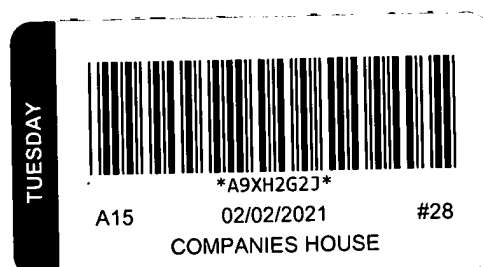


**The Westminster Academy  
(Westbourne Green)**

**Annual Report and Financial  
Statements**

31 August 2020

Company Limited by Guarantee  
Registration Number  
05102934 (England and Wales)



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## Reference and administrative information

### Members

The principal sponsor	The Exilarch's Foundation
Representing the principal sponsor	David Dangoor
Representing the principal sponsor	Judy Dangoor
Representing the principal sponsor	Elizabeth Dangoor

### Directors

Chair of Governors and Sponsor Governor	Shabir Randeree
Vice Chair of Governors and Sponsor Governor	Duncan Harman-Wilson
Principal and Accounting Officer	Dr Saima Rana (until 31 August 2020)
Parent Governor	Lina Alchami
Co-opted Governor	Mark Beard
Sponsor Governor	David Dangoor
Sponsor Governor	Elizabeth Dangoor
Sponsor Governor	Judy Dangoor
Staff Governor	Alex James
Sponsor Governor	Michael Karp
LA Governor	Alastair Metcalf
Co-opted Governor	Angela Piddock
Parent Governor	Anastasiya Karelina
Sponsor Governor	Jeremy Sanders

### Senior Management Team

Principal	Dr Saima Rana
Vice-Principal	Maka Baramidze
Corporate Services Executive	Penny Collins

### Registered address

Sir Naim Dangoor Centre  
255 Harrow Road  
London  
W2 5EZ

### Company registration number

05102934

### Auditor

Buzzacott LLP  
130 Wood Street  
London  
EC2V 6DL

## Reference and administrative information

<b>Bankers</b>	Barclays Bank Plc Pall Mall Corporate Group PO Box 15165 London SW1A 1QF
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## **Directors' report** Year to 31 August 2020

The Directors of The Westminster Academy (Westbourne Green) ('the Academy') present their annual report together with the financial statements and the auditor's reports of the charitable company for the year to 31 August 2020. The annual report serves the purposes of both a trustees' report and a directors' report under company law.

The financial statements have been prepared in accordance with the accounting policies set out on pages 36 to 42 of the attached financial statements and comply with the Academy's memorandum and articles of association, applicable laws and 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 United Kingdom and Republic of Ireland (FRS 102).

### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

The Academy operates an academy for students aged 11 to 18 serving a catchment area in Westminster. It has a student capacity of 1,300 and had a roll of 1,147 in the school census on 1 October 2020.

#### **Constitution**

The Academy is a company limited by guarantee incorporated in England on 15 April 2004 (no. 05102934). The company's memorandum and articles of association are the primary governing documents of the Academy. Members of the company are nominated by the sponsors of the Academy, The Exilarch's Foundation, and by the Secretary of State for Education.

Details of the Directors who served during the year are included in the Reference and Administrative Details on page 1.

#### **Members' liability**

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

#### **Directors' indemnities**

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

**STRUCTURE, GOVERNANCE AND MANAGEMENT** (continued)

**Directors**

The Directors are directors of the charitable company for the purposes of the Companies Act 2006. The following Directors were in office at 31 August 2020 and served throughout the year except where shown.

<b>Director</b>	<b>Appointed/Resigned</b>	<b>Appointing body</b>
Shabir Randeree (Chair)		Sponsor Governor
Duncan Harman-Wilson (Vice Chair)		Sponsor Governor
Dr Saima Rana	resigned 31 August 2020	Principal and Accounting Officer
Lina Alchami		Parent Governor
Mary Amayo	resigned 30 June 2020	Co-opted Governor
Mark Beard		Co-opted Governor
David Dangoor		Sponsor Governor
Elizabeth Dangoor		Sponsor Governor
Judy Dangoor		Sponsor Governor
Alex James		Staff Governor
Michael Karp		Sponsor Governor
Alastair Metcalf		LA Governor
Angela Piddock		Co-opted Governor
Anastasiya Karelina	appointed 6 December 2019	Parent Governor
Jeremy Sanders	appointed 2 July 2020	Sponsor Governor

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

The minimum number of Directors is 3. There is no maximum number. The Company shall have up to 9 sponsor Directors. The Directors may appoint 2 staff Directors (1 teacher, 1 support) through such process as they may determine, usually by secret ballot. The Local Authority may appoint up to 1 Director. The Principal shall be treated for all purposes as being an ex-officio Director. There may be up to 2 parent Directors who shall be elected by parents of registered students at the Academy. The Directors may appoint up to 3 co-opted Directors.

**Policies and procedures adopted for the induction and training of Directors**

The Governing Body is composed of highly experienced individuals. In terms of induction, all new Directors are provided with a Director's induction pack and advised of available training. New Directors are also supported and mentored by experienced Directors and by members of the Senior Leadership team.

## **STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)**

### **Organisational structure**

The Governing Body determines the general policies and procedures of the Academy. The internal organisation and management of the Academy is delegated to the Principal supported by the Senior Leadership team, of which the Principal is a member. The Senior Leadership team undertakes the key leadership role overseeing educational and administrative functions in consultation with Middle Leaders. The day-to-day administration of the Academy is undertaken within the policies and procedures approved by the Governing Body. The Principal oversees the recruitment of all educational, administration and support staff. The Principal attends all Director and Governing Body meetings as well as Committee meetings.

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

When setting pay and remuneration of key management personnel, a review of similar educational establishments with similar characteristics and intake takes place. The Academy benchmarks via the appropriate educational groups and networking, but also researches current trends and adverts that are public. Any review of key management salaries is presented to representatives of the Governing Body for approval prior to implementation.

### **Trade union facility time**

No time was spent by relevant union officials on paid trade union activities during contracted employment hours in the relevant period for purposes of reporting under the Trade Union (Facility Time Publication Requirements) Regulations 2017.

### **Connected organisations, including related party relationships**

Owing to the nature of the Academy's operations and the composition of the Governing Body being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a member of the Governing Body may have an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procurement procedures.

## **OBJECTIVES AND ACTIVITIES**

### **Objectives, strategies and activities**

The principal objectives and activities of the Academy are the operation of the Westminster Academy to provide education for students of different abilities between the ages of 11 and 18. The Academy has an International Business and Enterprise specialism.

The main objectives of the Academy are summarised below:

- ◆ To raise the standard of education achievement and progress of all students;
- ◆ To ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care;

## **OBJECTIVES AND ACTIVITIES** (continued)

### **Objectives, strategies and activities** (continued)

- ◆ To improve the effectiveness of the Academy by keeping the curriculum and organisational structure under continual review;
- ◆ To provide value for money for the funds expended;
- ◆ To comply with all appropriate statutory and curriculum requirements;
- ◆ To maintain close links with industry and commerce;
- ◆ To maintain close links with the immediate and wider community; and
- ◆ To conduct our business in accordance with the highest standards of integrity, probity and openness.

### **Public Benefit**

In setting the Academy's objectives and planning its activities, the Directors have given careful consideration to the Charity Commission's general guidance on public benefit.

## **STRATEGIC REPORT**

### **Achievements and performance**

#### ***Review of activities***

The Academy started its thirteenth year of operation in September 2019. The post of Principal was held by Dr Saima Rana.

The year has again been a challenging one for the Academy, combining joint objectives of continuing to control expenditure to maintain a surplus, whilst always maintaining a drive to provide the highest quality provision of education to ensure the very best outcomes for all students.

During this financial year the academy was challenged further by Covid-19 which saw the physical building closed for 4 months due to the nationwide lockdown. Despite such unprecedented events the Academy was able to continue educating its pupils virtually. WA Online, as it came to be known, was an amazing achievement. All 1147 pupils had access to a Chromebook and every effort was made to ensure that they also had internet access. Lessons were delivered online using software such as Zoom and Google Classroom. The teachers worked hard to keep students engaged and this was evident from the attendance reports which saw over 90% of students attending sessions daily.

In 2019-2020, 80% (2018-19: 70%) of students achieved levels 9-4 in English and Maths.



## **STRATEGIC REPORT** (continued)

### **Achievements and performance** (continued)

#### ***Review of activities*** (continued)

Our Sixth Form students performed well in 2019-2020, with many of our 18 Diploma Programme and 18 Career-related Programme graduates gaining places at Russell Group universities. On the Diploma, students averaged 36 points, well above the world average of 31. Career-related Programme results were also excellent, with an average vocational grade of Distinction.

#### *Curriculum planning*

- ◆ The curriculum model continued to support the Academy in delivering its mission to provide the best possible futures to all of its students in 2019-20,
- ◆ The timetable for the year beginning in September 2019 was produced through a consultation process with staff and students. This was issued to staff in July 2019.
- ◆ The curriculum model takes into account the Academy's Improvement Plan, policies, routines, procedures, staffing structures and job descriptions.
- ◆ The procurement of appropriate teaching and learning resources continued throughout the year.
- ◆ The International Baccalaureate Diploma Programme, introduced in September 2008, continues to be popular with students and has delivered some outstanding results.

#### *Staffing*

- ◆ Staff training continued to be a high priority throughout 2019-2020 and is linked to the Academy's Improvement Plan and monitored by our performance management system.

#### *Students*

- ◆ The admissions process for Year 7 in September 2019 was administered by Westminster City Council, through the pan-London Central Admissions System. 768 applications had been received for 180 available places for the September 2019-20 intake.
- ◆ The Spring 2020 school census recorded a total of 1,139 students in Years 7 to 13. The Academy continues to take "Hard to Place" students and "Pupils without School Places" (PWSP).
- ◆ In the Spring 2020 census, 821 (out of 1,139) students had a first language other than English. 388 students were eligible for free school meals on the Spring census day.
- ◆ The Academy Student Council continued to ensure the involvement of the students in decision-making processes.

**STRATEGIC REPORT** (continued)

**Achievements and performance** (continued)

**Review of activities** (continued)

*Students (continued)*

- ◆ Westminster Academy's admissions policy requires the Academy to follow the standard Pan-London admissions process. Special Educational Needs students with statements, Looked After Children and siblings are prioritised thus protecting the most vulnerable families. The remaining students are admitted according to their residential distance from the Academy thus ensuring an intake which reflects the local community.

*The Wider Community*

- ◆ Parents continued to be involved with their children's progress through Firefly, parental meetings and parents' evenings. Weekly newsletters were also sent to parents electronically.
- ◆ Strong links are maintained with over 250 local businesses, to enable the development of the Academy's Internship Programme.
- ◆ The Principal is on the Boards of; the Paddington Development Trust, The Duke of York Inspiring Digital Enterprise Award (iDEA), International Baccalaureate Schools and Colleges Association (ISBCA) and the Mosaic Community Trust. The Principal is also a Governor at University College School, Hampstead.
- ◆ Academy Sport continued to be successful with members of the wider community including local primary schools. The community use of the premises was affected by Covid-19 as the facility had to shut down for 4 months. This had a significant effect on the income that is usually generated from these facilities and it also meant that staff within Academy Sports had to be furloughed. However once Lockdown was over Academy Sport came back into use around mid July 2020, and the local community was extremely keen to get back into the centre to use its facilities.
- ◆ Community use of the Sir Naim Dangoor Centre, Harrow Road continued to develop throughout the year to further increase community, educational and social activities. However due to the national lockdown in March 2020 this has had to temporarily cease. In order to protect our staff and students during this pandemic there will be a restriction on all visitors and external stakeholders using the centre. We will continue to build on our relationship with the community virtually and we will also support them with any educational and social activities they may wish to run online

**STRATEGIC REPORT** (continued)

**Achievements and performance** (continued)

***Review of activities*** (continued)

*Liaison with the Department for Education (DfE)/ Education and Skills Funding Agency (ESFA)*

- ◆ Meetings with the DfE and ESFA continued throughout 2019-20.

*Awards for the Academy*

- ◆ Specialist School and Academies Trust Future Vision Award 2007
- ◆ BCSE Industry Award for Inspiring Design-Secondary School 2008
- ◆ Best Incorporation of Daylight Award, Lighting and Architecture Foundation Awards 2008
- ◆ Designshare Citation Award 2008
- ◆ Design Week Wayfinding and Environment Graphics 2008
- ◆ RIBA London Building of the Year 2008
- ◆ RIBA Sorrell Foundation School Award 2008
- ◆ RIBA Stirling Prize shortlist 2008
- ◆ Building Magazine - Public Building of the Year 2009
- ◆ Civic Trust Award 2009
- ◆ International Schools Award 2009
- ◆ STARS Sustainable travel (bronze level accreditation) 2010
- ◆ Sustrans Bike it School Mark bronze 2010
- ◆ SSAT Most Improved School 2011
- ◆ SSAT Outstanding Continuous Improvement 2013
- ◆ SSAT Outstanding Student Progress 2013
- ◆ Volunteer Centre Organisation Award 2013
- ◆ TES Secondary School of the Year Award 2013
- ◆ Lord Adonis' Most Transformed Academy 2013
- ◆ Deputy Prime Minister's Pupil Premium Award 2013
- ◆ Mayor of London's Gold Club Award 2013
- ◆ British Empire Medal for member of support staff 2014
- ◆ Healthy Schools Bronze 2014
- ◆ International Schools Award 2015
- ◆ STARS Sustainable travel (gold level accreditation 2017-2018), January 2017
- ◆ SSAT Educational Outcomes Award 2017 for exceptional student attainment, March 2017
- ◆ SSAT Educational Outcomes Award 2017 for exceptional student progress, March 2017
- ◆ Highly commended BTEC Performing Arts Student of the Year, July 2017
- ◆ Mayor of London's Schools for Success, September 2017
- ◆ Healthy Schools Gold, December 2017

## STRATEGIC REPORT (continued)

### Achievements and performance (continued)

#### *Review of activities (continued)*

##### *Awards for the Academy (continued)*

- ◆ SSAT Educational Outcomes Award 2018 for exceptional student attainment, March 2018
- ◆ SSAT Educational Outcomes Award 2018 for exceptional student progress, March 2018
- ◆ BTEC School of the Year, July 2018
- ◆ BTEC Creative Media Student of the Year, July 2018
- ◆ Nominated for TES Healthy School of the Year, July 2018
- ◆ Mayor of London's Schools for Success, September 2018
- ◆ Tri-borough Battle of the Bands Star Performers award (Tri-Borough Music Hub), January 2019
- ◆ Winner of the BIMA Digital Day Sponsor Challenge, January 2019
- ◆ Career Ready South of England Student of the Year, April 2019
- ◆ Pride in Inclusion Bronze (Educate and Celebrate), July 2019
- ◆ PSHE Centre of Excellence (Westminster City Council), July 2019
- ◆ Pride Youth Network Pioneers (Educate and Celebrate), October 2019
- ◆ Secondary Geography Quality Mark (Geographical Association), September 2019

#### **Key financial performance indicators**

The Key Performance Indicators used by the Directors to assess the performance of the Academy against their stated objectives are as follows:

	2020	2019
Income per pupil	<b>£8,888</b>	£9,199
Staffing costs as a percentage of main grant income	<b>86.89%</b>	78.28%
Average teaching costs per pupil	<b>£5,538</b>	£4,965
Average non-teaching costs per pupil	<b>£989</b>	£1,084
Total learning resources per pupil	<b>£424</b>	£566

#### **Going concern**

After making appropriate enquiries, the Governing Body has a reasonable expectation that the Academy has adequate resources to continue in operational existence for the foreseeable future. For this reason the Governing Body continues to adopt the going concern basis in preparing the accounts. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies.

## **STRATEGIC REPORT** (continued)

### **Financial review**

#### ***Financial report for the year***

The Academy's main source of income is derived from the ESFA. The grants received during the year ended 31 August 2020 and the associated expenditure are shown in the Statement of Financial Activities on page 32.

Unrestricted income for the year amounted to £509,000 (2019 – £626,743) against net expenses incurred of £398,000 (2019 – £537,454) resulting in a surplus for the year of £111,000 (2019 – £89,289). There is an overall surplus of unrestricted funds of £856,000 (2019 – £745,501) carried forward at the end of the year.

Restricted general funds received amounted to £9,542,000 (2019 – £9,649,173) and comprised mainly of the General Annual Grant (GAG) receivable from ESFA. Restricted general fund expenditure for the year amounted to £9,311,000 (2019 – £8,990,585) resulting in a surplus on restricted general funds of £231,000 (2019 – £658,588) before transfers and the recognition of the pension adjustment.

At the year end, the Academy's pension liability is a proportion of the City of Westminster Fund and is valued in line with FRS102. Restricted general funds also include the Academy's share of these pension liabilities of £1,727,000 (2019 – £1,543,500). This is represented by the liability of £1,544,000 brought forward at 1 September 2019 (2018 – £842,500), resources expended of £176,000 (2019 – £197,000) and an actuarial loss of £7,000 (2019 – £504,000) on the pension scheme.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of an academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

At 31 August 2020, the net book value of fixed assets was £24,671,499 (2019 – £25,133,068) and movements in tangible fixed assets are shown in note 13 to the accounts. These assets represent the restricted fixed asset fund and are used by the Academy in order to provide education and associated support services to pupils of the Academy and the wider community. The restricted fixed asset fund is reduced by annual depreciation charges over the expected useful lives of the assets concerned.

In 2017, the Academy set up a wholly owned subsidiary, WA Land Limited ('WAL'), whose sole purpose is to exploit a property development opportunity on a site within the boundary of the land leased to the Academy for the purpose of providing affordable housing for teachers employed at the Academy.

## **STRATEGIC REPORT** (continued)

### **Financial review** (continued)

#### ***Financial report for the year (continued)***

For this purpose, WAL entered into a facility agreement with The Exilarch's Foundation (TEF) to fund its initial working capital requirements. The facility, for a sum of up to £360,000, has been provided on an interest free and unsecured basis. It is only repayable in the event of WAL entering into a development agreement with a developer on terms approved by TEF. The expenses incurred by company during the year amounted to £6,389 (2019 – £22,415) and at the year end, WAL was indebted to TEF in the amount of £nil (2019 – £220,000).

#### ***Reserves policy***

The Directors have delegated to the Finance Team the responsibility to review the reserve levels of the Academy on a regular basis. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Directors' view is that free reserves should provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies. The Academy's current level of free reserves (total funds less amounts held under fixed assets and other restricted funds) is a surplus of £858,000 (2019 – £745,501). The level of reserves at the year end has increased compared to the previous year and the Academy hopes to be able to continue building up free reserves in the future.

The deficit on the Local Government Pension Scheme does not mean that an immediate liability crystallises. The deficit results in a cash flow effect for the Academy in the form of possible future increases in pension contributions, which, if required, will be met from the budgeted annual income. There is therefore no direct impact on the free reserves of the Academy because of recognising the deficit.

#### ***Investment policy***

The Directors' investment powers are governed by the memorandum and articles of association. There are currently no funds available for long term investment and any surplus funds which are retained are placed on short term deposit.

## **PRINCIPAL RISKS AND UNCERTAINTIES**

The Directors have assessed the major risks to which the Academy is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academy, and its finances (a register of risk is kept via the new electronic system and is updated for each Audit Committee meeting). The Directors have implemented a number of systems to assess risks that the Academy faces, especially in the operational areas (e.g. in relation to professional, financial, legal, physical, contractual, technological and environmental) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. data protection and safeguarding information) and internal financial controls in order to minimise risk. Where significant financial risk still remains they have ensured they have adequate insurance cover.

**PRINCIPAL RISKS AND UNCERTAINTIES** (continued)

The Directors have also carefully considered a specific internal audit function and appointed Mr Umer Siddiqi of Lotus Accountax Ltd of 10 Church Road, Acton, London, W3 8PP as the Internal Auditor who performs a range of financial checks. He reports formally to the Audit Committee on the operation of the systems of control. The Directors accept these arrangements to provide reasonable, but not absolute, assurance that assets are safeguarded and transactions are authorised and properly recorded and that any internal errors or irregularities are either prevented or detected in a timely basis.

**FUNDRAISING**

The Academy did not actively fundraise during the year to 31 August 2020 and does not hold any agreements with professional fundraisers or commercial participators. The costs for raising funds relates to expenses incurred by its subsidiary undertaking.

**PLANS FOR FUTURE PERIODS**

As an academy, we are not complacent about success and always seek to be ambitious about the future. '*Outstanding*' does not mean '*perfect*' and we work relentlessly to embed a culture of continuous improvement. The academy seeks to sustain excellence in the following ways:

- ◆ Maintaining a constant focus on the quality of teaching and learning
- ◆ Developing responsible global citizens, who embody our values
- ◆ Fostering a proud, cohesive, and ambitious staff body

The priorities for 2019/2020 reflect this, as well as carefully anticipating national changes and providing astute financial management at a time of budget restrictions. The priorities enable the academy to maintain the focus on standards, whilst focusing particularly on areas which need further development.

It is the intention to continue to raise the standards of Teaching and Learning within the Academy by catering for all students via personalised learning, meeting the needs of mainstream, gifted and talented and special educational needs students. The Academy will continue to review and improve the use of literacy cross- curricular and will continue to enhance the provision offered to students and staff via the use of IT.

Given the recent events of Covid-19 the Academy are looking at ways to ensure that schooling can continue at a high standard should there be another lockdown. In order to facilitate this the Senior Leadership Team are reviewing the ICT provision to ensure that the hardware and the software that students and staff are using is adequate and can support remote learning effectively.

The SLT are also looking at additional ways to support the students in terms of their mental health as a result of the pandemic. Two in-house counsellors have been recruited to provide one to one counselling from September 2020 and a plan is being drafted to effectively use the Covid-19 catch up funding that we are due to receive in the next financial year.

## **Directors' report** Year to 31 August 2020

### **AUDITOR**

In so far as the Directors are aware:

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

Directors' report, incorporating a strategic report, approved by order of the members of the Governing Body on 25 January 2021 and signed on its behalf by:



Shabir Randeree  
(Chair of Governors and Sponsor Governor)

Date: 26th January 2021



### **Scope of responsibility**

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

The Governing Body have delegated the day-to-day responsibility to the Principal, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between the Academy and the Secretary of State for Education. The Principal is also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

Dr Rana resigned as Principal and Accounting Officer on 31<sup>st</sup> August 2020. To ensure that Westminster Academy remained compliant with the direction of the Academies Financial Handbook 2019, the Governors approved the appointment of Theresa Allotey as the interim Accounting Officer. This arrangement commenced on 1 September 2020 and ceased on 17 January 2021. Dr Paul Wood was appointed as the Principal on 1 January 2021 and as the Accounting Officer on 18 January 2021. He has therefore signed the Governance statement and Statement on regularity, propriety and compliance as Accounting Officer at the date the annual report and financial statements were approved.

### **Governance**

As trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

The information on governance included here supplements that described in the Directors' report and in the statement of Directors' responsibilities. The Governing Body has formally met four times during the year. Attendance during the year at meetings of the Governing Body was as follows:

<b>Director</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Shabir Randeree (Chair)	4	4
Duncan Harman-Wilson (Vice Chair)	4	4
Dr Saima Rana	4	4
Lina Alchami	4	4
Mary Amayo	2	4
Mark Beard	1	4
David Dangoor	3	4
Elizabeth Dangoor	3	4
Judy Dangoor	4	4
Alex James	4	4
Michael Karp	2	4
Alastair Metcalf	4	4
Angela Piddock	2	4
Anastasiya Karelina	2	2
Jeremy Sanders	1	1

There have been no key changes to the composition of the Governing body.

**Governance** (continued)

***Governance reviews***

A governance review was conducted by Geoffrey Davies on 27 March 2020. The review was thorough resulting in two recommendations being made. The first relating to the updating of our Articles and the second in relation to Members who are also Trustees.

***Finance and General Purposes Committee***

The Finance and General Purposes Committee is a sub-committee of the Governing Body. Its purpose is as follows:

- ◆ receive and monitor the Academy's financial reports;
- ◆ review the draft Budget Plan and make recommendations to the Governing Body for approval;
- ◆ agree contracts and purchases within the level of its delegated authority;
- ◆ agree virements within the Budget within the level of its delegated authority;
- ◆ ensure appropriate resourcing of the Improvement Plan targets;
- ◆ monitor reports with regard to the separate trading company, Academy Community (once it starts its trading activities);
- ◆ monitor the application of the Agreement with the City of Westminster Council with regard to the activities of Academy Sport;
- ◆ receive and review Reports of the Academy's Health and Safety Committee, of Health and Safety inspections with regard to the maintenance, upkeep, and renewal of the premises and equipment;
- ◆ receive and monitor reports with regard to HR/staffing matters including pay performance management, discipline and employment related issues; and
- ◆ review and approve from time to time all policy statutory or other documents relating to the Committee's roles and responsibilities.

*During the year there were no new members appointed to committee.*

**Governance (continued)**

***Finance and General Purposes Committee (continued)***

Attendance at meetings in the year was as follows:

Committee member	Meetings attended	Out of a possible
Duncan Harman-Wilson (Chair)	3	3
Dr Saima Rana	3	3
David Dangoor	2	3
Elizabeth Dangoor	2	3
Judy Dangoor	2	3
Michael Karp	3	3
Alastair Metcalf	1	3

***Audit Committee***

The Audit Committee is also a sub-committee of the main Governing Body and is an advisory body with no executive powers. Its main functions are to:

- ♦ help promote the highest standards of propriety in the use of public funds and encourage proper accountability for the use of those funds;
- ♦ promote a climate of financial discipline and control which will help to reduce the opportunity for financial mismanagement;
- ♦ promote the development of internal controls systems which will help satisfy the Governing Body that the Academy will achieve its objectives and targets and is operating in accordance with any statutory requirements for the use of public funds within delegated authorities laid down by the Governing Body and the Academy's own rules on which matters should be referred to the Governing Body; and in a manner which will make most economic and effective use of resources available.
- ♦ receive the Internal and External Audit Reviews; and
- ♦ review the Risk Register.

During the year there were no new members appointed to committee.

Attendance at meetings in the year was as follows:

Committee member	Meetings attended	Out of a possible
Shabir Randeree (Chair)	3	3
Duncan Harman-Wilson	3	3
Dr Saima Rana	3	3
David Dangoor	2	3
Michael Karp	3	3
Alastair Metcalf	1	3

**Governance** (continued)

**Curriculum Committee**

The Curriculum Committee is a sub-committee of the Governing Body. Its purpose is to:

- ♦ monitor the delivery of teaching and learning in relation to the Academy's Improvement Plan and the Academy's Self Evaluation with regard to the Ofsted Framework;
- ♦ receive and review assessment tracking and performance data in respect of the progress of the Academy's students; and
- ♦ to review and adopt or recommend to the Governing Body for adoption the statutory policies with regard to teaching and learning, and behaviour and discipline.

During the year there were no new members appointed to committee.

Attendance at meetings in the year was as follows:

Committee member	Meetings attended	Out of a possible
Dr Saima Rana	4	4
Lina Alchami	4	4
Mary Amayo	3	4
Elizabeth Dangoor	4	4
Judy Dangoor	4	4
Angela Piddock	2	4
Mark Beard	2	2
Alex James	4	4

**Review of value for money**

Despite the pressures of COVID-19 Westminster Academy has not been adversely impacted on value for money.

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

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

**The Governors' approach**

Governors have applied the four principles of best value:

- ♦ Challenge - Is the Academy's performance high enough? Why and how is a service provided? Do we still need it? Can it be delivered differently? What do parents want?

**Review of value for money (continued)**

***The Governors' approach (continued)***

- ◆ Compare - How does the Academy's student performance and financial performance compare with all Academies? How does it compare with LEA schools? How does it compare with similar schools?
- ◆ Consult - How does the Academy seek the views of stakeholders about the services the Academy provides?
- ◆ Compete - How does the Academy secure efficient and effective services? Are services of appropriate quality, economic?

The Governors and Academy managers apply these principles when making decisions about:

- ◆ the allocation of resources to best promote the aims and values of the Academy.
- ◆ the targeting of resources to best improve standards and the quality of provision.
- ◆ the use of resources to best support the various educational needs of all students.

Governors, and the Academy managers, will:

- ◆ use data from other/similar schools using data provided by the LEA and the Government, e.g. benchmarking tools, quality of teaching and learning and levels of expenditure.
- ◆ challenge proposals, examining them for effectiveness, efficiency and cost, e.g. setting of annual student achievement targets.
- ◆ require suppliers to tender, ensuring best value whilst maintaining quality/suitability of services/products/ backup.
- ◆ consult with individuals and organisations on quality/suitability of the service we provide to parents and students and services we receive from providers, e.g. Sex and Relationships Education, student reports, OFSTED, external consultants, energy suppliers.

This will apply in particular to:

- ◆ staffing
- ◆ use of resources
- ◆ quality of teaching
- ◆ quality of learning
- ◆ purchasing
- ◆ students' welfare
- ◆ health and safety

### **Review of value for money (continued)**

#### ***The Governors' approach (continued)***

Governors and Academy managers do not waste time and resources on investigating minor areas where few improvements can be achieved, e.g. on making minor savings in costs, or on seeking tenders for minor supplies and services. Governors recognise that the pursuit of minor improvements or savings is not cost effective if the administration involves substantial time or costs and that time wasted on minor improvements or savings can also distract management from more important or valuable areas.

#### ***Covid-19***

With many of our suppliers being affected by the events of Covid-19 it has been difficult, in some cases, to secure best value for money. On occasion it has meant that delivery of projects or resources have been delayed due to the extended waiting times we have been subjected to due to lockdown and furloughing. This has not affected our spending approach. Rather it has made us prioritise projects and review the needs of the academy in order to ascertain what needs to be purchased immediately and what can wait until our approved suppliers are in a position to support us again. It has also been an opportunity to seek out new suppliers, some of which have proven extremely helpful in our time of need.

#### ***Teaching and Learning***

Governors and Academy Leadership review the quality of curriculum provision and quality of teaching and review the quality of children's learning, by cohort, class and group, to provide teaching which enables children to achieve nationally expected progress, e.g. setting of annual student achievement targets and striving to improve on or maintain previous years' exam results and attendance.

Governors and Academy Leadership also review the quality of the Academy environment and the Academy ethos, in order to provide a supportive secure and safe environment conducive to learning and recreation which translates into success for our students.

#### ***Allocation of Resources***

Governors and Academy Leadership deploy staff to provide best value in terms of quality of teaching, quality of learning, adult to student ratio and curriculum management and to ensure appropriate facilities, equipment, materials and services provide students and staff with resources which support quality of teaching and learning.

The Governing Body have established finance policies to control purchasing and through the budget process agree the allocation of resources for the year.

#### ***Monitoring***

In order to provide input and to monitor delivery of best value the Governing Body has established active Curriculum, Audit and Finance and General Purposes committees which are supported by a Health & Safety committee.

### **Review of value for money (continued)**

#### ***Health & Safety***

Governors and Academy managers review the quality of the Academy environment and equipment, carrying out termly risk assessments supplemented by one off investigations where appropriate, in order to provide a safe working environment for students, staff and visitors. The Health and Safety Committee also meet once a term.

#### **The purpose of the system of internal control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Academy's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place at the Academy for the year ended 31 August 2020 and up to the date of approval of the annual report and financial statements.

#### **Capacity to handle risk**

The Governing Body has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Governing Body is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks that has been in place for the year ended 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body, and is contained in the CalQRisk online system.

#### **The risk and control framework**

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

- ◆ comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Governing Body;
- ◆ regular reviews by the finance and general purposes committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- ◆ setting targets to measure financial and other performance;
- ◆ clearly defined purchasing (asset purchase or capital investment) guidelines;
- ◆ delegation of authority and segregation of duties; and
- ◆ identification and management of risks.

**The risk and control framework** (continued)

The Governing Body has considered the need for a specific internal audit function and has decided to appoint Mr Umer Siddiqi of Lotus Accountax Ltd of 10 Church Road, Acton, London, W3 8PP as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems. In particular, the checks carried out in the current period included ESFA grants received, payroll and pensions, procurement activities, major contracts, bank reconciliations and VAT.

During the current period, the checks identified weaknesses in retaining suppliers' invoices supporting documentation, late preparation, and submission of a VAT refund claim. These identified matters were addressed by the Governing Body within the current period.

The internal auditor reports to the Governing Body through the finance and general purposes committee and audit committee three times a year on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities.

The internal auditor, Umer Siddiqi of Lotus Accountax Ltd of 10 Church Road, Acton, London, W3 8PP, has delivered their schedule of work as planned, with no material control issues arising.

Arrangements for internal scrutiny are unaffected by the recently revised FRC Ethical Standard.

**Review of effectiveness**

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

- ◆ the work of the internal auditor;
- ◆ the work of the external auditor;
- ◆ the financial management and governance self-assessment process;
- ◆ the work of the Senior Management Team within the Academy who have responsibility for the development and maintenance of the internal control framework.



**Review of effectiveness** (continued)

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance and General Purposes Committee and Audit Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the Governing Body and signed on their behalf by:



Shabir Randeree  
(Chair of Governors)



Dr Paul Wood  
(Accounting Officer)

Approved on: January 26<sup>th</sup>, 2021

**Statement on regularity, propriety and compliance 31 August 2020**

As Accounting Officer of The Westminster Academy (Westbourne Green), I have considered my responsibility to notify academy trust Governing Body and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

I confirm that I and the academy trust Governing Body are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2019.

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



Dr Paul Wood

(Accounting Officer)

Date: January 26<sup>th</sup>, 2021

## Statement of Directors' responsibilities 31 August 2020

The Directors (who act as governors of the Academy) are responsible for preparing the Directors' report and the financial statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in the Charities' SORP (FRS 102) and the Academies Accounts Direction 2019 to 2020;
- ◆ make judgments and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements; and
- ◆ prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Academy will continue in operation.

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

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

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

Approved by order of the members of the Governing Body on 25 January 2021 and signed on its behalf by:



Shabir Randeree  
(Chair of Governors and Sponsor Governor)

**Independent auditor's report to the members of The Westminster Academy  
(Westbourne Green)**

**Opinion**

We have audited the financial statements of The Westminster Academy (Westbourne Green) (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 August 2020 which comprise the group statement of financial activities, the group and charitable parent company balance sheets and statements 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), 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) (the Charities SORP (FRS 102)) and the Academies Accounts Direction 2019 to 2020.

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the group's and of the charitable parent company's affairs as at 31 August 2020 and of the group's income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006; and
- ◆ have been prepared in accordance with the Charities SORP (FRS 102) and Academies Accounts Direction 2019 to 2020.

**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 group in accordance with the ethical requirements that are 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 relating to going concern**

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

- ◆ the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- ◆ the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the charitable parent 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 directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

**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 directors' report including the strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the directors' report including the strategic report has been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the group and the charitable parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report including the strategic report.

**Matters on which we are required to report by exception (continued)**

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 by the charitable parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- ◆ the charitable parent company financial statements are not in agreement with the accounting records and returns; or
- ◆ certain disclosures of directors' remuneration specified by law are not made; or
- ◆ we have not received all the information and explanations we require for our audit.

**Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, the directors 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 directors 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 directors are responsible for assessing the group's and the charitable parent 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 directors either intend to liquidate the group or the charitable parent company or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

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

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

**Independent auditor's report on the financial statements 31 August 2020**

**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.

*Buzzacott LLP*

Hugh Swainson (Senior Statutory Auditor)  
For and on behalf of Buzzacott LLP, Statutory Auditor  
130 Wood Street  
London  
EC2V 6DL

Date: 28.1.2021

**Independent reporting accountant's assurance report on regularity to The Westminster Academy (Westbourne Green) and the Education and Skills Funding Agency**

In accordance with the terms of our engagement letter dated 1 July 2020 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Westminster Academy (Westbourne Green) during the period from 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to The Westminster Academy (Westbourne Green) and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The Westminster Academy (Westbourne Green) and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The Westminster Academy (Westbourne Green) and the ESFA, for our work, for this report, or for the conclusion we have formed.

**Respective responsibilities of The Westminster Academy (Westbourne Green)'s Accounting Officer and the reporting auditor**

The Accounting Officer is responsible, under the requirements of The Westminster Academy (Westbourne Green)'s funding agreement with the Secretary of State for Education dated 28 March 2007 and the Academies Financial Handbook, extant from 1 September 2019, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2019 to 2020. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period from 1 September 2019 to 31 August 2020 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

**Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2019 to 2020 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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



**Approach** (continued)

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

The work undertaken to draw to our conclusion includes:

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

**Conclusion**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period from 1 September 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Hugh Swainson  
Buzzacott LLP  
Chartered Accountants  
130 Wood Street  
London  
EC2V 6DL

Date: 28.1.2021

**Consolidated statement of financial activities (including income and expenditure account) Year to 31 August 2020**

		Unrestricted	Restricted funds		2020	2019
	Notes	general fund £'000	General £'000	Fixed assets fund £'000	Total funds £'000	Total funds £'000
<b>Income from:</b>						
Donations and capital grants	2	—	99	24	123	230
Charitable activities						
· Funding for the academy's educational operations	3	56	9,354	—	9,410	9,561
Other trading activities	4	444	89	—	533	557
Investments	5	9	—	—	9	10
<b>Total</b>		<b>509</b>	<b>9,542</b>	<b>24</b>	<b>10,075</b>	<b>10,358</b>
<b>Expenditure on:</b>						
Raising funds	6	(11)	—	—	(11)	5
Charitable activities						
· Academy's educational operations	7	409	9,311	919	10,639	10,211
<b>Total</b>		<b>398</b>	<b>9,311</b>	<b>919</b>	<b>10,628</b>	<b>10,216</b>
<b>Net income (expenditure)</b>		<b>111</b>	<b>231</b>	<b>(895)</b>	<b>(553)</b>	<b>142</b>
Transfers between funds	18	—	(434)	434	—	—
<b>Other recognised gains and losses</b>						
Actuarial losses on defined benefit pension scheme	24	—	(7)	—	(7)	(504)
<b>Net movement in funds</b>		<b>111</b>	<b>(210)</b>	<b>(461)</b>	<b>(560)</b>	<b>(362)</b>
<b>Reconciliation of funds</b>						
Total fund balances brought forward at 1 September 2019		745	(370)	25,133	25,508	25,870
<b>Total fund balances carried forward at 31 August 2020</b>		<b>856</b>	<b>(580)</b>	<b>24,672</b>	<b>24,948</b>	<b>25,508</b>

All of the Academy's activities derived from continuing operations during the above two financial periods.

## Balance sheets 31 August 2020

	Notes	Group 2020 £'000	Academy 2020 £'000	Group 2019 £'000	Academy 2019 £'000
<b>Fixed assets</b>					
Tangible fixed assets	13	24,672	24,672	25,133	25,133
Investments	11	—	—	—	—
		<b>24,672</b>	<b>24,672</b>	<b>25,133</b>	<b>25,133</b>
<b>Current assets</b>					
Work in progress	14	—	—	206	—
Debtors	15	686	686	954	954
Cash at bank and in hand		2,741	2,739	2,451	2,445
		<b>3,427</b>	<b>3,425</b>	<b>3,611</b>	<b>3,399</b>
<b>Liabilities</b>					
Creditors: amounts falling due within one year	16	(1,424)	(1,420)	(1,472)	(1,467)
<b>Net current assets</b>		<b>2,003</b>	<b>2,005</b>	<b>2,139</b>	<b>1,932</b>
<b>Total assets less current liabilities</b>		<b>26,675</b>	<b>26,677</b>	<b>27,272</b>	<b>27,065</b>
Creditors: Amounts falling due after more than one year	17	—	—	(220)	—
<b>Net assets excluding pension scheme liability</b>		<b>26,675</b>	<b>26,677</b>	<b>27,052</b>	<b>27,065</b>
Defined benefit pension scheme liability	24	(1,727)	(1,727)	(1,544)	(1,544)
<b>Total net assets</b>		<b>24,948</b>	<b>24,950</b>	<b>25,508</b>	<b>25,521</b>
<b>Funds of the Academy</b>					
<b>Restricted funds</b>					
Fixed assets fund	18	24,672	24,672	25,133	25,133
Restricted income fund	18	1,147	1,147	1,173	1,173
Pension reserve	18	(1,727)	(1,727)	(1,544)	(1,544)
<b>Total restricted funds</b>		<b>24,092</b>	<b>24,092</b>	<b>24,762</b>	<b>24,762</b>
<b>Unrestricted income funds</b>					
General fund	18	858	858	746	759
Funds retained with subsidiary	18	(2)	—	—	—
<b>Total funds</b>		<b>24,948</b>	<b>24,950</b>	<b>25,508</b>	<b>25,521</b>

The financial statements on page 32 to 62 were approved by the Directors, and authorised for issue on 25 January 2021 and are signed on their behalf by:



Shabir Randeree  
(Chair of Governors and Sponsor Governor)  
The Westminster Academy (Westbourne Green)  
Company Limited by Guarantee  
Registration Number: 05102934 (England and Wales)

# Consolidated statement of cash flows Year to 31 August 2020

	Note	2020 £'000	2019 £'000
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	A	715	563
<b>Cash flows from investing activities</b>	B	(425)	(622)
<b>Cash inflow from financing activities</b>	C	—	25
<b>Change in cash and cash equivalents in the year</b>		290	(34)
<b>Cash and cash equivalents at the end of the year</b>		2,741	2,451

## A Reconciliation of (expenditure) income to net cash provided by operating activities

	2020 £'000	2019 £'000
<b>Net (expenditure) income for the year (as per the statement of financial activities)</b>	(553)	142
<b>Adjusted for:</b>		
Depreciation (note 13)	919	688
Capital grants from DfE and other capital income	(24)	(82)
Interest receivable (note 5)	(9)	(10)
Write off of loan	(220)	—
Defined benefit pension scheme cost less contributions payable (note 24)	149	176
Defined benefit pension scheme finance cost (note 24)	28	21
Decrease (increase) in work in progress	206	(16)
Decrease (increase) in debtors	268	(491)
(Decrease) increase in creditors	(49)	135
<b>Net cash provided by operating activities</b>	715	563

## B Cash flows from investing activities

	2020 £'000	2019 £'000
Dividends, interest and rents from investments	9	10
Purchase of tangible fixed assets	(458)	(714)
Capital grants from DfE/ESFA	24	82
<b>Net cash used in investing activities</b>	(425)	(622)

**Consolidated statement of cash flows** Year to 31 August 2020

**C Cash flows from financing activities**

	<b>2020 £'000</b>	<b>2019 £'000</b>
Cash inflows from new borrowing	—	25
<b>Net cash provided by financing activities</b>	<b>—</b>	<b>25</b>

**D Analysis of cash and cash equivalents**

	<b>2020 £'000</b>	<b>2019 £'000</b>
Cash at bank and in hand	<b>2,741</b>	2,451
<b>Total cash and cash equivalents</b>	<b>2,741</b>	<b>2,451</b>

**E Analysis of changes in net debt**

	<b>At 1 September 2019 £'000</b>	<b>Cash flows £'000</b>	<b>Other non- cash changes £'000</b>	<b>At 31 August 2020 £'000</b>
Cash	2,451	290	—	<b>2,741</b>
	2,451	290	—	<b>2,741</b>
Loans falling due after more than one year	(220)	(5)	225	—
<b>Total</b>	<b>2,231</b>	<b>285</b>	<b>225</b>	<b>2,741</b>

**Statement of accounting policies**

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

**Basis of preparation**

The financial statements of the Academy, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The Westminster Academy (Westbourne Green) meets the definition of a public benefit entity under FRS 102.

**Going concern**

The Directors assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy and the group to continue as a going concern. The Directors make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Academy and the group has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy and the group's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements. The Directors have considered the impact of Covid-19 when making their assessment.

**Basis of consolidation**

The consolidated accounts incorporate the financial statements of the Academy and its subsidiary company. All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

In the parent company financial statements, investments in subsidiaries are accounted for at cost less impairment.

**Income**

All income is recognised when the group has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

**Income (continued)**

***Grants***

Grants are included in the statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

The General Annual Grant is recognised in full in the statement of financial activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

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

***Sponsorship income***

Sponsorship income provided to the Academy which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

***Donations***

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

***Other income***

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the Academy has provided the goods or services.

***Academy Sport***

The Academy runs the community sports facility, Academy Sport, in partnership with Westminster City Council. All income and expenditure incurred relating to Academy Sport has been recognised in the financial statements. If a deficit arises in relation to Academy Sport, the Academy recognises Westminster City Council's share of the loss as income from the hire of facilities and in debtors, in line with the agreement between the Academy and Westminster City Council.

### **Expenditure**

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

### ***Expenditure on raising funds***

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

### ***Charitable activities***

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

### ***Governance costs***

These include the costs attributable to the Academy's compliance with constitutional and statutory requirements, including audit, strategic management, Directors' meetings and reimbursed expenses.

All expenditure is stated net of recoverable VAT.

### **Tangible fixed assets**

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy's depreciation policy. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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



## Principal accounting policies 31 August 2020

### Tangible fixed assets (continued)

♦ Leasehold buildings	2% per annum
♦ Leasehold improvements	10% per annum
♦ Fixtures, fittings and equipment	25% per annum
♦ IT equipment	16.667% per annum

Leasehold improvements are included at cost and depreciation on these assets are not charged until they are brought into use.

A full year of depreciation is charged in the year of acquisition.

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

### Liabilities

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

### Leased assets

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

### Investments

The Academy's shareholding in its wholly owned subsidiary, WA Land Limited, is included in the balance sheet at the cost of the share capital owned less any impairment.

### Financial Instruments

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

*Financial assets* – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

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

**Financial Instruments (continued)**

*Financial liabilities* – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 16 and 17. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

**Work in progress**

Work in progress comprises the costs incurred to date in exploiting a property development opportunity on a site leased to the Academy, for the purpose of providing affordable housing for teachers employed at the Academy. Work in progress is stated at the lower of cost and estimated selling price less costs to complete and sell.

Any excess of the carrying amount of work in progress over its estimated selling price less costs to complete and sell is recognised as an impairment loss in the statement of financial activities. Reversals of impairment losses are also recognised in the statement of financial activities.

**Taxation**

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

**Pensions benefits**

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 24, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

**Pensions benefits** (continued)

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

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

**Fund accounting**

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

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

Restricted general funds comprise all other revenue grants received from the Education and Skills Funding Agency and other funders.

**Critical accounting estimates and areas of judgement**

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

**Critical accounting estimates and assumptions**

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

**Critical accounting estimates and areas of judgement (continued)**

***Critical accounting estimates and assumptions (continued)***

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

***Critical areas of judgement***

The Academy's accounting policy for tangible fixed assets is set out on page 38. The carrying value of fixed assets as at 31 August 2020 was £24,671,499 (2019 – £25,133,068) and the depreciation charge for the year was £917,948 (2019 – £688,329). The estimated useful economic lives of fixed assets are based on management's judgement and experience. Asset lives and residual values are reviewed annually and an adjustment is made for any material difference arising from the difference between the actual and estimated useful lives. Historically, however, any changes to the estimates of useful economic lives of any assets have not been material.

## 1 General Annual Grant (GAG)

Under the funding agreement with the Secretary of State the Academy was subject to limits at 31 August 2020 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

The Academy has exceeded these limits during the year ended 31 August 2020. £510,000 has been included in note 16 as an abatement of GAG.

A letter has been sent to the ESFA which notes the amount of the potential clawback of £510,000. This letter also provides some explanations as to why this potential clawback occurred. It is hoped that these explanations will persuade the ESFA not to claw back this sum. At the time of signing these accounts there is some uncertainty as to whether the clawback will apply.

## 2 Donations and capital grants

	Unrestricted Funds £'000	Restricted funds £'000	Restricted Fixed asset funds £'000	2020 Total funds £'000	2019 Total Funds £'000
Capital grants	—	—	24	24	82
Other Donations	—	99	—	99	148
<b>2020 Total funds</b>	<b>—</b>	<b>99</b>	<b>24</b>	<b>123</b>	<b>230</b>

	Unrestricted Funds £'000	Restricted funds £'000	Restricted Fixed asset funds £'000	2019 Total funds £'000
Capital grants	—	58	24	82
Other Donations	—	130	18	148
<b>2019 Total funds</b>	<b>—</b>	<b>188</b>	<b>42</b>	<b>230</b>

## 3 Funding for the academy's educational operations

	Unrestricted funds £'000	Restricted funds £'000	2020 Total funds £'000	2019 Total funds £'000
<b>DfE / ESFA revenue grants</b>				
General Annual Grant (GAG) (note 1)	—	8,283	8,283	8,701
Other DfE / ESFA	—	972	972	661
	—	9,255	9,255	9,362
<b>Other government grants</b>				
Local authority grants	—	87	87	73
	—	87	87	73
Other income from the academy's educational operations	56	12	68	126
<b>2020 Total funds</b>	<b>56</b>	<b>9,354</b>	<b>9,410</b>	<b>9,561</b>

**3 Funding for the academy's educational operations (continued)**

	<i>Unrestricted funds £'000</i>	<i>Restricted funds £'000</i>	<i>2019 Total funds £'000</i>
<i>DfE / ESFA revenue grants</i>			
General Annual Grant (GAG) (note 1)	—	8,701	8,701
Other DfE / ESFA	—	661	661
	—	9,362	9,362
<i>Other government grants</i>			
Local authority grants	—	73	73
	—	73	73
<i>Other income from the academy's educational operations</i>	60	66	126
<b>2019 Total funds</b>	<b>60</b>	<b>9,501</b>	<b>9,561</b>

**4 Other trading activities**

	<i>Unrestricted funds £'000</i>	<i>Restricted funds £'000</i>	<b>2020 Total funds £'000</b>	<i>2019 Total funds £'000</i>
Hire of facilities	301	—	<b>301</b>	365
Catering income	134	—	<b>134</b>	181
Trip income	9	—	<b>9</b>	—
Miscellaneous income	—	89	<b>89</b>	11
<b>2020 Total funds</b>	<b>444</b>	<b>89</b>	<b>533</b>	<b>557</b>

	<i>Unrestricted funds £'000</i>	<i>Restricted funds £'000</i>	<i>2019 Total funds £'000</i>
<i>Hire of facilities</i>	365	—	365
<i>Catering income</i>	181	—	181
<i>Miscellaneous income</i>	11	—	11
<b>2019 Total funds</b>	<b>557</b>	<b>—</b>	<b>557</b>

**5 Investment Income**

	<i>Unrestricted funds £'000</i>	<b>2020 Total funds £'000</b>	<i>2019 Total funds £'000</i>
<b>2020 Total funds: Interest receivable</b>	<b>9</b>	<b>9</b>	<b>10</b>

**5 Investment Income (continued)**

	Unrestricted funds £'000	2019 Total funds £'000
2019 Total funds: Interest receivable	10	10

**6 Expenditure**

	Non pay expenditure			2020 Total funds £'000	2019 Total funds £'000
	Staff costs £'000	Premises £'000	Other costs £'000		
Expenditure on raising funds					
. Allocated Support costs	—	—	(11)	(11)	5
Academy's educational operations					
.. Direct costs	6,318	919	595	7,832	7,103
.. Allocated support costs	1,001	723	1,083	2,807	3,108
<b>2020 Total funds</b>	<b>7,319</b>	<b>1,642</b>	<b>1,667</b>	<b>10,628</b>	<b>10,216</b>

As at 31 August 2020, there is no certainty that the WA Land development opportunity will be undertaken and an impairment of £206,865 has been recognised in the statement of financial activities, to write down the value of the work in progress to £nil. The liability due to The Exilarch's Foundation has been written down to £nil, and so £225,000 has been written back to the statement of financial activities. The combined impact of these two transactions is a credit to expenditure on raising funds of £11,000 in the statement of financial activities.

	Non pay expenditure			2019 Total funds £'000
	Staff costs £'000	Premises £'000	Other costs £'000	
Expenditure on raising funds				
. Allocated Support costs	—	—	5	5
Academy's educational operations				
.. Direct costs	5,591	688	824	7,103
.. Allocated support costs	1,396	752	960	3,108
<b>2019 Total funds</b>	<b>6,987</b>	<b>1,440</b>	<b>1,789</b>	<b>10,216</b>

**Notes to the Financial Statements** Year to 31 August 2020

**6 Expenditure (continued)**

	2020 £'000	2019 £'000
<b>Net income (expenditure) for the year includes:</b>		
Operating leases	23	25
Depreciation	919	688
Net interest on defined benefit pension liability	28	21
Fees payable to auditor		
. Statutory audit	13	32
. Other services	6	15

**7 Charitable activities - academy's educational operations**

	2020 Total funds £'000	2019 Total funds £'000
Direct costs	7,832	7,103
Support costs	2,807	3,108
	<b>10,639</b>	<b>10,211</b>

	2020 Total funds £'000	2019 Total funds £'000
<b>Analysis of support costs</b>		
Support staff costs	1,001	1,396
Technology costs	166	197
Premises costs	723	752
Legal costs – other	7	8
Other support costs	850	629
Governance costs	60	126
<b>Total support costs</b>	<b>2,807</b>	<b>3,108</b>



## 8 Comparative information

Analysis of income and expenditure in the year ended 31 August 2019 between restricted and unrestricted funds:

	Unrestricted general fund £'000	General £'000	Fixed assets fund £'000	2019 Total funds £'000
<b>Income from</b>				
Donations and capital grants	—	148	82	230
Charitable activities				
Funding for the academy's educational operations	60	9,501	—	9,561
Other trading activities	557	—	—	557
Investments	10	—	—	10
<b>Total</b>	<b>627</b>	<b>9,649</b>	<b>82</b>	<b>10,358</b>
<b>Expenditure on:</b>				
Raising funds	5	—	—	5
Charitable activities				
Academy's educational operations	532	8,991	688	10,211
<b>Total</b>	<b>537</b>	<b>8,991</b>	<b>688</b>	<b>10,216</b>
<b>Net income (expenditure)</b>	<b>90</b>	<b>658</b>	<b>(606)</b>	<b>142</b>
Transfers between funds	—	(1,115)	1,115	—
<b>Other recognised gains and losses</b>				
Actuarial losses on defined benefit pension scheme	—	(504)	—	(504)
<b>Net movement in funds</b>	<b>90</b>	<b>(961)</b>	<b>509</b>	<b>(362)</b>
<b>Reconciliation of funds</b>				
Total fund balances brought forward at 1 September 2018	656	590	24,624	25,870
<b>Total fund balances carried forward at 31 August 2019</b>	<b>746</b>	<b>(371)</b>	<b>25,133</b>	<b>25,508</b>

## 9 Staff

### (a) Staff costs

Staff costs during the year were:

	2020 Total funds £'000	2019 Total funds £'000
Wages and salaries	4,850	4,905
Social security costs	518	483
Pension costs	1,038	797
	<b>6,406</b>	<b>6,185</b>
Supply teacher costs	913	802
	<b>7,319</b>	<b>6,987</b>

### (b) Staff numbers

The average numbers of persons (including senior management team) employed by the Academy during the year was as follows:

Charitable activities	2020 No.	2019 No.
Teachers	89	80
Administration and support	38	33
Management	3	3
	<b>130</b>	<b>116</b>

### (c) Higher paid staff

The number of employees whose employee benefits (excluding employer pension costs) fell within the following bands was:

	2020 No.	2019 No.
£60,001 - £70,000	3	5
£70,001 - £80,000	1	3
£80,001 - £90,000	2	—
£130,001 - £140,000	—	1
£140,001 - £150,000	1	—

### (d) Key management personnel

The key management personnel of the Academy comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy was £423,454 (2019 - £434,534).

# **10 Directors' remuneration and expenses**

Principal and staff Directors only receive remuneration in respect of services they provide undertaking the roles of Principal and staff and not in respect of their services as Directors. Other Directors did not receive any payments, other than expenses, from the academy in respect of their role as governors. The value of Directors' remuneration and other benefits was as follows:

	2020 £'000	2019 £'000
Dr Saima Rana, Principal		
. Remuneration	140 – 145	135 – 140
. Employer's pension contributions	30 – 35	20 – 25
Alex James, Staff Governor		
. Remuneration	50 – 55	40 – 50
. Employer's pension contributions	10 – 15	5 – 10

There were no expenses reimbursed to Directors in the year ended 31 August 2020 or the year ended 31 August 2019.

Other related party transactions involving the Directors are set out in note 24.

# **11 Directors' and Officers' insurance**

In accordance with normal commercial practice the Academy has purchased insurance to protect Directors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £10,000,000 per year. It is not possible to quantify the Directors and Officers indemnity element from the overall cost of the RPA scheme.

# **12 Commercial trading operations**

The Academy holds 100% of the share capital (1 ordinary share of £1) of WA Land Limited, company number 10584444 (England and Wales). The aggregate amount of capital and reserves and the results of the last financial year were as follows:

	2020 £'000	2019 £'000
Turnover	—	—
Cost of sales	12	(4)
<b>Gross profit (loss)</b>	<b>12</b>	<b>(4)</b>
Administrative expenses	—	—
<b>Profit (loss) on ordinary activities before taxation</b>	<b>12</b>	<b>(4)</b>
Tax	—	—
<b>Profit (loss) on ordinary activities after taxation</b>	<b>12</b>	<b>(4)</b>

## 12 Commercial trading operations (continued)

The assets and liabilities of the subsidiary were:

	2020 £'000	2019 £'000
Current assets	2	212
Creditors: amounts falling due within one year	(4)	(5)
Creditors: amounts falling due after one year	—	(220)
<b>Total assets less liabilities</b>	<b>(2)</b>	<b>(13)</b>

## 13 Tangible fixed assets

Group and Academy	Leasehold land and buildings £'000	Leasehold improvements £'000	Furniture and equipment £'000	Computer equipment £'000	Total funds £'000
<b>Cost/valuation</b>					
At 1 September 2019	31,118	1,052	1,582	662	34,414
Additions	—	384	12	62	458
At 31 August 2020	31,118	1,436	1,594	724	34,872
<b>Depreciation</b>					
At 1 September 2019	7,459	—	1,455	367	9,281
Charge in year	622	106	49	142	919
At 31 August 2020	8,081	106	1,504	509	10,200
<b>Net book value</b>					
At 31 August 2020	23,037	1,330	90	215	24,672
At 31 August 2019	23,659	1,052	127	295	25,133

The land on which the Academy is sited is leased from Westminster City Council on a 125 year lease commencing on 31 March 2008 at a peppercorn rent. No value has been attributed to this land in the financial statements.

## 14 Work in progress

Group	2020 £'000	2019 £'000
Property development costs	—	206

## 15 Debtors

	Group 2020 £'000	Academy 2020 £'000	Group 2019 £'000	Academy 2019 £'000
Trade debtors	22	22	—	—
VAT recoverable	276	276	528	528
Other debtors	78	78	20	20
Prepayments and accrued income	310	310	406	406
	<b>686</b>	<b>686</b>	<b>954</b>	<b>954</b>

**Notes to the Financial Statements Year to 31 August 2020**

**16 Creditors: amounts falling due within one year**

	<b>Group 2020 £'000</b>	<b>Academy 2020 £'000</b>	<b>Group 2019 £'000</b>	<b>Academy 2019 £'000</b>
Trade creditors	46	43	781	781
Taxation and social security	151	151	137	137
Other creditors	478	478	—	—
Abatement of GAG	510	510	—	—
Accruals and deferred income	238	238	554	549
	<b>1,423</b>	<b>1,420</b>	<b>1,472</b>	<b>1,467</b>
<b>Deferred income</b>				
Deferred Income at 1 September 2019	107	107	78	78
Amounts released from previous years	(107)	(107)	(78)	(78)
Resources deferred in the year	16	16	107	107
Deferred Income at 31 August 2020	<b>16</b>	<b>16</b>	<b>107</b>	<b>107</b>

Deferred income of £16,000 relates to devolved formula capital income received in advance.

**17 Creditors: amounts falling due in greater than one year**

<b>Group</b>	<b>2020 £'000</b>	<b>2019 £'000</b>
Other loans	—	220
	<b>—</b>	<b>220</b>

Included within other creditors is a loan of £nil (2019: £220,000) from The Exilarch's Foundation (TEF) to WA Land Limited (WAL). This facility has been provided on an interest free and unsecured basis. It is only repayable in the event of WAL entering into a development agreement with a developer on terms approved by TEF.

**Notes to the Financial Statements** Year to 31 August 2020

**18 Funds**

<b>Group</b>	<b>Balance at 1 September 2019 £'000</b>	<b>Income £'000</b>	<b>Expenditure £'000</b>	<b>Gains, losses and transfers £'000</b>	<b>Balance at 31 August 2020 £'000</b>
<b>Restricted general funds</b>					
General Annual Grant (GAG)	1,110	8,283	(7,904)	(434)	<b>1,055</b>
Pupil Premium	—	542	(542)	—	—
Other grants	—	630	(630)	—	—
Other restricted funds	64	87	(59)	—	<b>92</b>
Pension reserve	(1,544)	—	(176)	(7)	<b>(1,727)</b>
	<u>(370)</u>	<u>9,542</u>	<u>(9,311)</u>	<u>(441)</u>	<u><b>(580)</b></u>
<b>Restricted fixed asset funds</b>					
DfE Group capital grants	22,960	24	(795)	434	<b>22,623</b>
Capital expenditure from GAG	1,353	—	(52)	—	<b>1,301</b>
Private sector capital sponsorship	820	—	(72)	—	<b>748</b>
	<u>25,133</u>	<u>24</u>	<u>(919)</u>	<u>434</u>	<u><b>24,672</b></u>
<b>Total restricted funds</b>	<u>24,763</u>	<u>9,566</u>	<u>(10,230)</u>	<u>(7)</u>	<u><b>24,092</b></u>
<b>Unrestricted funds</b>					
General funds	758	509	(409)	—	<b>858</b>
WA Land Limited	(13)	—	11	—	<b>(2)</b>
<b>Total unrestricted funds</b>	<u>745</u>	<u>509</u>	<u>(398)</u>	<u>—</u>	<u><b>856</b></u>
<b>Total funds</b>	<u>25,508</u>	<u>10,075</u>	<u>(10,628)</u>	<u>(7)</u>	<u><b>24,948</b></u>

**18 Funds (continued)**

<b>Academy</b>	Balance at 1 September 2019 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2020 £'000
<b>Restricted general funds</b>					
General Annual Grant (GAG)	1,110	8,283	(7,904)	(434)	<b>1,055</b>
Pupil Premium	—	542	(542)	—	—
Other grants	—	630	(630)	—	—
Other restricted funds	64	87	(59)	—	<b>92</b>
Pension reserve	(1,544)	—	(176)	(7)	<b>(1,727)</b>
	<u>(370)</u>	<u>9,542</u>	<u>(9,311)</u>	<u>(441)</u>	<u><b>(580)</b></u>
<b>Restricted fixed asset funds</b>					
DfE Group capital grants	22,960	24	(795)	434	<b>22,623</b>
Capital expenditure from GAG	1,353	—	(52)	—	<b>1,301</b>
Private sector capital sponsorship	820	—	(72)	—	<b>748</b>
	<u>25,133</u>	<u>24</u>	<u>(919)</u>	<u>434</u>	<u><b>24,672</b></u>
<b>Total restricted funds</b>	<u>24,763</u>	<u>9,566</u>	<u>(10,230)</u>	<u>(7)</u>	<u><b>24,092</b></u>
<b>Unrestricted funds</b>					
General funds	758	509	(409)	—	<b>858</b>
<b>Total unrestricted funds</b>	<u>758</u>	<u>509</u>	<u>(409)</u>	<u>—</u>	<u><b>858</b></u>
<b>Total funds</b>	<u>25,521</u>	<u>10,075</u>	<u>(10,639)</u>	<u>(7)</u>	<u><b>24,950</b></u>

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

**ESFA revenue grant fund and other restricted funds***General Annual Grant (GAG)*

Under the funding agreement with the Secretary of State, the Academy was subject to a limit on the amount of GAG that it could carry forward at 31 August 2020. Note 1 discloses whether the limit was exceeded.

**Fixed asset fund**

The restricted fixed asset funds comprise funds received from the ESFA and the principal sponsor that have been used to finance the construction costs of the Academy and other facilities as well as funding other fixed asset acquisitions.

## 18 Funds (continued)

### **Pension reserve**

The pension reserve relates to the Academy's share of the LGPS scheme.

### **Comparative information**

Comparative information in respect of the preceding period is as follows:

<b>Group</b>	<i>Balance at 1 September 2018 £'000</i>	<i>Income £'000</i>	<i>Expenditure £'000</i>	<i>Gains, losses and transfers £'000</i>	<i>Balance at 31 August 2019 £'000</i>
<b>Restricted general funds</b>					
General Annual Grant (GAG)	1,381	8,701	(7,858)	(1,114)	1,110
Other grants	—	661	(661)	—	—
Other restricted funds	51	287	(275)	—	63
Pension reserve	(843)	—	(197)	(504)	(1,544)
	<u>589</u>	<u>9,649</u>	<u>(8,991)</u>	<u>(1,618)</u>	<u>(371)</u>
<b>Restricted fixed asset funds</b>					
Transfer on conversion					
DfE Group capital grants	23,456	82	(578)	—	22,960
Capital expenditure from GAG	276	—	(37)	1,114	1,353
Private sector capital sponsorship	891	—	(71)	—	820
	<u>24,623</u>	<u>82</u>	<u>(686)</u>	<u>1,114</u>	<u>25,133</u>
<b>Unrestricted funds</b>					
General funds	656	627	(537)	—	746
Total unrestricted funds	<u>656</u>	<u>627</u>	<u>(537)</u>	<u>—</u>	<u>746</u>
<b>Total funds</b>	<u>25,868</u>	<u>10,358</u>	<u>(10,214)</u>	<u>(504)</u>	<u>25,508</u>



# Notes to the Financial Statements Year to 31 August 2020

## 18 Funds (continued)

### Comparative information (continued)

<b>Academy</b>	<b>Balance at 1 September 2018 £'000</b>	<b>Income £'000</b>	<b>Expenditure £'000</b>	<b>Gains, losses and transfers £'000</b>	<b>Balance at 31 August 2019 £'000</b>
<i>Restricted general funds</i>					
General Annual Grant (GAG)	1,381	8,701	(7,858)	(1,114)	1,110
Other grants	—	661	(661)	—	—
Other restricted funds	51	287	(275)	—	63
Pension reserve	(843)	—	(197)	(504)	(1,544)
	<u>589</u>	<u>9,649</u>	<u>(8,991)</u>	<u>(1,618)</u>	<u>(371)</u>
<i>Restricted fixed asset funds</i>					
Transfer on conversion					
DfE Group capital grants	23,456	82	(578)	—	22,960
Capital expenditure from GAG	276	—	(37)	1,114	1,353
Private sector capital sponsorship	891	—	(71)	—	820
	<u>24,623</u>	<u>82</u>	<u>(686)</u>	<u>1,114</u>	<u>25,133</u>
<i>Unrestricted funds</i>					
General funds	664	627	(532)	—	759
Total unrestricted funds	<u>664</u>	<u>627</u>	<u>(532)</u>	<u>—</u>	<u>759</u>
<b>Total funds</b>	<u>25,876</u>	<u>10,358</u>	<u>(10,209)</u>	<u>(504)</u>	<u>25,521</u>

## 19 Analysis of net assets between funds

<b>Group</b>	<b>Unrestricted funds £'000</b>	<b>Restricted General Funds £'000</b>	<b>Restricted Fixed Asset Fund £'000</b>	<b>Total 2020 £'000</b>
<b>Fund balances at 31 August 2020 are represented by:</b>				
Tangible fixed assets	—	—	24,672	24,672
Current assets	860	2,567	—	3,427
Current liabilities	(4)	(1,420)	—	(1,424)
Pension scheme liability	—	(1,727)	—	(1,727)
<b>Total net assets</b>	<u>856</u>	<u>(580)</u>	<u>24,672</u>	<u>24,948</u>

**Notes to the Financial Statements** Year to 31 August 2020

**19 Analysis of net assets between funds (continued)**

	Unrestricted funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Fund £'000	<b>Total 2020 £'000</b>
<b>Academy</b>				
<b>Fund balances at 31 August 2020 are represented by:</b>				
Tangible fixed assets	—	—	24,672	<b>24,672</b>
Current assets	858	2,567	—	<b>3,425</b>
Current liabilities	—	(1,420)	—	<b>(1,420)</b>
Pension scheme liability	—	(1,727)	—	<b>(1,727)</b>
<b>Total net assets</b>	<b>858</b>	<b>(580)</b>	<b>24,672</b>	<b>24,950</b>

	Unrestricted funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Fund £'000	<b>Total 2019 £'000</b>
<b>Group</b>				
<b>Fund balances at 31 August 2019 are represented by:</b>				
Tangible fixed assets	—	—	25,133	<b>25,133</b>
Current assets	971	2,640	—	<b>3,611</b>
Current liabilities	(5)	(1,467)	—	<b>(1,472)</b>
Non-current liabilities	(220)	—	—	<b>(220)</b>
Pension scheme liability	—	(1,544)	—	<b>(1,544)</b>
<b>Total net assets</b>	<b>746</b>	<b>(370)</b>	<b>25,133</b>	<b>25,508</b>

	Unrestricted funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Fund £'000	<b>Total 2019 £'000</b>
<b>Academy</b>				
<b>Fund balances at 31 August 2019 are represented by:</b>				
Tangible fixed assets	—	—	25,133	<b>25,133</b>
Current assets	760	2,639	—	<b>3,399</b>
Current liabilities	—	(1,467)	—	<b>(1,467)</b>
Pension scheme liability	—	(1,544)	—	<b>(1,544)</b>
<b>Total net assets</b>	<b>760</b>	<b>(371)</b>	<b>25,133</b>	<b>25,521</b>

**20 Capital commitments**

	<b>2020 £'000</b>	<b>2019 £'000</b>
Contracted for, but not provided in the financial statements	<b>251</b>	<b>—</b>

## 21 Commitments under operating leases

### *Operating leases*

At 31 August 2020, the total of the Group and Academy's future minimum lease payments under non-cancellable operating leases was as follows:

	2020 £'000	2019 £'000
Amounts due within one year	23	23
Amounts due between two and five years inclusive	21	44
	<b>44</b>	<b>67</b>

## 22 Contingent liabilities

In the event, during the period of the Funding Agreement, of the sale or disposal by other means, of any asset for which a capital grant was received, the Academy shall, if it does not re-invest the proceeds, repay to the Secretary of State of the Department for Education the same proportion of the proceeds of the sale or disposal as equates with the proportion of the original cost met by the Secretary of State.

Upon termination of the Funding Agreement, whether as a result of the Secretary of State or the Academy serving notice, the Academy shall repay to the Secretary of State sums determined by reference to:

- (a) The value at that time of the Academy's site and premises and other assets held for the purpose of the Academy; and
- (b) The extent to which expenditure incurred in providing those assets was met by payments by the Secretary of State under the Funding Agreement.

WA Land Limited (WAL) has a facility agreement, for a sum up to £360,000, with The Exilarch's Foundation (TEF), to fund its initial working capital requirements for the development of a site leased to Westminster Academy, which has been provided on an interest free and unsecured basis. It is only repayable in the event of WAL entering into a development agreement with a developer on terms approved by TEF. Previously, WAL had been in negotiations to develop the site with a development partner. However, as at 31 August 2020 negotiations have ceased and there is no development agreement or developer partner to undertake development of the site.

Should WAL enter into a development agreement with a developer on terms approved by TEF, £225,000 would be repayable to TEF.

In 2019, £220,000 was included within creditors falling after more than one year in respect to the amount WAL was indebted to TEF at 31 August 2019.

### 23 Members' Liability

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

### 24 Pension and similar obligations

The Academy's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by the City of Westminster. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2019.

Contributions amounting to £117,330 were payable to the schemes at 31 August 2020 (2019 - £3,627) and are included within creditors.

#### *Teachers' Pension Scheme*

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for teachers in academies. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

#### *Valuation of the Teachers' Pension Scheme*

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- ♦ employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy);
- ♦ total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million; and

## 24 Pension and similar obligations (continued)

### **Valuation of the Teachers' Pension Scheme (continued)**

- ♦ the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI. The assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to TPS in the period amounted to £787,108 (2019: £535,203).

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

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The Academy has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Academy has set out above the information available on the scheme.

### **Local Government Pension Scheme (LGPS)**

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £146,000, of which employer's contributions totalled £102,000 and employees' contributions totalled £44,000. LGPS contribution rates for employees range between a low of 5.5% and a high of 12.5%. The exact contribution rate payable is determined by reference to the employees pensionable pay. The employer contribution rate is 13.5%

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of an academy trust closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

Principal Actuarial Assumptions	At 31 August 2020	At 31 August 2019
Rate of increase in salaries	3.3	3.7
Rate of increase for pensions in payment / inflation	2.3	2.2
Discount rate for scheme liabilities	1.6	1.9
Inflation assumption (CPI)	1.0	3.2

## 24 Pension and similar obligations (continued)

### **Local Government Pension Scheme (LGPS) (continued)**

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

	At 31 August 2020	At 31 August 2019
<i>Retiring today</i>		
Males	21.8	23.4
Females	24.4	24.8
<i>Retiring in 20 years</i>		
Males	23.2	25.1
Females	25.9	26.6

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

	Fair value at 31 August 2020 £'000	Fair value at 31 August 2019 £'000
Equities	5,436	4,995
Bonds	1,075	1,019
Property	679	687
Other	43	4
<b>Total market value of assets</b>	<b>7,233</b>	<b>6,705</b>
<b>Present value of scheme liabilities</b>		
Funded	(8,960)	(8,249)
Deficit in the scheme	(1,727)	(1,544)

The actual return on scheme assets was £505,000 (2019: £355,000).

<b>Sensitivity analysis – resultant pension liability from a change in actuarial assumptions</b>	<b>2020 £'000</b>	<b>2019 £'000</b>
Discount rate +0.1%	(200)	(178)
Discount rate -0.1%	205	183
Mortality assumption – 1 year increase	373	323
Mortality assumption – 1 year decrease	(358)	(311)
Pension increases and deferred revaluation +0.1%	195	173
Pension increases and deferred revaluation -0.1%	(191)	(169)

## 24 Pension and similar obligations (continued)

### *Local Government Pension Scheme (LGPS) (continued)*

Amounts recognised in statement of financial activities	2020 £'000	2019 £'000
Current service cost	250	242
Past service cost	—	36
Net interest cost	28	21
Total operating charge	278	299
Analysis of pension finance income/(costs)		
Expected return on pension scheme assets	124	167
Interest on pension liabilities	(152)	(188)
<b>Pension finance costs</b>	<b>(28)</b>	<b>(21)</b>
<b>Changes in the present value of defined benefit obligations were as follows:</b>	<b>2020 £'000</b>	<b>2019 £'000</b>
At 1 September 2019	8,249	7,069
Current service cost	250	242
Past service cost	—	36
Interest cost	152	188
Employee contributions	44	47
Change in financial assumptions	659	1,129
Change in demographical assumptions	(257)	(437)
Actuarial gain	(14)	—
Benefits paid	(123)	(25)
<b>At 31 August 2020</b>	<b>8,960</b>	<b>8,249</b>
<b>Changes in the fair value of the Academy's share of scheme assets:</b>	<b>2020 £'000</b>	<b>2019 £'000</b>
Fair value of scheme assets at 1 September 2019	6,705	6,226
Interest income	124	167
Actuarial gain	381	188
Employer contributions	102	102
Employee contributions	44	47
Benefits paid	(123)	(25)
<b>At 31 August 2020</b>	<b>7,233</b>	<b>6,705</b>

## 25 Related party transactions

Owing to the nature of the Academy's operations and the composition of the Governing Body being drawn from local public and private sector organisations, transactions may take place with organisations in which a member of the trustee has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procurement procedures.

The following related party transactions took place in the period of account:

**25 Related party transactions** (continued)

David Dangoor is a Trustee of The Exilarch's Foundation ('TEF'). During the year, the Academy received pledges of £82,410 (2019: £122,990) from TEF. There were no outstanding amounts at the year end.

In 2017, ('WAL') entered into a facility agreement, for a sum of up to £180,000 and in 2018 was increased to £360,000, with TEF to fund its initial working capital requirements. This facility has been provided on an interest free and unsecured basis. It is only repayable in the event of WAL entering into a development agreement with a developer on terms approved by TEF. At the year end, WAL was indebted to TEF in the amount of £225,000 (2019: £220,000).

Income of £nil (2019: £300) was received from David Dangoor for hiring of facility services provided by the Academy.

IBSCA Ltd is a Company in which Dr Rana (the Principal) is a Company Director and Co-opted Committee member. During the year, the Academy purchased professional subscription, registration and conference fees from IBSCA Ltd totalling £4,113 (2019: £3,630). The amount outstanding at 31 August 2020 was £nil (2019: £180). The Academy made the purchase at arms' length and in accordance with its financial regulations, which Dr Rana neither participated in, nor influenced. In entering into the transaction the Trust has complied with the requirements of ESFA's Academies Financial Handbook 2019. The element above £2,500 has been provided 'at no more than cost' and IBSCA Ltd has provided a statement of assurance confirming this.

Income of £nil (2019: £1,000) was received from IBSCA Ltd for hiring of facility services provided by the Academy.

University College School, Hampstead ('UCS') is a Charity in which Dr Rana is a Governor. A donation of £nil (2019: £2,850) was received from UCS. The amount outstanding at 31 August 2020 was £nil (2019: £2,850).

Duncan Harman-Wilson is a Director of both the Academy and WAL. During the year, WAL was charged £500 (2019: £16,719) for consultancy services supplied by him. The amount outstanding at 31 August 2020 was £nil (2019: £1,973).

**26 Agency arrangements**

The Academy distributes 16-19 bursary funds to students as an agent for the ESFA. In the year ended 31 August 2020, the Trust received £29,996 (2019 - £29,605) and disbursed £13,545 (2019 - £15,377) from the fund. £16,500 remained undistributed at 31 August 2020 and is included in other creditors (2019 - £14,228).