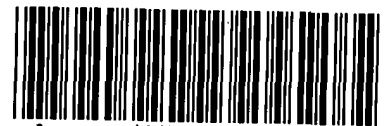


Company Registration No. 08166938 (England and Wales)

WEST DERBY SCHOOL
(A COMPANY LIMITED BY GUARANTEE)
TRUSTEES' REPORT AND AUDITED ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2017

FRIDAY



A6XZOSLE

A10

19/01/2018

#433

COMPANIES HOUSE

WEST DERBY SCHOOL

CONTENTS

	Page
Reference and administrative details	1 - 2
Trustees' report	3 - 10
Governance statement	11 - 14
Statement on regularity, propriety and compliance	15
Statement of trustees' responsibilities	16
Independent auditor's report on the accounts	17 - 18
Independent reporting accountant's report on regularity	19 - 20
Statement of financial activities	21 - 22
Balance sheet	23
Cash flow statement	24
Notes to the accounts	25 - 41

WEST DERBY SCHOOL

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees

I Andain
S Price
J Cain (Resigned 12 May 2017)
C Cavanagh (Resigned 24 March 2017)
M Deakin (Staff Trustee)
J Kyle (Resigned 31 August 2017)
S Lord (Staff Trustee) (Resigned 31 August 2017)
K Callant (Chair)
S Graham (Principal and Accounting Officer)
A Keen
A Harry (Appointed 1 September 2016)
D Barlow (Appointed 1 January 2017)
C Jones (Appointed 1 September 2017)
S Poynton (Appointed 30 October 2017)
C Birch
J Orme (Appointed 6 September 2017)
J Duncan (Appointed 11 October 2017)
A Parry (Appointed 30 October 2017)

Members

K Callant
L Bivon
C Birch

Senior management team

- Principal S Graham
- Finance Manager C Fletcher
- Assistant Head Teachers R Dudley; D Feeney; K Forrest; C Jones ; J Stephens; M Thomas; C Parkinson; S Wilkinson

Company secretary

St Pauls Secretaries Limited

Company registration number

08166938 (England and Wales)

Registered office

C/O Hill Dickinson LLP
No 1 St Pauls Square
Liverpool
L3 9SJ

Independent auditor

UHY Hacker Young Manchester LLP
St James Building
79 Oxford Street
Manchester
M1 6HT

WEST DERBY SCHOOL

REFERENCE AND ADMINISTRATIVE DETAILS

Bankers

Lloyds Bank plc
Liverpool Law Courts
Merchants Court
2-12 Lord Street
Liverpool
L2 1TS

Solicitors

Hill Dickinson LLP
No.1 St Pauls Square
Liverpool
L3 9SJ

WEST DERBY SCHOOL

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2017

The trustees present their annual report together with the accounts and independent auditor's reports of the academy trust for the period 1 September 2016 to 31 August 2017.

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

Principal Activities

The Academy Trust took over the operation of West Derby School on the school's conversion to academy status on 1 September 2012. Since then the academy trust's principal objective and activity has been to manage the school's provision of education to pupils between the ages of 11 and 18.

Structure, governance and management

Constitution

The academy trust is a company limited by guarantee and an exempt charity, and its memorandum and articles of association are the primary governing documents of the academy trust.

The trustees of West Derby School are also the directors for the purposes of company law. The academy trust is known as West Derby School.

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

Members' liability

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

Trustees' indemnities

The Academy Trust maintains Governors' and officers' liability insurance which gives appropriate cover for any legal action brought against its Governors. The Academy Trust has also granted indemnities to each of its Governors and other officers to the extent permitted by law. Qualifying third party indemnity provisions (as defined by section 234 of the Companies Act 2006) were in force during the period and remain in force, in relation to certain losses and liabilities which the Governors or other officers may incur to third parties in the course of acting as Governors or officers of the Academy Trust.

Details of the insurance cover are provided in note 10.

Method of recruitment and appointment or election of trustees

Under the terms of its Articles, the Academy Trust shall have the following Governors:

- Up to 9 Governors, appointed by members
- A minimum of 2 and up to a maximum of 7 Parent Governors
- Up to 3 Staff Governors, comprising up to 2 teacher(s) and up to 1 support staff
- The principal
- Up to 3 Co-Opted Governors

Except in relation to Additional and Further governors (as appointed by the Secretary of State) each Governor is a member.

WEST DERBY SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Policies and procedures adopted for the induction and training of trustees

All new Governors are issued with an information pack and also meet the Principal. Governors have access to a full programme of courses which are organised in collaboration with Holly Lodge girl's school. These range from bespoke courses delivered by external agencies such as Liverpool City Council to internal training from staff at both schools.

The training and induction provided for new Governors depends on their previous experience.

Organisational structure

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

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

The Senior Leadership Team comprises the Head teacher and Assistant Head teachers, Finance & Resource Manager, Data Manager and Executive Assistant. These managers control the Academy at an executive level implementing the policies laid down by the Governors and reporting back to them. As a group the Senior Leadership Team are responsible for the authorisation of spending up to a level delegated to them within agreed budgets and the appointment of staff. Some spending control is devolved to members of the Middle Management Team, with limits above which the Principal must countersign.

The Middle Management Team includes Departmental Leaders and Heads of Year. Along with the Senior Management Team these managers are responsible for the day to day operation of the Academy, in particular organising the teaching staff, facilities and students.

WEST DERBY SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Arrangements for setting pay and remuneration of key management personnel

The key management personnel of the academy trust comprise the trustees and senior leadership team as disclosed on page 1.

The remuneration policy, setting the terms and conditions for the key management personnel, was developed and approved by the board of trustees, after taking advice from the Headteacher and following guidance from the relevant professional pay review bodies. Naturally the Headteacher was not involved in setting his/her own remuneration package.

Only staff trustees, including the Headteacher, are remunerated, and these individuals are only in receipt of remuneration in respect of services they provide under their contracts of employment, and not in respect of their role as trustees. Specific disclosures concerning staff trustees' remuneration is included in the notes to accounts.

The day to day running of the remuneration policy is delegated to the Headteacher and monitored by the finance committee. All details for setting pay and remuneration of key management personnel are set out in the pay policy and appraisal policy which are reviewed annually by the board of trustees.

Remuneration of key management personnel is set at an individual level, and where possible the trustees have taken external professional advice which includes benchmarking, market trends and advice on structuring of incentives. Senior management salaries are linked closely to pay spines, helping trustees conclude that each individual is remunerated at an appropriate level. As such salaries are linked to factors such as length of service and experience. Total remuneration packages include employer pension contribution rates at specific approved rates.

The board always bear in mind the charitable status of the academy trust and in recognise the fact the trust receives funding under a funding agreement with the Secretary of State for Education, and therefore ensure the remuneration paid to senior management personnel never exceeds an reasonable amount that provide value for money to the trust. The performance of senior management personnel is reviewed on a regular basis to ensure continuing value for money.

Total remuneration paid to senior management personnel is set out in note 8.

Related parties and other connected charities and organisations

The academy works closely with Holly Lodge girl's school to share good practice, skills, information and achieve best value for the purposes of buying shared governor training. Andy Keen is the Head teacher at Holly Lodge and Sian Graham is a governor at Holly Lodge.

Joe Orme (appointed 6 September 2017) is a solicitor employed by Hill Dickinson LLP, the solicitors for the academy. Related party transactions would include the annual service level agreement for the provision of legal advice both educational and HR. As Joe Orme was not appointed until 6 September 2017 there are no such transactions for the period 1 September 2016 to 31 August 2017.

Objectives and activities

Objectives and aims

The purpose of the academy trust is to provide education for boys between the ages of 11 and 18.

Objectives, strategies and activities

West Derby School's priorities are;

- Improving the outcomes of pupils
- Improving the quality of teaching and assessment
- Improving the quality of leadership and management
- Behaviour and welfare of students (incl SMSC)

WEST DERBY SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Public benefit

West Derby School is an Academy converter catering for boys aged 11 to 18 (with girls welcomed to sixth form) and strives to promote and support the advancement of education within the local community. The school provides a programme of educational and recreational activity - all designed to contribute to the overall education of our students in areas such as academic distinction, music, the arts and sport. For example:

- Providing services and events to local primary schools to promote sports and wellbeing with children in the local community
- Collaboration with other secondary schools in the city to share best practice across subject areas
- Inviting primary schools into the Academy at various times of the year

Wherever possible the school also aims to contribute to the benefit of the wider public, by making available the premises to third parties for the provision of educational and other opportunities. For example:

- Local MP clinics
- Cyclical timetable of events that students and staff create in support of local and national Charities
- Provision of buildings and services for common inset day across secondary schools in Liverpool

In setting our objectives and planning our activities the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit. The Trustees believe that the Academy Trust's aims, together with the activities outlined above, are demonstrably to the public benefit.

The academy trust's trustees have complied with their duty to have regard to the guidance on public benefit published by the Charity Commission in exercising their powers or duties.

WEST DERBY SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Strategic report

Achievements and performance

Due to the changes in the educational landscape there are new headline measures for reporting school performance at key stage 4 from 2016. The traditional measures of 5 A-C incl English and Maths at GCSE, levels of progress in English and Maths have been replaced with the Progress and Attainment 8 measure. This tells how pupils have progressed between the end of primary school and the end of secondary school compared to other pupils who got similar results at the end of primary school.

In terms of both the old and new headline measures the academy has aimed to be in line or above with the national averages.

2017 saw a drop in the progress and attainment achieved by WDS pupils. Below is a table giving information on our KS4 outcomes and also accounting for the six 'outliers' we had in our 2017 cohort. 'Outliers' is a term used in assessing a schools' Progress 8 performance, it refers to those pupils who did not sit a full suite of qualifications either due to them being school refusers with extremely poor attendance or attending an alternative provision school. The DfE have stated that they will address this situation prior to 2018 results as they recognise such a small number of pupils can have a negative effect on a school's performance data. As you can see when you calculate the school's Progress 8 figure without the 'outliers' it is -0.23 which is better than what boys nationally achieved (national boys progress 8 score is -0.4).

Early indications show that in KS5, WDS pupils make better progress their national counterparts in all areas; L academic subjects, L3 applied general subjects, L2 English resits and L2 Maths resits.

Early indications show that in KS5, WDS pupils make better progress than their national counterparts in all areas; L academic subjects, L3 applied general subjects, L2 English resits and L2 Maths resits.

2017 Outcomes - Provisional Progress Data				
KS4 Whole School				
	2017 With Remarks	W/O Outliers	National	National Boys
Progress 8 score	-0.36	-0.23	0	-0.24
Average Attainment 8 score	4.21	4.33	4.42	4.34
% Achieving English and Maths Grade 5+	25.5%	26.5%	39.1%	39.1%
% Achieving English and Maths Grade 4+	56.9%	58.5%	63.3%	59.6%
% Entering EBACC	3%	3%	34.9%	TBC
% Achieving EBACC	3%	3%	19.5%	16.9%
Staying in education or employment	89%	N/a	94%	N/a

KS5		
	2017	Notes
Academic VA	+0.04	Provisional data indicates we are above national for adding value in all areas of KS5.
App General VA	+0.44	
L2 English average progress	+0.33	
L2 Maths average progress	+0.35	

WEST DERBY SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Key performance indicators

The Governors consider that the following are key performance indicators for the Academy Trust:

- Year 7 pupil intake continued to exceed the planned admission number of 180.
- General financial stability achieved reaching a level of reserves which gives some protection
- Given the uncertain climate for future funding and costs, a budget has then been set which aims for income to match expenditure each year.
- Pupils numbers (leading directly to Education & Skills Funding Agency ("ESFA") funding level); **1046**
- Percentage of income received from EFA spent on total staff costs; **78%**
- Income per pupil; **£6,547**
- Staff costs as a percentage of total costs; **64%**
- Capital expenditure per pupil; **£69**

The Governors have been pleased that expectations for all key performance indicators listed have been successfully met during the period.

Going concern

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

Financial review

Most of the Academy's recurrent income is obtained from the ESFA in the form of grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the period ended 31 August 2017 and the associated expenditure are shown as restricted funds in the statement of financial activities.

During the period ended 31 August 2017, total expenditure of £6,584,581 was covered by recurrent grant funding from the ESFA together with other incoming resources. The excess of expenditure over income for the year (excluding restricted fixed asset funds and pension movements) was £59,704.

At 31 August 2017, the net book value of fixed assets was £25,541,473 and movements in tangible fixed assets are shown in note 11 to the financial statements. During the period the assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

Financial Risk Management Objectives and Policies

The Academy Trust does not use complex financial instruments. It manages its activities using cash and various items such as trade debtors and trade creditors that arise directly from its operations.

The existence of these financial instruments exposes the Academy Trust to a number of financial risks which are described in more detail below. The main risks arising from the Trust's financial instruments are liquidity risk and cash flow interest rate risk.

Liquidity risk - The Trust manages its cash resources, including sufficient working capital, so that all its operating needs are met without the need for short-term borrowing.

Interest rate risk - the Trust earns interest on cash deposits. With interest rates currently low, the trustees will consider action to increase the income from these deposits, provided it does not jeopardise the liquidity or security of the Trust's assets.

Credit risk – this arises from the possibility that amounts owed to the Trust will not be repaid. The Trust does not undertake credit activities so it is only exposed to credit risk as it arises from normal business. Credit risk is managed through the use of approved banks and the prompt collection of amounts due.

WEST DERBY SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Reserves policy

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

The trustees will always try to match income with expenditure in the current year (set and manage a balanced budget), will only carry forward reserves that it considers necessary and will have a clear plan for how it will be used to benefit the pupils.

The trustees have determined that the appropriate level of free reserves should be equivalent to one month's cost, approximately £540,000. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grant income and to provide a cushion to deal with unexpected emergencies such as urgent maintenance or long term sickness where unforeseen costs are incurred.

The Academy is carrying a net surplus on funds excluding the net pension scheme deficit of £26,310,336 and at the end of the period has free reserves of £768,863.

The trustees will monitor the level of reserves to ensure that they are maintained at the required level. In the event that they are partly used the trust will strive to rebuild free reserves up to the level needed.

Investment policy and powers

The Trust aims to manage its cash balances to provide for the day-to-day working capital requirements of its operations, whilst protecting the real long term value of any cash balances against inflation. Therefore the only investment is via short term cash deposits and any resulting interest received.

WEST DERBY SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Risk management

Principal Risks and Uncertainties

The main risks that the Academy is exposed to are summarised below. For each of these risks the probability, impact and seriousness have been considered together with appropriate action and management plans:

- Operational and reputational – this covers risks to the running of the Academy (including the capacity of staff and buildings to meet the needs of pupils) and its performance in delivering the curriculum.
- Financial – covering risks to the Academy Trust's financial position, including revenue streams, cost control and cash management.
- The risks to which the Academy Trust is exposed arise both internally and externally. External risks include those in respect of future funding levels, competition, changes due to rules and regulations and the financial position of the staff pension schemes.

Plans for future periods

The emphasis of all the plans for future periods for the academy is to continue to improve the achievement for all pupils and to maintain financial stability in an uncertain funding environment moving forward which can support the plans for improvement.

Main priorities:

- To improve headline measures for GCSE and exceed national average
- Continue to improve results at KS5
- Maintain year 7 intake at 180
- Continue to increase numbers into Sixth Form
- Invest in IT resources to benefit Teaching & learning
- Maintain a balanced budget

Funds held as custodian trustee on behalf of others

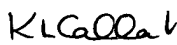
No such funds held.

Auditor

In so far as the trustees are aware:

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

Approved by order of the board of trustees on 13 December 2017 and signed on its behalf by:


K Callant 13/12/2017
Chair

 13/12/17
S Graham
Principal and Accounting Officer

WEST DERBY SCHOOL

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2017

Scope of responsibility

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

The board of trustees has 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 West Derby School and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met 6 times during the year. Attendance during the period at meetings of the board of trustees was as follows:

Trustees	Meetings attended	Out of possible
I Andain	5	6
S Price	6	6
J Cain (Resigned 12 May 2017)	3	5
C Cavanagh (Resigned 24 March 2017)	2	4
M Deakin (Staff Trustee)	3	6
J Kyle (Resigned 31 August 2017)	2	4
S Lord (Staff Trustee) (Resigned 31 August 2017)	3	6
K Callant (Chair)	5	6
S Graham (Principal and Accounting Officer)	6	6
A Keen	3	6
A Harry (Appointed 1 September 2016)	3	6
D Barlow (Appointed 1 January 2017)	3	3
C Jones (Appointed 1 September 2017)	0	0
S Poynton (Appointed 30 October 2017)	0	0
C Birch	2	6
J Orme (Appointed 6 September 2017)	0	0
J Duncan (Appointed 11 October 2017)	0	0
A Parry (Appointed 30 October 2017)	0	0

New appointments have been made since September 2017 to fill vacancies following resignations: one member appointed trustee; one co-opted trustee; two parent trustees and one staff trustee. The member appointed trustee is a highly experienced educationalist (previous roles include assistant head and deputy head). The co-opted governor is a practicing solicitor. Both come with a vast range of experience to fill identified gaps in the governing body's skills base. Both parent governors were appointed via the parental election process; one has a wealth of experience volunteering in schools and community organisations.

Governors are invited to participate in staff inset training and they also receive regular bulletins from School Improvement Liverpool's governor services regarding training opportunities.

The Finance Committee is a sub-committee of the main board of trustees. Its purpose is to plan and monitor the financial and other resources of the school effectively, and to ensure the school provides a safe educational environment. One of the Committee's responsibilities is routine budget setting and monitoring. During the year 1 September 2016 to 31 August 2017 the main purpose has been to monitor the ongoing budget situation to increase reserves to a level which is deemed to be suitable to guard against future risks around potential decreases in income and increases in costs.

WEST DERBY SCHOOL

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

The Finance Committee is a sub-committee of the main board of trustees. Its purpose is to plan and monitor the financial and other resources of the school effectively, and to ensure the school provides a safe educational environment. One of the Committee's responsibilities is routine budget setting and monitoring.

During the year 1 September 2016 to 31 August 2017 the main purpose has been to monitor the ongoing budget situation to increase reserves to a level which is deemed to be suitable to guard against future risks around potential decreases in income and increases in costs.

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
S Price	3	3
C Cavanagh (Resigned 24 March 2017)	0	2
J Kyle (Resigned 31 August 2017)	1	3
K Callant (Chair)	2	3
S Graham (Principal and Accounting Officer)	3	3
C Birch	1	3

Review of 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 each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the academy trust has delivered improved value for money during the year by:

- Significant savings made by reorganisation of key support roles
- Minimising expenditure via tight scrutiny of agreements for IT resources
- Maximising grant income for pupils requiring additional support

The purpose of the system of internal control

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

Capacity to handle risk

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

WEST DERBY SCHOOL

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

The risk and control framework

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

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

The board of trustees has considered the need for a specific internal audit function and has decided:

- Not to appoint an internal auditor. However the trustees have appointed UHY, the external auditor, to perform additional checks via their internal audit department.

The auditor's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. On a twice yearly basis, the auditor reports to the board of trustees on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. In particular the checks carried out in the current period included:

- Academy policies
- Board composition
- Follow up to prior period reports

During the year 1 September 2016 to 31 August 2017 the auditor carried out two visits as planned.

There were no material control issues arising as a result of the auditor's work.

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 auditor
- the work of the external auditor;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

WEST DERBY SCHOOL

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

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

Approved by order of the governing body on 13 December 2017 and signed on its behalf by:

K L Callant

K Callant
Chair 13/12/2017

S. Graham

S Graham
Principal and Accounting Officer

13/2/17

WEST DERBY SCHOOL

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2017

As accounting officer of West Derby School I have considered my responsibility to notify the 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 for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2016.

I confirm that I and the academy trust's 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 2016.

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.



S Graham
Accounting Officer

13 December 2017

WEST DERBY SCHOOL

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2017

The trustees (who also act as governors for West Derby School and are also the directors of West Derby School for the purposes of company law) are responsible for preparing the Trustees' Report and the accounts in accordance with the Annual Accounts Direction issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

In preparing these accounts, the trustees are required to:


- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.


The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of accounts may differ from legislation in other jurisdictions.

Approved by order of the governing body on 13 December 2017 and signed on its behalf by:


K Callant 13/12/2017
Chair

 13/12/17
S Graham
Principal and Accounting Officer

WEST DERBY SCHOOL

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WEST DERBY SCHOOL

Opinion

We have audited the accounts of West Derby School for the year ended 31 August 2017 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the notes to the accounts, 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), the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2017 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017.

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 accounts' section of our report. We are independent of the academy trust in accordance with the ethical requirements that are relevant to our audit of the accounts 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 trustees' use of the going concern basis of accounting in the preparation of the accounts is not appropriate; or
- the trustees have not disclosed in the accounts any identified material uncertainties that may cast significant doubt about the academy trust'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 accounts are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the accounts and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the accounts 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 accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts 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 accounts 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 our audit:

- the information given in the Trustees' Report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the Trustees' Report including the incorporated strategic report have been prepared in accordance with applicable legal requirements.

WEST DERBY SCHOOL

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WEST DERBY SCHOOL (CONTINUED)

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the trustees are responsible for assessing the academy trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company, 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 accounts 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 accounts.

A further description of our responsibilities for the audit of the accounts is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's 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. 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 auditors' 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's members as a body, for our audit work, for this report, or for the opinions we have formed.



Stephen Grayson FCCA (Senior Statutory Auditor)
for and on behalf of UHY Hacker Young Manchester LLP

13/12/17

Chartered Accountants
Statutory Auditor

St James Building
79 Oxford Street
Manchester
M1 6HT

WEST DERBY SCHOOL

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO WEST DERBY SCHOOL AND THE EDUCATION AND SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by West Derby School during the period 1 September 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to West Derby School and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the West Derby School 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 West Derby School and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of West Derby School's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of West Derby School's funding agreement with the Secretary of State for Education dated 25 May 2012 and the Academies Financial Handbook, extant from 1 September 2016, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance, and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2016 to 2017. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2016 to 2017 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

We conducted our work in accordance with Technical Release TECH 08/12 AAF issued by the Institute of Chartered Accountants In England and Wales. In accordance with that Technical Release we have carried out the procedures we consider necessary to be able to report on whether anything has come to our attention which suggests that in all material respects expenditure disbursed and income received have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them. Other than those procedures undertaken for the purposes of our audit of the financial statements of West Derby School for the year ended 31 August 2017 which provide evidence on regularity, our work was limited to only those additional procedures necessary to provide limited assurance.

WEST DERBY SCHOOL

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO WEST DERBY SCHOOL AND THE EDUCATION AND SKILLS FUNDING AGENCY (CONTINUED)

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 1 September 2016 to 31 August 2017 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.


Stephen Grayson

UHY Hacker Young Manchester LLP

Dated: 13/12/17

WEST DERBY SCHOOL

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

	Notes	Unrestricted Funds £	Restricted funds: General Fixed asset £ £		Total 2017 £	Total 2016 £
Income and endowments from:						
Donations and capital grants	2	-	-	22,248	22,248	47,484
Charitable activities:						
- Funding for educational operations	3	-	6,170,097	-	6,170,097	6,052,527
Other trading activities	4	334,299	19,763	-	354,062	546,170
Investments	5	718	-	-	718	954
Total income and endowments		335,017	6,189,860	22,248	6,547,125	6,647,135
Expenditure on:						
Charitable activities:						
- Educational operations	7	-	6,584,581	505,263	7,089,844	6,782,766
Total expenditure	6	-	6,584,581	505,263	7,089,844	6,782,766
Net income/(expenditure)		335,017	(394,721)	(483,015)	(542,719)	(135,631)
Transfers between funds		(316,917)	273,721	43,196	-	-
Other recognised gains and losses						
Actuarial gains/(losses) on defined benefit pension schemes	19	-	422,000	-	422,000	(718,000)
Net movement in funds		18,100	301,000	(439,819)	(120,719)	(853,631)
Reconciliation of funds						
Total funds brought forward		750,763	(1,855,000)	25,981,292	24,877,055	25,730,686
Total funds carried forward		768,863	(1,554,000)	25,541,473	24,756,336	24,877,055

WEST DERBY SCHOOL

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2017

Comparative year information Year ended 31 August 2016	Notes	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total 2016 £
Income and endowments from:					
Donations and capital grants	2	100	958	46,426	47,484
Charitable activities:					
- Funding for educational operations	3	-	6,052,527	-	6,052,527
Other trading activities	4	481,546	64,624	-	546,170
Investments	5	954	-	-	954
Total income and endowments		482,600	6,118,109	46,426	6,647,135
Expenditure on:					
Charitable activities:					
- Educational operations	7	-	6,259,826	522,940	6,782,766
Total expenditure	6	-	6,259,826	522,940	6,782,766
Net income/(expenditure)		482,600	(141,717)	(476,514)	(135,631)
Transfers between funds		(105,445)	70,717	34,728	-
Other recognised gains and losses					
Actuarial losses on defined benefit pension schemes	19	-	(718,000)	-	(718,000)
Net movement in funds		377,155	(789,000)	(441,786)	(853,631)
Reconciliation of funds					
Total funds brought forward		373,608	(1,066,000)	26,423,078	25,730,686
Total funds carried forward		750,763	(1,855,000)	25,981,292	24,877,055

WEST DERBY SCHOOL

BALANCE SHEET

AS AT 31 AUGUST 2017

	Notes	2017 £	2016 £
Fixed assets			
Tangible assets	11	25,541,473	25,974,157
Current assets			
Stocks	12	2,027	1,650
Debtors	13	188,437	344,549
Cash at bank and in hand		1,099,285	881,046
		1,289,749	1,227,245
Current liabilities			
Creditors: amounts falling due within one year	14	(520,886)	(469,347)
Net current assets		768,863	757,898
Net assets excluding pension liability		26,310,336	26,732,055
Defined benefit pension liability	19	(1,554,000)	(1,855,000)
Net assets		24,756,336	24,877,055
Funds of the academy trust:			
Restricted funds	16		
- Fixed asset funds		25,541,473	25,981,292
- Pension reserve		(1,554,000)	(1,855,000)
Total restricted funds		23,987,473	24,126,292
Unrestricted income funds	16	768,863	750,763
Total funds		24,756,336	24,877,055

The accounts set out on pages 21 to 41 were approved by the governing body and authorised for issue on 13 December 2017 and are signed on its behalf by:

K Callant

K Callant
Chair 13/12/2017

S. Graham 13/12/17

S Graham
Principal and Accounting Officer

Company Number 08166938

WEST DERBY SCHOOL

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2017

	Notes	2017 £	£	2016 £	£
Cash flows from operating activities					
Net cash provided by operating activities	18		267,852		549,992
Cash flows from investing activities					
Dividends, interest and rents from investments		718		954	
Capital grants from DfE and EFA		22,248		21,606	
Capital funding from sponsors and others		-		24,820	
Payments to acquire tangible fixed assets		(72,579)		(60,167)	
			(49,613)		(12,787)
Change in cash and cash equivalents in the reporting period			218,239		537,205
Cash and cash equivalents at 1 September 2016			881,046		343,841
Cash and cash equivalents at 31 August 2017			1,099,285		881,046

WEST DERBY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies

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

1.1 Basis of preparation

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

1.2 Going concern

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

1.3 Income

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

Grants receivable

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.

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

Sponsorship income

Sponsorship income provided to the academy trust 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.

WEST DERBY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies

(Continued)

Donations

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

Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

Other income

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

Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

Donated fixed assets

Donated fixed assets are measured at fair value unless it is impractical to measure this reliably, in which case the cost of the item to the donor is used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

1.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

Charitable activities

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

Governance costs

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

WEST DERBY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies

(Continued)

1.5 Tangible fixed assets and depreciation

Assets costing £2,000 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 trust's depreciation policy.

Tangible fixed assets are stated at cost less depreciation. Depreciation is not charged on freehold land. Depreciation on other tangible fixed assets is provided at rates calculated to write off the cost of those assets, less their estimated residual value, over their expected useful lives on the following bases:

Land and buildings	60 years straight line on buildings
Computer equipment	33% straight line
Fixtures, fittings & equipment	25% straight line

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

1.6 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 trust 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.

1.7 Leasing and hire purchase commitments

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

1.8 Financial instruments

The academy trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy trust 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. Prepayments are not financial instruments.

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

Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. 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.

WEST DERBY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies

(Continued)

1.9 Stock

Stock is valued at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less further costs to completion and disposal.

1.10 Taxation

The academy trust 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 trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by chapter 3 part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.11 Pensions benefits

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes and the assets are held separately from those of the academy trust.

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

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

1.12 Fund accounting

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

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

Restricted general funds comprise all other restricted funds received and include grants from the Department for Education.

Investment income, gains and losses are allocated to the appropriate fund.

Restricted pension funds represent the Local Government Pension Scheme deficit inherited on conversion, with movements for any actuarial gains or losses and contributions made since.

WEST DERBY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

2 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Private sponsorship	-	-	-	958
Capital grants	-	22,248	22,248	21,606
Other donations	-	-	-	24,920
	-	22,248	22,248	47,484

3 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
DfE / ESFA grants				
General annual grant (GAG)	-	6,139,400	6,139,400	6,025,873
Other DfE / ESFA grants	-	30,697	30,697	26,654
	-	6,170,097	6,170,097	6,052,527
Total funding	-	6,170,097	6,170,097	6,052,527

4 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Catering income	289,790	-	289,790	303,780
Trip income	-	19,763	19,763	18,929
AGF separate disclosure	-	-	-	4,500
Other income	44,509	-	44,509	218,961
	334,299	19,763	354,062	546,170

5 Investment income

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Short term deposits	718	-	718	954

WEST DERBY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

6 Expenditure

	Staff costs £	Premises & equipment £	Other costs £	Total 2017 £	Total 2016 £
Academy's educational operations					
- Direct costs	3,834,662	309,656	610,474	4,754,792	4,595,571
- Allocated support costs	1,043,518	485,146	806,388	2,335,052	2,187,195
	<u>4,878,180</u>	<u>794,802</u>	<u>1,416,862</u>	<u>7,089,844</u>	<u>6,782,766</u>
Total expenditure	<u>4,878,180</u>	<u>794,802</u>	<u>1,416,862</u>	<u>7,089,844</u>	<u>6,782,766</u>

Net income/(expenditure) for the year includes:

	2017 £	2016 £
Fees paid to auditor for audit services	7,250	7,250
Operating lease rentals	80,395	92,067
Depreciation of tangible fixed assets	<u>505,263</u>	<u>522,940</u>

7 Charitable activities

	2017 £	2016 £
All from restricted funds:		
Direct costs - educational operations	4,754,792	4,595,571
Support costs - educational operations	<u>2,335,052</u>	<u>2,187,195</u>
	<u>7,089,844</u>	<u>6,782,766</u>

	2017 £	2016 £
Analysis of support costs		
Support staff costs	994,915	878,390
Depreciation and amortisation	195,607	210,985
Technology costs	1,067	4,257
Premises costs	630,106	547,886
Other support costs	449,080	459,444
Governance costs	<u>64,277</u>	<u>86,233</u>
	<u>2,335,052</u>	<u>2,187,195</u>

WEST DERBY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

8 Staff costs

	2017 £	2016 £
Wages and salaries	3,647,680	3,577,580
Social security costs	368,794	317,060
Operating costs of defined benefit pension schemes	695,858	584,285
Apprenticeship levy	1,319	-
Staff costs	4,713,651	4,478,925
Supply staff costs	112,481	127,971
Staff restructuring costs	24,269	15,328
Staff development and other staff costs	27,779	22,167
Total staff expenditure	4,878,180	4,644,391

Staff numbers

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

	2017 Number	2016 Number
Teachers	61	63
Administration and support	56	50
Management	10	8
	127	121

Higher paid staff

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

	2017 Number	2016 Number
£60,001 - £70,000	1	-
£90,001 - £100,000	1	1

Key management personnel

The key management personnel of the academy trust 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 trust was £738,989 (2016 - £563,137).

WEST DERBY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

9 Trustees' remuneration and expenses

The headteacher and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of headteacher and staff, and not in respect of their services as trustees. During the year, travel and subsistence payments totalling £125 (2016: £350) were reimbursed to 3 trustees, in their capacity as members of staff.

Other trustees did not receive any payments, from the academy trust in respect of their role as trustees.

The value of trustees' remuneration and other benefits was as follows:

S Graham (Headteacher and trustee):

Remuneration - £90,000 - £95,000 (2016: £90,000 - £95,000)

Employer's pension contributions - £15,000 - £20,000 (2016: £15,000 - £20,000)

M Deakin (Staff trustee):

Remuneration - £25,000 - £30,000 (2016: £20,000 - £25,000)

Employer's pension contributions - £nil - £5,000 (2016: £nil)

S Lorder (Staff trustee):

Remuneration - £60,000 - £65,000 (2016: £55,000 - £60,000)

Employer's pension contributions - £5,000 - £10,000 (2016: £5,000 - £10,000)

Other related party transactions involving the trustees are set out within the related parties note.

10 Trustees and officers insurance

In accordance with normal commercial practice, the academy trust has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The insurance provides cover up to £10,000,000 on any one claim.

11 Tangible fixed assets

	Land and buildings	Computer equipment	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 September 2016	27,581,223	447,831	204,230	8,500	28,241,784
Additions	6,311	63,761	2,507	-	72,579
At 31 August 2017	27,587,534	511,592	206,737	8,500	28,314,363
Depreciation					
At 1 September 2016	1,720,857	350,892	187,378	8,500	2,267,627
Charge for the year	432,169	58,702	14,392	-	505,263
At 31 August 2017	2,153,026	409,594	201,770	8,500	2,772,890
Net book value					
At 31 August 2017	25,434,508	101,998	4,967	-	25,541,473
At 31 August 2016	25,860,366	96,939	16,852	-	25,974,157

WEST DERBY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

11 Tangible fixed assets

(Continued)

Buildings to the value of £25,160,665 are included in fixed assets at depreciated replacement cost, following a professional valuation as at 31 August 2012 by FHP Property Consultants, a firm of independent Chartered surveyors. The valuation is in accordance with the RICS appraisal and valuation manual. The total land value included in fixed assets is £2,296,000. Land is not depreciated.

12 Stocks	2017 £	2016 £
Catering stock	2,027	1,650
	<u>2,027</u>	<u>1,650</u>
13 Debtors	2017 £	2016 £
Trade debtors	48,534	-
Other debtors	18,451	36,078
Prepayments and accrued income	121,452	308,471
	<u>188,437</u>	<u>344,549</u>
14 Creditors: amounts falling due within one year	2017 £	2016 £
Trade creditors	139,852	130,185
Other taxation and social security	164,450	158,688
Accruals and deferred income	216,584	180,474
	<u>520,886</u>	<u>469,347</u>
15 Deferred income	2017 £	2016 £
Deferred income is included within:		
Creditors due within one year	24,214	40,601
	<u>24,214</u>	<u>40,601</u>
Deferred income at 1 September 2016	40,601	34,602
Released from previous years	(40,601)	(34,602)
Amounts deferred in the year	24,214	40,601
	<u>24,214</u>	<u>40,601</u>
Deferred income at 31 August 2017	24,214	40,601

At the balance sheet date the academy was holding funds received in advance relating to trips, catering and rates.

WEST DERBY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

16 Funds

	Balance at 1 September 2016 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2017 £
Restricted general funds					
General Annual Grant	-	6,139,400	(6,463,581)	324,181	-
Other DfE / ESFA grants	-	30,697	-	(30,697)	-
Other restricted funds	-	19,763	-	(19,763)	-
Funds excluding pensions	-	6,189,860	(6,463,581)	273,721	-
Pension reserve	(1,855,000)	-	(121,000)	422,000	(1,554,000)
	(1,855,000)	6,189,860	(6,584,581)	695,721	(1,554,000)
Restricted fixed asset funds					
DfE / ESFA capital grants	25,981,292	22,248	(505,263)	43,196	25,541,473
Total restricted funds	24,126,292	6,212,108	(7,089,844)	738,917	23,987,473
Unrestricted funds					
General funds	750,763	335,017	-	(316,917)	768,863
Total funds	24,877,055	6,547,125	(7,089,844)	422,000	24,756,336

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

(i) General Annual Grant must be used for the normal running costs of the academy.

(ii) The other DfE/ESFA grants fund is used to track grants provided by local and central government departments.

(iii) The pensions reserve is a restricted fund to account for the liabilities arising under The Local Government Pension Scheme.

(iv) The restricted fixed asset funds are carried forward to meet the specific costs of fixed asset projects and to cover the depreciation charges that will be required on these projects going forward and the current fixed assets held.

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2017.

WEST DERBY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

16 Funds

(Continued)

Movements in funds - previous year

	Balance at 1 September 2015 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2016 £
Restricted general funds					
General Annual Grant	-	6,025,873	(6,188,826)	162,953	-
Other DfE / ESFA grants	-	26,654	-	(26,654)	-
Other restricted funds	-	65,582	-	(65,582)	-
Funds excluding pensions	-	6,118,109	(6,188,826)	70,717	-
Pension reserve	(1,066,000)	-	(71,000)	(718,000)	(1,855,000)
	(1,066,000)	6,118,109	(6,259,826)	(647,283)	(1,855,000)
Restricted fixed asset funds					
DfE / ESFA capital grants	26,423,078	21,606	(522,940)	34,728	25,956,472
Private sector capital sponsorship	-	24,820	-	-	24,820
	26,423,078	46,426	(522,940)	34,728	25,981,292
Total restricted funds	25,357,078	6,164,535	(6,782,766)	(612,555)	24,126,292
Unrestricted funds					
General funds	373,608	482,600	-	(105,445)	750,763
Total funds	25,730,686	6,647,135	(6,782,766)	(718,000)	24,877,055

17 Analysis of net assets between funds

	Unrestricted Funds £	General £	Restricted funds: Fixed asset £	Total 2017 £
Fund balances at 31 August 2017 are represented by:				
Tangible fixed assets	-	-	25,541,473	25,541,473
Current assets	780,841	508,908	-	1,289,749
Creditors falling due within one year	(11,978)	(508,908)	-	(520,886)
Defined benefit pension liability	-	(1,554,000)	-	(1,554,000)
	768,863	(1,554,000)	25,541,473	24,756,336

WEST DERBY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

17 Analysis of net assets between funds

(Continued)

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total 2016 £
Fund balances at 31 August 2016 are represented by:				
Tangible fixed assets	-	-	25,974,157	25,974,157
Current assets	758,001	444,424	24,820	1,227,245
Creditors falling due within one year	(7,238)	(444,424)	(17,685)	(469,347)
Defined benefit pension liability	-	(1,855,000)	-	(1,855,000)
	<u>750,763</u>	<u>(1,855,000)</u>	<u>25,981,292</u>	<u>24,877,055</u>

18 Reconciliation of net expenditure to net cash flows from operating activities

	2017 £	2016 £
Net expenditure for the reporting period	(542,719)	(135,631)
Adjusted for:		
Capital grants from DfE/EFA and other capital income	(22,248)	(46,426)
Investment income	(718)	(954)
Defined benefit pension costs less contributions payable	84,000	28,000
Defined benefit pension net finance cost/(income)	37,000	43,000
Depreciation of tangible fixed assets	505,263	522,940
(Increase)/decrease in stocks	(377)	(548)
(Increase)/decrease in debtors	156,112	197,092
Increase/(decrease) in creditors	51,539	(57,481)
Net cash provided by (used in) operating activities	<u>267,852</u>	<u>549,992</u>

19 Pensions and similar obligations

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and that of the LGPS related to the period ended 31 March 2016.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

WEST DERBY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

19 Pensions and similar obligations

(Continued)

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis - these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014.

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%))
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 17.7%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The pension costs paid to the TPS in the period amounted to £426,765 (2016: £417,295).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

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

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 15.4% for employers and 5.5 - 12.5% for employees. The estimated value of employer contributions for the forthcoming year is £147,000.

WEST DERBY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

19 Pensions and similar obligations

(Continued)

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

Total contributions made	2017 £	2016 £
Employer's contributions	149,000	136,000
Employees' contributions	42,000	47,000
Total contributions	191,000	183,000

Principal actuarial assumptions	2017 %	2016 %
Rate of increases in salaries	3.7	3.3
Rate of increase for pensions in payment	2.2	1.9
Discount rate	2.4	2.1
Inflation assumption (CPI)	2.2	1.8

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

	2017 Years	2016 Years
Retiring today		
- Males	21.6	22.5
- Females	22.5	25.4
Retiring in 20 years		
- Males	24.2	24.9
- Females	24.9	28.2

Sensitivity analysis	+0.1% p.a. discount rate	+0.1% p.a. inflation	+0.1% p.a. pay growth	1 year increase in life expectancy
	£	£	£	£
Liabilities	3,508,000	3,657,000	3,602,000	3,645,000
Assets	(2,028,000)	(2,028,000)	(2,028,000)	(2,028,000)
Deficit/(surplus)	1,480,000	1,629,000	1,574,000	1,617,000
Projected Service Cost for next year	226,000	237,000	231,000	236,000
Projected Interest Cost for next year	35,000	37,000	36,000	37,000

WEST DERBY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

19 Pensions and similar obligations

(Continued)

The academy trust's share of the assets in the scheme

	2017 Fair value £	2016 Fair value £
Equities	1,064,000	631,000
Government bonds	69,000	55,000
Other bonds	245,000	142,000
Cash/liquidity	97,000	44,000
Property	162,000	98,000
Other assets	391,000	230,000
Total market value of assets	2,028,000	1,200,000

Actual return on scheme assets - gain/(loss)	687,000	190,000
--	---------	---------

Amounts recognised in the statement of financial activities

	2017 £	2016 £
Current service cost	233,000	164,000
Interest income	(27,000)	(40,000)
Interest cost	64,000	83,000
Total operating charge	270,000	207,000

Changes in the present value of defined benefit obligations

	2017 £	2016 £
Obligations at 1 September 2016	3,055,000	2,048,000
Current service cost	233,000	164,000
Interest cost	64,000	80,000
Employee contributions	42,000	47,000
Actuarial loss	238,000	871,000
Benefits paid	(50,000)	(155,000)
At 31 August 2017	3,582,000	3,055,000

WEST DERBY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

19 Pensions and similar obligations

(Continued)

Changes in the fair value of the academy trust's share of scheme assets

	2017 £	2016 £
Assets at 1 September 2016	1,200,000	982,000
Interest income	24,000	37,000
Actuarial gain	663,000	153,000
Employer contributions	149,000	136,000
Employee contributions	42,000	47,000
Benefits paid	(50,000)	(155,000)
At 31 August 2017	2,028,000	1,200,000

20 Commitments under operating leases

At 31 August 2017 the total future minimum lease payments under non-cancellable operating leases were as follows:

	2017 £	2016 £
Amounts due within one year	1,286	26,366
Amounts due in two and five years	2,571	12,857
	3,857	39,223

21 Related party transactions

Owing to the nature of the academy trust'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 the academy trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy trust's financial regulations and normal procurement procedures. The following related party transaction took place in the period of account.

Holly Lodge Girls' College - a school in which Mr A Keen (a trustee of the trust) is a governor and Head Teacher, Ms S Graham (a trustee of the trust, and also Head Teacher) is a governor:

The trust supplied services to Holly Lodge Girls' College amounting to £225 (2016: £9,333). These services were supplied at arms' length. There were no amounts outstanding at 31 August 2017 (2016: £nil).

In entering into these transactions, the academy trust has complied with the requirements of the Academies Financial Handbook 2016.

WEST DERBY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

22 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 or she is a member, or within one year after he or she ceases to be a member, such amount as may be required, not exceeding £10 as stated in memorandum and articles of association for the debts and liabilities contracted before he or she ceases to be a member.