension schemes. The assets of these schemes are held separately from those of the School in independently administered funds.

The pension charge under these schemes amounted to £22,398 (2018: £17,343). No contributions were outstanding at 31 July 2019 (2018: £1,803).

West Hill School Trust Limited

Notes forming part of the financial statements for the year ended 31 July 2019 (continued)

17 Related party transactions

Controlling parties

The company is controlled by its directors, who are also Trustees for the purposes of charity law and Governors of West Hill Park School.

Related party transactions

Except as disclosed in note 5, there were no transactions requiring disclosure in either the current or comparative years.

18 Subsidiary undertakings

During the previous year the company formed a wholly owned subsidiary, West Hill Park School Limited, which did not trade between during the year. At the end of the year the net assets of the subsidiary were £1.

19	Deferred income	2019 £	2018 £
	Balance at 1 August	21,386	11,765
	Amounts released to incoming resources	(21,386)	(11,765)
	Amounts deferred in the year	54,020	21,386
		<u>54,020</u>	<u>21,386</u>

Deferred income relates to fees and other income for future periods invoiced in advance.

20 Investments

At 31 July 2019, the charity had £1 investment in its subsidiary company, West Hill Park School Limited.