

Registrar

West Hill School Trust Limited

Report and Financial Statements

Year ended 31 July 2017

Company Number: 633736

Charity Number: 307343



West Hill School Trust Limited

Annual report and financial statements for the year ended 31 July 2017

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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 during the year and subsequently except where shown:

Mrs L Howard – until 22 November 2016

R S Jempson – from 13 June 2017

Dr S C McLaren – until 7 March 2017

Mrs S E Mostyn

K M Murphy

A Sears

A C Shedden – until 13 June 2017

P A B Taylor

M A Waldron

R G Walters – until 13 June 2017

Mrs B Worsley (Chairman)

Dr E R Wozniak

Mrs M Young – from 13 June 2017

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)

Auditors

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 2017

The Governors of West Hill School Trust Limited present their Annual Report together with the audited financial statements for the year ended 31 July 2017. 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 Management Team, supported by the Financial Controller and Estate Manager. They aim 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. The Academic and Pastoral Subcommittees both meet at least once each term, whilst the Finance and General Purposes Subcommittee meets four times each year. Reports from all three subcommittees are presented to the Full Board, which meets at least once each term. The Governors identify key management personnel (and set the salaries for these posts) as the Headmaster and his wife, the Deputy Headmaster and the Financial Controller (who is also Clerk to the Governors).

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 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. These require that:

- staff have the appropriate formal 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 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 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.

West Hill School Trust Limited

Report of the Governors for the year ended 31 July 2017 (continued)

OBJECTIVES, MANAGEMENT AND ACTIVITIES (continued)

Public Benefit (continued)

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 (of up to 50% of fees) 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. Across the whole School approximately half of all pupils were in receipt of some form of fee reduction during the year, the total of which amounted to £721,487 (2016: £575,799), representing 16.7% (2016: 14.9%) of gross fee income. 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, and other buildings available to sports clubs, other schools, music festivals and individuals from the wider community. 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 the Easter and Summer Holidays so that local children can be provided with stimulating and diverting activities during their parents' working day;
- running a Community Choir to enable adults from the locality to share in the enjoyable pastime of making music together, taking advantage of the 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;
- 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;
- 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 Meningitis Now, Southampton Children's Hospital, Comic Relief, Rowans Hospice, Disaster Emergency Committee (East Africa), Fareham Basics Bank, Church of England Children's Society, St Peter's Church, Titchfield, and The RBL Poppy Appeal.
- encouraging staff to take a full and active part in the local community. To this end, the Headmaster is also a Governor of Fareham College whilst the Financial Controller is a Governor of Peter Symonds College, Winchester, and Treasurer of a number of Charities. Three 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 report, which was published following an inspection that took place in 2016, and the OFSTED report on the boarding provision judged the School's offering to be 'excellent'.

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 17 scholarship and other awards to Year 8 leavers to Cranleigh, Downe House, Dauntsey's, Frensham Heights, Harrow, Meoncross, Millfield, Portsmouth Grammar, Ryde, Sherborne, Sherborne Girls and Taunton Schools. All remaining Year 8 pupils were successful at Common Entrance to Schools that were their first choice. One scholarship was also awarded to a pupil who left at the end of Year 6. During the year many pupils took part in a large number of competitions and workshops featuring particular subjects and achieved some excellent results.

Music and Drama

In addition to timetabled music and drama lessons, the majority of pupils have additional individual music lessons either for singing or to learn to play an instrument and a growing number have been preparing for LAMDA exams. There were 29 entries for the examinations of the Associated Board of the Royal School of Music, with 51% being awarded Merit or Distinction.

West Hill School Trust Limited

Report of the Governors for the year ended 31 July 2017 (continued)

ACHIEVEMENTS AND PERFORMANCE (continued)

Music and Drama (continued)

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.

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 *Lion King Junior*;
- the middle year groups presented *Mystery at Magpie Manor*;
- the youngest pupils performed *Babushka*.

The School also prepared and entered a number of pupils for LAMDA exams of whom 83% 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.

Extra-curricula Activities

All children in Years 3 to 8 attend school on Saturday mornings for 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, visits and Outdoor Education

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 they would not normally encounter in the school day including driving, surfing, visiting the Somme battlefields, camping, learning basic first aid, volunteering at a National Trust property and watching a show in a London 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 in-house development projects and improvements were undertaken during the year, including:

- refurbishment of toilets and bathrooms for boarding girls;
- the on-going replacement and upgrading of IT equipment including the provision of i-pads for all pupils in Year 7 and 8;
- replacement of windows with double-glazed units in the boys' boarding house and main hall;
- upgrading of electrical equipment;
- replacement of guttering on the Sports Hall
- improvements to staff accommodation on site;
- repairs to and resurfacing of the school driveway and the provision of additional and improved car parking;
- replacement of the carpets and flooring in a number of offices and corridors;
- replacement of kitchen equipment;
- replacement of IT servers with virtual equipment;
- improvements to the heating in the boys' boarding house;
- the ongoing repainting of large areas of internal and external paintwork.

During a routine Environmental Health inspection, the kitchens were again awarded the highest (5-Star) rating.

West Hill School Trust Limited

Report of the Governors for the year ended 31 July 2017 (continued)

FINANCIAL REVIEW

The School's net fee income increased significantly in the year to £3,563,849 from £3,267,676 in 2016, reflecting both an increase in pupil numbers and an older age profile of pupils. The financial result is a surplus of £271,109 compared with £172,659 in the previous year. The School's major expenditure remains its staffing costs which increased slightly to £2,651,974 (2016: £2,472,696) and which represented 68.3% of total expenditure (2016: 67.7%). Although the School's net cash position at the end of the year had decreased by £73,875 (compared with an increase of £258,991 in the year to July 2016, this does not take account of the repayment of one of the two bank loans amounting to £200,045. After adjusting the net position for this transaction the improvement in cash position is £126,170.

At 31st July 2017 the School's unrestricted funds (excluding designated funds) were £1,046,735 (2016: £777,256), 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 and are aware that the market value of its fixed assets (predominantly Land and Buildings) is significantly higher than the depreciated historical cost shown in the accounts. The Governors consider that free reserves of £950,000 (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. During the coming year the Governors plan to continue to redecorate more of the school and continue to upgrade its facilities.

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.

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;
- 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.

West Hill School Trust Limited

Report of the Governors for the year ended 31 July 2017 (continued)

STATEMENT OF GOVERNORS' RESPONSIBILITIES (continued)

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.

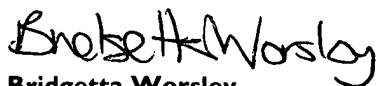
Where financial statements are published on the charity's website, they are done so in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the charity's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

AUDITORS

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 auditors for the purposes of their audit and to establish that the auditors are aware of that information. The Governors are not aware of any relevant audit information of which the auditors are unaware.

BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the Annual General Meeting.

Approved by the Governors on 28th November 2017 and signed on its behalf by:



Bridgetta Worsley
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 2017 which comprise the Statement of financial activities, the Balance sheet, the Cash flow statement 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 2017 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, 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; or
- we have not received all the information and explanations we require for our audit.

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 determines 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.

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.

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.

BDO LLP

David I'Anson (Senior Statutory Auditor)
For and on behalf of BDO LLP, statutory auditor
Southampton
Date:

5 December 2017

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 2017

	Note	Unrestricted funds £	Restricted funds £	2017 £	2016 £
Income from:					
<i>Donations and legacies</i>					
Grants and donations		10,290	16,193	26,483	27,690
<i>Charitable activities:</i>					
School fees receivable	2	3,563,849	-	3,563,849	3,267,676
Other educational income		396,076	-	396,076	356,307
<i>Other trading activities</i>					
Trading turnover – school shop		43,933	-	43,933	51,198
Rents and lettings		125,276	-	125,276	119,661
<i>Investments</i>					
Investment income		836	-	836	1,166
Total income		4,140,260	16,193	4,156,453	3,823,698
Expenditure on:					
<i>Raising funds</i>					
Cost of goods sold and other costs		30,120	-	30,120	33,900
<i>Charitable activities</i>					
School operating costs		3,839,941	15,283	3,855,224	3,617,139
Total expenditure	3	3,870,061	15,283	3,885,344	3,651,039
Net income and movement in funds	4	270,199	910	271,109	172,659
Balance brought forward as at 1 August		865,727	11,593	877,320	704,661
Balance carried forward as at 31 July		1,135,926	12,503	1,148,429	877,320

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 19 form part of these financial statements.

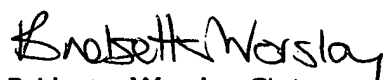
West Hill School Trust Limited

Balance sheet as at 31 July 2017

Company registration number : 633736

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	6	<u>1,763,427</u>	<u>1,705,397</u>
Current assets			
Stocks		36,753	38,828
Debtors	7	252,111	191,871
Cash		<u>333,930</u>	<u>407,805</u>
		622,794	638,504
Creditors: amounts falling due within one year	8	988,985	1,466,581
Net current liabilities		<u>(366,191)</u>	<u>(828,077)</u>
Total assets less current liabilities		1,397,236	877,320
Creditors: amounts falling due after more than one year	9	248,807	-
Net assets		<u>1,148,429</u>	<u>877,320</u>
Represented by:			
Unrestricted funds:			
General		1,046,735	777,256
Designated		89,191	88,471
	11	<u>1,135,926</u>	<u>865,727</u>
Restricted funds	12	<u>12,503</u>	<u>11,593</u>
Total funds		<u>1,148,429</u>	<u>877,320</u>

The financial statements were approved by the Governors and authorised for issue on 28th November 2017 and were signed on their behalf by:


Bridgetta Worsley, Chairman

The notes on pages 12 to 19 form part of these financial statements.

West Hill School Trust Limited

Cash Flow Statement for the year ended 31 July 2017

	2017 £	2017 £	2016 £	2016 £
Cash flows from operating activities:				
Cash inflow from operations (below)		466,310		435,099
Interest element of finance lease rental payments	(1,152)		(3,278)	
Interest paid	(16,154)		(13,347)	
		<u>(17,306)</u>		<u>(16,625)</u>
Net cash inflow from operations		449,004		418,474
Cash flows from investing activities				
Interest received	836		1,166	
Payments for tangible fixed assets	(253,574)		(92,587)	
		<u>(252,738)</u>		<u>(91,421)</u>
Net cash provided by investing activities		(252,738)		(91,421)
Cash flows from financing activities				
Bank loan repayments	(236,754)		(36,802)	
Capital element of finance lease rental payments	(33,387)		(31,260)	
		<u>(270,141)</u>		<u>(68,062)</u>
(Decrease)/increase in cash and cash equivalents in the year		(73,875)		258,991
Cash and cash equivalents at 1 August 2016		<u>407,805</u>		<u>148,814</u>
Cash and cash equivalents at 31 July 2017		333,930		407,805

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

	2017 £	2017 £	2016 £	2016 £
Net income		271,109		172,659
Adjustments:				
Investment income	(836)		(1,166)	
Financing costs	14,854		13,047	
Interest payable on finance lease rentals	1,152		3,278	
Depreciation	195,544		196,324	
(Increase)/decrease in debtors	(60,240)		911,542	
Increase/(decrease) in creditors	41,445		(860,463)	
Decrease/(increase) in stock	2,075		(7,382)	
Increase in confirmation fees	1,207		7,260	
		<u>195,201</u>		<u>262,440</u>
Net cash inflow from operations		466,310		435,099

West Hill School Trust Limited

Notes forming part of the financial statements for the year ended 31 July 2017

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.

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 2016) - (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 school had net current liabilities of £366,191 at 31 July 2017 (2016: £828,077). 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 £295,652 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 evenly over its expected useful life, as follows:

Freehold property - over 50 years or over 25 years

Plant and equipment - over 4 years or over 10 years

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 2017 (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.

2 Fees

Fees consist of charges for the School for the year ended 31 July 2017, less bursaries and allowances. All income is derived from operations within the United Kingdom.

3 Expenditure

	2017 £	2016 £
<i>Raising Funds – cost of goods sold</i>	30,120	33,900
<i>Charitable activities</i>		
Staff costs	2,651,974	2,472,696
Staffing expenses	12,748	37,928
Teaching costs	161,849	170,649
Support and welfare costs	397,288	387,071
Premises costs	403,008	313,191
Financing costs	17,530	23,297
Depreciation	195,544	196,324
Subtotal – unrestricted funds	3,870,061	3,635,056
Expenditure from restricted funds	15,283	15,983
Total	3,885,344	3,651,039

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

West Hill School Trust Limited

Notes forming part of the financial statements for the year ended 31 July 2017 (continued)

4	Net incoming resources	2017	2016
		£	£
	These are stated after charging:		
	Auditors' remuneration (audit services)	8,286	7,098
	Depreciation of tangible fixed assets	195,544	196,324
	Bank and loan interest	10,107	13,047
	Bad debt charge	40,000	30,000
	Hire purchase interest	1,152	3,278
	Hire of motor vehicles	18,334	15,580
	Hire of plant and equipment	19,195	16,876
		<u> </u>	<u> </u>
5	Staff costs	2017	2016
		£	£
	Wages and salaries	2,215,556	2,121,149
	National Insurance	206,715	155,511
	Pension costs	229,703	196,036
		<u> </u>	<u> </u>
	Total	2,651,974	2,472,696
		<u> </u>	<u> </u>

Neither the Governors nor any person connected with them received any remuneration or expenses in either the current year or comparative period. One employee received emoluments of between £100,000 and £110,000 (2016: one between £90,000 and £100,000). Contributions amounting to £17,450 (2016: £16,228) were made to a defined benefit pension scheme on this employee's behalf. Aggregate employee benefits of key management personnel amounted to £246,282 (2016: £237,766).

<i>Staff numbers</i>	2017	2016
Teaching	65	66
Support	10	11
Welfare	7	6
Premises	14	16
Catering	9	12
	<u> </u>	<u> </u>
	105	111
	<u> </u>	<u> </u>

Staff numbers as full time equivalents are estimated to be 78 (2016: 75).

West Hill School Trust Limited

Notes forming part of the financial statements for the year ended 31 July 2017 (continued)

6 Tangible fixed assets

	Freehold property £	Plant and equipment £	Total £
<i>Cost</i>			
At 1 August 2016	2,538,432	1,503,925	4,042,357
Additions	-	253,484	253,484
Disposals	-	(144,784)	(144,784)
At 31 July 2017	2,538,432	1,612,625	4,151,057
<i>Depreciation</i>			
At 1 August 2016	1,106,822	1,230,138	2,336,960
Provided during the year	99,486	96,058	195,544
Eliminated on disposals	-	(144,784)	(144,784)
At 31 July 2017	1,206,308	1,181,412	2,387,720
<i>Net book value</i>			
At 31 July 2017	1,332,124	431,303	1,763,427
At 31 July 2016	1,431,610	273,787	1,705,397

Included in freehold property is freehold land with a cost of £100,437 (2016: £100,437), which is not depreciated. The freehold property is secured by a legal charge.

The net book value of tangible fixed assets includes an amount of £nil (2016: £46,981) in respect of assets held under finance leases and hire purchase contracts. The related depreciation charge on these assets for the year was £nil (2016: £23,445).

7 Debtors

	2017 £	2016 £
Trade debtors	187,327	131,111
Prepayments and accrued income	58,727	48,753
Other debtors	6,057	12,007
	252,111	191,871

All amounts fall due for payment within one year.

West Hill School Trust Limited

Notes forming part of the financial statements for the year ended 31 July 2017 (continued)

8	Creditors : amounts falling due within one year	2017	2016
		£	£
	Bank loan	23,404	508,965
	Trade creditors	245,058	47,905
	Obligations under finance lease and hire purchase contracts	-	33,387
	Taxation and social security	47,715	49,084
	Other creditors	66,467	24,955
	Fees in advance	220,403	508,882
	Confirmation fees	98,042	96,835
	Accruals and deferred income	287,896	196,568
		988,985	1,466,581

The bank loan is secured by a legal charge over the freehold property of the company. Obligations under finance lease and hire purchase contracts were secured on the assets concerned.

9	Creditors : amounts falling due after more than one year	2017	2016
		£	£
	Bank loan	248,807	-
		248,807	-
		Finance leases	Finance leases
		2017	2016
		£	£
	In 1 year or less, or on demand	23,404	508,965
		23,404	508,965
	In more than 1 year but less than 2 years	23,643	-
	In more than 2 years but less than 5 years	73,452	-
	In more than 5 years	151,712	-
		248,807	-

There were two bank loans secured by a legal charge over the freehold property of the company.

The continuing 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. A second loan was fully repaid in the year. The loans were shown as repayable within one year at 31 July 2016 as the charitable company was technically in breach of one of the covenants appertaining to capital expenditure at that date. During the year to 31 July 2017, the bank removed the relevant covenant.

West Hill School Trust Limited

Notes forming part of the financial statements for the year ended 31 July 2017 (continued)

10 Financial Instruments	2017 £	2016 £
Financial Assets		
Financial assets that are debt instruments measured at amortised cost	527,314	550,923
Financial Liabilities		
Financial liabilities measured at amortised cost	859,867	803,287

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.

11 Unrestricted and designated funds

	Balance at 1 August 2016 £	Net movement in Resources:		Balance at 31 July 2017 £
		Incoming £	Outgoing £	
General Fund – unrestricted	777,256	4,139,540	(3,870,061)	1,046,735
Bursary fund – designated	88,471	720	-	89,191
	<u>865,727</u>	<u>4,140,260</u>	<u>(3,870,061)</u>	<u>1,135,926</u>

	Balance at 1 August 2015 £	Transfers (note 11) £	Net movement in Resources:		Balance at 31 July 2016 £
			Incoming £	Outgoing £	
General Fund – unrestricted	590,658	14,498	3,807,156	(3,635,056)	777,256
Bursary fund – designated	87,481	-	990	-	88,471
	<u>678,139</u>	<u>14,498</u>	<u>3,808,146</u>	<u>(3,635,056)</u>	<u>865,727</u>

The Bursary Fund is built up by payments from parents. Those who contribute are eligible to have their child's fees paid if the principal income-earner dies whilst the child is at the School.

12 Restricted funds

	Balance at 1 August 2016 £	Net movement in Resources:		Balance at 31 July 2017 £
		Incoming £	Outgoing £	
Old Westhillians' Association Fund	5,161	880	(979)	5,062
Piano Fund	-	1,639	-	1,639
Community Choir Fund	-	13,674	(13,674)	-
Donations Fund	6,432	-	(630)	5,802
	<u>11,593</u>	<u>16,193</u>	<u>(15,283)</u>	<u>12,503</u>

West Hill School Trust Limited

Notes forming part of the financial statements for the year ended 31 July 2017 (continued)

12 Restricted funds (Continued)

	Balance at 1 August 2015 £	Transfers (note 10) £	Net movement in Resources:		Balance at 31 July 2016 £
			Incoming £	Outgoing £	
Old Westhillians' Association Fund	7,214	-	1,477	(3,530)	5,161
Piano Fund	8,876	(6,708)	3,712	(5,880)	-
Community Choir Fund	-	(3,790)	10,363	(6,573)	-
Donations Fund	10,432	(4,000)	-	-	6,432
	<u>26,522</u>	<u>(14,498)</u>	<u>15,552</u>	<u>(15,983)</u>	<u>11,593</u>

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

13 Analysis of net assets between funds

	Undesignated unrestricted funds £	Designated unrestricted funds £	Restricted funds £	Total £
2017				
Tangible fixed assets	1,763,427	-	-	1,763,427
Net current liabilities	(716,692)	89,191	12,503	(614,998)
	<u>1,046,735</u>	<u>89,191</u>	<u>12,503</u>	<u>1,148,429</u>
2016				
Tangible fixed assets	1,705,397	-	-	1,705,397
Net current liabilities	(928,141)	88,471	11,593	(828,077)
	<u>777,256</u>	<u>88,471</u>	<u>11,593</u>	<u>877,320</u>

14 Capital commitments

There were no capital commitments at 31 July 2017 or 31 July 2016.

15 Commitments under operating leases

As at 31 July 2017, the company had the following minimum lease payments under non-cancellable operating leases:-

	Motor vehicles and plant and equipment	
	2017 £	2016 £
Annual payments for leases which expire:-		
Within one year	24,091	23,549
Within two to five years	23,359	24,915
	<u>47,450</u>	<u>48,464</u>

West Hill School Trust Limited

Notes forming part of the financial statements for the year ended 31 July 2017 (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 £215,649 (2016: £182,419) and at the year-end £25,380 (2016 - £Nil) was accrued in respect of contributions to this scheme.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by the Teachers' Pension Scheme Regulations 2014. 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 following scheme valuations undertaken by the Government Actuary's Department. The latest actuarial valuation of the TPS was prepared as at 31 March 2012 the valuation report, which was published in June 2014, confirmed an employer contribution rate for the TPS of 16.4% from 1 September 2015. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 16.48%.

This employer rate will be payable until the outcome of the next actuarial valuation, which is due to be prepared as at 31 March 2016 and completed in 2018, with any resulting changes to the employer rate expected to take effect from 1 April 2019. This valuation will also determine the opening balance of the cost cap fund and provide an analysis of the cost cap as required by the Public Service Pensions Act 2013.

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 £14,054 (2016: £13,617). Contributions amounting to £2,195 were outstanding at 31 July 2017 (2016: £nil).

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

There were no transactions requiring disclosure in either the current or comparative years.