

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 2021



WEST DERBY SCHOOL

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WEST DERBY SCHOOL

REFERENCE AND ADMINISTRATIVE DETAILS

Members

K Callant
I Andain
C Birch
A Coudis (resigned 6 October 2021)
J Kyle

Trustees

S Price
S Graham (Principal and Accounting Officer)
A Keen
D Barlow
C Jones (Staff Trustee) (Resigned 31 August 2021)
S Poynton
J Orme (Resigned 26 March 2021)
J Duncan
A Parry
J Atkinson (Chair of Trustees)
K Eckl
T Conchie
K A Hodgkiss (Appointed 2 November 2020)
A Kofi (Appointed 2 November 2020)
R Smith (Appointed 2 November 2020)
S J Davies (Appointed 27 September 2021)
P J Glassey (Appointed 1 October 2021)
K Kirkman (Appointed 27 September 2021)
S K Thomas (Appointed 1 October 2021)

Senior management team

- Principal
- Director of Business
- Assistant Principals

S Graham (Principal and Accounting Officer)
C Fletcher (Chief Finance Officer)
S Wilkinson (Acting Deputy Head)
M Thomas (Acting Deputy Head)
K Forrest (Resigned 30/06/2021)
D Feeney (Resigned (22/08/2021)
T Swain
C Jones (Appointed 1/09/2021)
J Stephens (Appointed 1/09/2021)
N Zachariades (Appointed 1/09/2021)

Company secretary

St Pauls Secretaries Limited

Company registration number

08166938 (England and Wales)

Principal address

364 West Derby Road
Tuebrook
Liverpool
L13 7HQ

WEST DERBY SCHOOL

REFERENCE AND ADMINISTRATIVE DETAILS

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
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 2021

The trustees present their annual report together with the accounts and independent auditor's reports of the charitable company for the year 1 September 2020 to 31 August 2021.

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

The academy trust operates an academy for boys aged 11 to 18 (with girls welcomed to sixth form) in north Liverpool. It has a pupil capacity of 1050 and a roll of 1019 in the school census on 1 October 2020.

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. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust.

The Trustees of West Derby School are also the directors of the charitable company for the purposes of company law. The charitable company operates as West Derby School.

Details of the trustees who served during the year, and to the date these accounts are approved, 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 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.

Trustees' indemnities

The academy trust maintains trustees' and officers' liability insurance which gives appropriate cover for any legal action brought against its trustees. The academy trust has also granted indemnities to each of its trustees and other officers to the extent permitted by law. Qualifying third party indemnity provisions (as defined Trustees by section 236 of the Companies Act 2006) were in force during the period and remain in force, in relation to certain losses and liabilities which the trustees or other officers may incur to third parties in the course of acting as trustees or officers of the academy trust.

Details of the insurance cover are provided in note 11.

Method of recruitment and appointment or election of trustees

Under the terms of its Articles, the academy trust shall have the following trustees:

- Up to 11 trustees, appointed by members
- A minimum of 2 parent trustees
- The principal
- Co-opted trustees

The academy trust has been successful in recruiting new trustees during the year. The academy trust has enlisted the services of Governors for Schools and Inspiring Governance, both of whom are trusted sources for finding high calibre, skilled new trustees. Trustees consider the collated skills audit to ascertain the skills and competencies required by the Board before the advert is placed. Candidates' profiles are then shared with the Board to establish if their skills and competencies meet the criteria specified and required.

WEST DERBY SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Policies and procedures adopted for the induction and training of trustees

All new trustees have a preliminary meeting with the Headteacher, Chair of Trustees and Clerk, and are issued with an information pack. The information pack includes the Governance Handbook, Governance Competency Framework, and the Academies Financial Handbook (now Academy Trust Handbook). Trustees have access to a full programme of courses which are organised in collaboration with School Improvement Liverpool's Governor Services. These range from bespoke courses delivered by external agencies to internal training from staff. Trustees are also invited to attend staff inset days to enable them to access all training on offer. Trustees sign up to Governorhub which alerts them to training opportunities and any updates to legislation, policy etc. Trustees also have access to The Key for School Governors, which again sends its members regular updates. Relevant correspondence from the ESFA and briefing documents from School Improvement Liverpool are shared with trustees.

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

The academy trust continually looks for opportunities to increase access to external training and support for trustees. One such example is the Governance Leadership Development programme, which is fully funded by the DfE. One of our trustees has completed this programme which provides high quality training for trustees to develop skills, confidence and knowledge to contribute towards the strategic development of our school. The Clerk has also completed the Governance Clerking Development Programme.

Organisational structure

The organisational structure consists of four levels: Members, the Board of Trustees, the Accounting Officer Senior Leadership Team and the Middle Management Team. The Scheme of Delegation (Trust Board Decision Planner) is approved by the Board of Trustees annually and sets out the levels of delegated authority between the Accounting Officer, Committees and where decisions cannot be delegated lower than the Board of Trustees. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels, whilst adhering to the provisions laid down in the Trust Board Decision Planner.

The trustees 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 Principal (Accounting Officer), two Acting Deputy Headteachers, and Assistant Headteachers, Director of Business, Director of Data & Information and Director of Governance & Compliance. These managers control the academy at an executive level implementing the policies laid down by the trustees 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 Pupil Progress Leaders. 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 2021

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 Principal and following guidance from the relevant professional pay review bodies. Naturally the Principal was not involved in setting her own remuneration package.

Only staff trustees, including the Principal, 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 Principal and monitored by the Buildings, Finance and Personnel 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 bears in mind the charitable status of the academy trust and recognises the fact the trust receives funding under a funding agreement with the Secretary of State for Education, and therefore ensures that the remuneration paid to senior management personnel never exceeds a reasonable amount that provides 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 9.

Trade union facility time

Under the provisions of the Trade Union (Facility Time Publication requirements) regulation 2017, and where the academy has more than 49 full time equivalent employees throughout any 7 months within the reporting period, it must include information included in Schedule 2 of the regulations.

The trust has no staff members acting as trade union representatives at the time of this report and non in the year ended 31 August 2021.

The trustees would have referred to Statutory Instrument 2017 No 328, The Trade Union (Facility Time Publication Requirement Regulations 2017) for calculation details.

Related parties and other connected charities and organisations

The academy works closely with Holly Lodge Girl's College to share good practice, skills and information and to achieve best value for the purposes of buying shared trustee training. Andy Keen (trustee) is the Headteacher at Holly Lodge and Sian Graham is a trustee at Holly Lodge.

WEST DERBY SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Objectives and activities

Objects and aims

The principal activity 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;

- Support senior leaders: facilitating opportunities for organic development and growth to foster retention and ensure outstanding progress and outcomes for our pupils
- Resource the school: ensure that resources in staffing, equipment and other support meet the varied needs of all the pupils in our mainstream setting
- Demonstrate excellence: challenge staff to reach the highest possible Ofsted grading for the school
- Strong finances: maintain good reserves and financial control to ensure the viability of the school
- Maximise assets: utilise the trust's buildings, land and funds to get maximum return to benefit the pupils times with the school and the working environment for the school community

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

The COVID pandemic has had an impact, as with all organisations and sectors, given the need to close the school on government instruction, and then to further restrict use and access of the building in line with COVID safety measures.

In line with government instruction the trust honoured payments to contingent contractors during lockdowns. Many of these contractors are within the local community of the school.

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 2021

Strategic report

Achievements and performance

Following the announcement that summer 2021 exams would be cancelled, on 6 January 2021, the government confirmed that in summer 2021, students taking GCSE, AS and A levels regulated by Ofqual, should be awarded grades based on an assessment by their teachers. A robust procedure was implemented to ensure the awarding of examination grades for our pupils in 2021 was compliant as per the JCQ regulations.

As there will be no national data published in 2021 we cannot compare our pupils' achievements to those seen nationally for this year. Furthermore only attainment can be reported on this year due to 2021 being the first year that the KS2 baseline for pupils were scaled scores.

The following graphs and data therefore will have school achievements for 2021 with a comparison only to the national achievements of 2019.

KS4 attainment improved in all areas in 2021, with the exception of:

- The proportion of pupils achieving English at 5+ and 7+ had a slight decline (ranging between 1%-3%)
- A minimal decline in the proportion of pupils achieving MFL. This was expected due to the increase in pupil numbers as part of the trust's long-term strategic vision of increasing the EBACC uptake.

We expected to see no change to the previous outstanding progress made by children studying MFL but unfortunately we are unable to measure this element due to there being no national data available this year.

The performance of our disadvantaged pupils improved compared to 2019 with a 10% increase in the proportion of pupils achieving both English and Maths at 4+, and a 5% increase in the proportion achieving this benchmark at 5+.

The performance of our SEND pupils improved compared to 2019 with a 30% increase in the proportion of pupils achieving both English and Maths at 4+. The proportion of pupils achieving both English and Maths at 5+ declined by 5%, this was expected as the number of SEND pupils in 2021 whose prior attainment was 'High' was the more than half the number of pupils meeting this criteria in 2019. Of the pupils meeting this criteria in 2021, all achieved both English and Maths at 5+. Therefore if we were able to measure the progress of SEND pupils in the same way as we did in 2019 we would have expected to see an increase in progress, unfortunately there is no national data in 2021.

All but 3 pupils have moved on to education, employment or training. Of these 1 pupil is disadvantaged. All our SEND pupils have secured suitable education, employment or training. The academy and its CIAG officer are working tirelessly with these 3 pupils and their families to support them in securing suitable EET.

WEST DERBY SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

	2018 Results	2019 Results	2020 Results	2021 Results	Trend		
No on Roll	158	177	167	170	18	19	21
Average Attainment 8 Grade	4.41	4.54	4.92	4.81	↑	↑	↑
Progress 8	-0.32	-0.26	0.05	N/A	↑	↑	
English and Maths at 7+	6%	9%	12%	9%	↑	↑	→
English 7+	12%	16%	20%	15%	↑	↑	↓
Maths 7+	18%	16%	21%	21%	↑	↓	↑
English and Maths at 5+	37%	44%	49%	46%	↑	↑	↑
English 5+	48%	59%	59%	56%	↑	↑	↓
Maths 5+	45%	50%	56%	61%	↑	↑	↑
English and Maths at 4+	59%	67%	72%	74%	↑	↑	↑
English 4+	69%	77%	83%	84%	↑	↑	↑
Maths 4+	70%	72%	77%	80%	↑	↑	↑
EBACC 5+	3%	2%	4%	4%		↓	↑
EBACC Science 5+	35%	43%	43%	42%		↑	↓
EBACC MFL 5+	87%	90%	93%	86%		↑	↓
EBACC Humanities 5+	31%	31%	43%	52%		→	↑
EBACC 4+	3%	4%	4%	5%	↑	↑	↑
EBACC Science 4+	48%	61%	63%	64%	↑	↑	↑
EBACC MFL 4+	93%	90%	100%	86%	↑	↓	↓
EBACC Humanities 4+	39%	46%	61%	68%	↑	↑	↑
EBACC APS	3.49	3.54	3.87	3.79		↑	↑

In KS5, there was an increase in all academic areas in 2021 compared to 2019. The proportion of pupils achieving academic grades at A*-B increased by 19% and by 19% also at grades A*-C. There was also a slight increase in the proportion of grades awarded at A*-E.

KS5 vocational increased the proportion of grades awarded at D*-D by 3% compared to 2019. There was a slight decline in the proportion of grades awarded at D*-Merit and at grades D*-Pass.

The performance of our disadvantaged pupils was in line with the performance of our 2019 group with 46% achieving academic grades A*-B (2019 outcomes: 48%) .

The proportion of disadvantaged pupils achieving grades A*-C increased by 13% to 75% in 2021, when compared to 2019.

The proportion of SEND pupils achieving academic grades A*-B in 2021 is 50%. The proportion of SEND pupils achieving grades A*-C is 90% in 2021. There is no true comparison to be made to 2019 SEND outcomes as in 2019 the SEND cohort was less than 5 pupils.

93% of the KS5 cohort are currently in a secure education, employment or training programme. This equates to 4 pupils currently deemed NEET.

64% of the 2021 cohort moved onto University, with 16% of the cohort joining a Russell Group establishment. Of the disadvantaged cohort 40% have moved onto university, with 13% of the disadvantaged cohort joining a Russell Group establishment. 43% of the 2021 SEND cohort moved onto University, none of these were Russell Group establishments.

WEST DERBY SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

The academy and its CIAG officer are working tirelessly with these 4 x KS5 pupils and their families to support them in securing suitable EET.

	2018 Results	2019 Results	2020 Results	2021 Results
% A* - B Grades	40%	36%	84%	55%
% A* - C Grades	63%	63%	83%	82%
% A* - E Grades	95%	96%	100%	97%
Academic APS	26.87	27.45	37.53	36.32
Academic VA	-0.25	-0.28	N/A	N/A
% Dist* - Dist Grades	51%	66%	74%	69%
% Dist- Merit Grades	86%	96%	98%	90%
% Dist* - Pass Grades	100%	100%	100%	98%
APS: Applied General	30.31	32.96	33.08	37.42
VA: Applied General	-0.05	-0.12	N/A	N/A

Key performance indicators

The trustees consider that the following are key performance indicators for the academy trust:

Spending as a % of total income

Spend on staffing as a % of total income	78.0%
Spend on premises costs as a % of total income	9.3%
Spend on energy costs as a % of total income	2.3%
Spend on teaching resources as a % of total income	5.4%
Spend on other non staff costs as a % of total income	6.0%

Spending as a % of total expenditure

Spend on teaching staff as a % of total expenditure	47.0%
Spend on education support staff as a % of total expenditure	7.8%
Spend on administrative and clerical staff as a % of total expenditure	5.0%
Spend on leadership staff as a % of total expenditure	11.1%
Spend on other staff as a % of total expenditure	5.1%
Spend on premises costs as a % of total expenditure	9.3%
Spend on energy costs as a % of total expenditure	2.3%
Spend on teaching resources as a % of total expenditure	5.4%
Spend on other non staff costs as a % of total expenditure	7.0%

Income and expenditure per pupil

Total income per pupil	£6,880
Total expenditure per pupil	£6,875

Reserves/balances as a % of total income

In-year balance as a % of total income	0.08%
Revenue reserve as a % of total income	11.1%

WEST DERBY SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

School characteristics

Average teacher cost	£53,227
Senior leaders as a % of workforce	8.5%
Pupil to teacher ratio	15.0
Pupil to adult ratio	9.6

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 2021 and the associated expenditure are shown as restricted funds in the statement of financial activities.

During the period ended 31 August 2021, total expenditure of £7,616,531 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 fund movement) was an in-year surplus of £8,715.

There was a significant financial impact due to the COVID-19 pandemic. There was a further increased need for remote learning and as a result further substantial investment in laptops to ensure that all children, where needed, have access to remote learning technology. The DfE donated a significant number of laptops to school for children funded via pupil premium. However the nature of the cohorts at West Derby school mean that there are many more children who did not have good access to the necessary IT equipment to enable them to work on a remote basis.

Other equipment and IT spending related to enabling the classrooms to deliver blended learning. Each classroom has already benefited from previous investment and so has a Viewsonic screen and a new desktop computer. Added investment enabled each classroom to be fitted with a camera and visualizer. There was a further investment in the IT infrastructure to provide a fast, secure and stable platform for remote learning. This involved increasing the internet speed across school. Installation of a new firewall increased security around remote access., essential given the increased risk of cyber-crime to schools.

Other expenditure consisted of furniture to enable social distancing between year group bubbles and additional cleaning costs to enable significantly increased cleaning during the school day and PPE.

COVID catch up grant of £70,960 funded part of this investment. Trustees made the decision to invest additional funds to reach out to a wider group of pupils. Thus having a corresponding impact upon the trust reserves.

COVID-19 also has a significant impact upon income in school, mostly regarding catering income. Trustees made the decision not to access additional funding via Furlough scheme for the catering service. The trust is very aware of the financial impact upon the wider economy and as there was no risk to the financial sustainability of the trust for that period this was a decision which fitted with the ethical consideration of the trust. This is especially around relations with those employees affected to ensure that unnecessary stress was avoided. However should the situation reoccur in future years trustees would review this decision at that time.

WEST DERBY SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

At 31 August 2021, the net book value of fixed assets was £24,019,063 and movements in tangible fixed assets are shown in note 12 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.

At 31 August 2021 the unrestricted reserve totalled £771,826.

Setting a balanced budget for each year continues to be challenging for the Academy Trust, as it is for all schools and publicly funded organisations in the current economic environment. However, with a continued annual review of all expenditure against income the trust is able to plan ahead to ensure that income is adequate to cover expenditure each year. However this situation is dependent on the funding for schools remaining at a level, per pupil and/or via individual grants, that sufficiently provides for increasing costs. The trust's reserves have been carefully managed to ensure a sufficient level to provide the necessary resources should income fall too quickly in any given year, to enable expenditure to be adjusted in time. The pandemic has brought an added level of uncertainty to the planning process. Uncertainty around future funding as well as rising inflation and so costs.

The trust continues to balance their strategic plans to ensure future sustainability as well as future investment in essential areas such as continual IT upgrades. This process is continual and takes into account the wider risks at national level as well as regional and local factors.

Financial and 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.

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 reserve levels are also dictated by future risk and uncertainty and the need to have sufficient reserves to protect the academy trust from any significant loss of income to enable the trust to continue operations during any period of adjustment.

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.

WEST DERBY SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

The academy trust is part of a Lifecycle arrangement with the Liverpool City Council and so major capital replacement for the buildings are covered within this arrangement.

However, trustees are aware that other major capital spend such as IT replacement and upgrades and building redecoration are not covered by this arrangement and are too expensive to fund via annual devolved Formula Capital Grants. For this reason trustees have determined to carry additional reserves above the free reserve level to facilitate these works over a three year period, whilst monitoring the budgetary situation to ensure affordability in each year.

The academy is carrying a net surplus on funds excluding the pension scheme liability of £24,798,707 and at the end of the period has free reserves of £779,644.

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.

As previously mentioned the impact of COVID-19 excess expenditure over funding had an impact upon reserves in that reserves were not increased during 2020/21, as income was diverted to cover COVID-19 costs. Given the uncertainty moving forward around costs, future funding and the needs of the pupils to enable as fast a catch up as possible, the trust will carry out a reserve review throughout the year 2021/22. 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 and review any planned infrastructure investment programmes accordingly.

Investment policy

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 and avoiding any high risk investments. Therefore the only investment was previously a term deposit with the academy trust bank for £500,000. This is a low risk investment which attracts interest at a more favourable level than short term cash deposits, this investment matured on 21 February 2021 at which point the capital investment plus interest accrued will return to the short term deposit account. Trustees have not continued with this arrangement due to the uncertainty around COVID-19 and any associated costs. Trustees continue to assess cash-flow on a regular basis and will review this decision during the year 2021/22.

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.

COVID-19 has had a significant impact upon the uncertainty around future funding and cost levels. Trustees have adopted a prudent approach to the strategic planning for future periods to ensure that any action required can be taken in a timely manner and avoid a deficit situation. Reserves are held at a level which is sufficient to protect the trust during any period of adjustment.

Fundraising

The academy trust does not use any external fundraisers. All fundraising undertaken during the year was monitored by the Trustees.

WEST DERBY SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Plans for future periods

The emphasis of all the plans for future periods for the academy is to continue to improve the achievement and wellbeing 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 continue the trend of improving headline measures for KS4 and be in line with or better than national averages.
- Continue the upward trend by further improving results at KS5.
- Maintain year 7 intake at 180.
- Continue to increase numbers into Sixth Form.
- Continue to invest in IT resources to benefit Teaching & Learning, particularly focused on remote learning.
- Maintain a balanced budget.

COVID-19 Implications

Students have been adversely affected both emotionally and academically by the disruption of the COVID-19 pandemic. The school strategy for COVID catch-up aims to:

- Raise attendance to pre-pandemic figures.
- Continue to reintroduce and reinforce routines.
- Ensure that students have positive levels of well-being and are confident that they can achieve despite the period of partial closure.
- Reduce the attainment gap between our disadvantaged students and non-disadvantaged students. Reduce the attainment gap between SEND and their peers. To raise the attainment of all students to close the gap created by COVID-19 partial closures.

Technological Support: Access for all

- Students requiring technological support are swiftly identified and supported.
- Disadvantaged and SEND students are identified as a priority.
- In the case of whole year group isolation a Wufoo survey is shared with all asking which devices students have available to them.
- In the case of selected isolators, senior leaders liaise with students and parents to provide the relevant technology required to continue with their studies.
- Support is a laptop and/or internet access.

We have a dedicated home learning section on the school website. This provides students and parents with thorough guides including video instructions in accessing all of the West Derby School remote platforms including how to access lessons being delivered remotely.

Plans are now in place should several year groups, or all year groups move to remote learning via MS Teams.

- On site internet capacity has been increased to handle greater demand if some or all year groups were to follow their school timetable via MS Teams from home.
- Laptop and internet provision has been ordered in the event of large numbers of students requiring support and who may not be part of the identified vulnerable/disadvantaged cohort who may receive laptops through government funding.
- This allows great flexibility in planning for closure to whole year groups. Teachers can continue to teach all lessons following the whole school timetable and curriculum.
- Attendance to lessons will be monitored as normal. The pastoral and attendance teams will follow up all non-attenders. They will identify any further barriers to individual students learning, provide solutions and support wherever possible.

WEST DERBY SCHOOL

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

For the year 2020/21 the financial implications of the ongoing pandemic are significant.

- Additional cleaning
- PPE equipment
- Continued IT investment to enable remote and blended learning
- Agency supply costs to cover staff absence

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.

The trustees' report, incorporating a strategic report, was approved by order of the governing body, as the company directors, on 08 December 2021 and signed on its behalf by:



Sian Graham (Dec 10, 2021 16:19 GMT)

S Graham

Principal and Accounting Officer



Jonny Atkinson (Dec 10, 2021 15:33 GMT)

J Atkinson

Chair of Trustees

WEST DERBY SCHOOL

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2021

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 4 times during the year. Attendance during the period at meetings of the board of trustees was as follows:

Trustees	Meetings attended	Out of possible
S Price	3	4
S Graham (Principal and Accounting Officer)	4	4
A Keen	2	4
D Barlow	4	4
C Jones (Staff Trustee) (Resigned 31 August 2021)	1	4
S Poynton	0	4
J Orme (Resigned 26 March 2021)	3	3
J Duncan	4	4
A Parry	4	4
J Atkinson (Chair of Trustees)	3	4
K Eckl	2	4
T Conchie	3	4
K A Hodgkiss (Appointed 2 November 2020)	3	3
A Kofi (Appointed 2 November 2020)	2	3
R Smith (Appointed 2 November 2020)	3	3
S J Davies (Appointed 27 September 2021)	0	0
P J Glassey (Appointed 1 October 2021)	0	0
K Kirkman (Appointed 27 September 2021)	0	0
S K Thomas (Appointed 1 October 2021)	0	0

Effective oversight of funds

The board and its committees meet regularly enough to discharge their responsibilities and ensure robust governance and effective financial management. As the board has met less than 6 times during the year, additional arrangements are in place to maintain effective governance. Each month the financial monitoring report and associated documents are shared with the full board of Trustees. All Trustees have access to Governor-Hub where all documents are stored so that they can have ease of access.

We have just recruited two new parent trustees whose self-nominations demonstrated that they met the skills and competencies required by the Board. One has 16 years' service in the financial industry, specifically banking. He currently manages third party supplier relationships procurement of new suppliers, internal stakeholders, and identifying and mitigating risks. The other is a local man who has a wealth of experience working with children and adults, some of whom have been classed as vulnerable. He has a strong interest in and knowledge of the 'disadvantaged' agenda.

WEST DERBY SCHOOL

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Trustees are invited to participate in staff inset training and they also receive regular bulletins from School Improvement Liverpool's Governor Services regarding training opportunities. All Trustees are registered with Governorhub, an online portal which provides frequent updates, not just on governance, but on the education sector in general. The school also subscribes to The Key for School Governors to which all trustees have access. The Key for School Governors emails trustees on a regular basis with updates to policy and legislation. The school also shares relevant correspondence from the ESFA.

The Buildings, Finance, Personnel and Admissions 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 2020 to 31 August 2021 the main purpose has been to monitor the ongoing budget situation to ensure that reserves remain at a level which is deemed to be suitable to guard against future risks around potential decreases in income and increases in costs. With particular focus on the impact upon income and expenditure as a result of COVID-19.

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
S Price	2	3
S Graham (Principal and Accounting Officer)	2	3
D Barlow	3	3
J Orme (Resigned 26 March 2021)	1	2
J Atkinson (Chair of Trustees)	3	3
T Conchie	3	3
K A Hodgkiss (Appointed 2 November 2020)	2	2

In 2020-21 we established an Audit and Risk Committee, the main purpose being to oversee and approve the Trust's programme of internal scrutiny. The Audit and Risk Committee reports to the Board on the adequacy of our internal control framework (this includes financial and non-financial controls and management of risks).

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
D Barlow	1	1
J Orme (Resigned 26 March 2021)	1	1
J Atkinson (Chair of Trustees)	2	2
T Conchie	2	2
R Smith (Appointed 2 November 2020)	2	2

WEST DERBY SCHOOL

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

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:

- Maximising the use of funding awarded to schools for COVID related costs and catch-up.
- Securing investment for ICT infrastructure to improve speed and stability of IT systems for future years, at no cost to the Trust.
- Creative use and adaptation of IT equipment and stock to enable IT suites to be updated at no extra cost to the Trust.

Impact COVID-19

Continuing to pay for contingent contractors during lockdowns was not value for money at an individual Trust level. However during the pandemic, and at the instruction of government office, this was for the wider benefit of the economy as a whole.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in West Derby School for the period 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements.

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 ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

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;
- identification and management of risks.

WEST DERBY SCHOOL

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

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

- to appoint an internal audit service from WR Partners.

The 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:

- Payroll
- Procurement
- Banking
- Management accounts
- Fixed assets

On a termly basis, the auditor reports to the board of trustees, through the audit and risk committee, on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities and annually prepares an annual summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

During the year 1 September 2020 to 31 August 2021 the auditor carried out three audits 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 internal auditor;
- the work of the external auditor,
- the financial management and governance self-assessment process or the school resource management self-assessment tool,
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Audit and Risk 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 08 December 2021 and signed on its behalf by:



Sian Graham (Dec 10, 2021 16:19 GMT)

S Graham

Principal and Accounting Officer



Jonny Atkinson (Dec 10, 2021 15:33 GMT)

J Atkinson

Chair of Trustees

WEST DERBY SCHOOL

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2021

As accounting officer of West Derby School, I have considered my responsibility to notify the board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, 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 2020.

I confirm that I and the trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2020.

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

Sian Graham

Sian Graham (Dec 10, 2021 16:19 GMT)

S Graham

Accounting Officer

08 December 2021

WEST DERBY SCHOOL

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2021

The trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Academies Accounts Direction 2020 to 2021 published 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 financial statements for each financial year. Under company law, the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the 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 members of the governing body on 08 December 2021 and signed on its behalf by:


Sian Graham (Dec 10, 2021 16:19 GMT)

S Graham
Principal and Accounting Officer


Jonny Atkinson (Dec 10, 2021 15:33 GMT)

J Atkinson
Chair

WEST DERBY SCHOOL

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WEST DERBY SCHOOL FOR THE YEAR ENDED 31 AUGUST 2021

Opinion

We have audited the accounts of West Derby School for the year ended 31 August 2021 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 2019 and the Academies Accounts Direction 2020 to 2021 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 2021 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 2019 and the Academies Accounts Direction 2020 to 2021.

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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the academy trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information, which comprises the information included in the annual report other than the accounts and our auditor's report thereon. 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.

WEST DERBY SCHOOL

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

FOR THE YEAR ENDED 31 AUGUST 2021

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 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 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 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 accounts

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.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

Extent to which the audit was considered capable of detecting irregularities including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

WEST DERBY SCHOOL

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

FOR THE YEAR ENDED 31 AUGUST 2021

Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, we considered the following:

- the nature of the industry and sector, control environment and business performance
- identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance,
- detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
- the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations; and
- the matters discussed among the audit engagement team and involving relevant internal specialists, including tax, and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks the academy operates in, focussing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the UK Companies Act and Academies Accounts Direction.

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- Enquiring of management and those charged with governance concerning actual and potential litigation claims;
- In assessing the risk of fraud through management override of controls, testing the appropriateness of journal entries and assessing whether judgements made in making accounting estimates are indicative of potential bias.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the academy's ability to operate or to avoid a material penalty.

Our procedures to respond to risks identified included the following:

- Reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- Enquiring of management and those charged with governance concerning actual and potential litigation claims;
- In addressing the risk of fraud through inappropriate recording of income, we review the existence and completeness of ESFA income and reconcile all other material income streams to third party evidence;
- We carry out a detailed review of deferred income, including a review of amounts released to income in the year.
- We review a sample of expenditure to ensure it has been appropriately authorised and that tender process have been followed where applicable;
- We carry out a review of the register of interests and minutes to ensure that all related parties have been disclosed adequately;

WEST DERBY SCHOOL

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

FOR THE YEAR ENDED 31 AUGUST 2021

- In assessing the risk of fraud through management override of controls, testing the appropriateness of journal entries and assessing whether judgements made in making accounting estimates are indicative of potential bias.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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.

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.

UHY Hacker Young

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

8 December 2021

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

FOR THE YEAR ENDED 31 AUGUST 2021

In accordance with the terms of our engagement letter dated 5 October 2018 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, 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 2020 to 31 August 2021 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 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 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 West Derby School and 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 2020, 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 2020 to 2021. 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 2020 to 31 August 2021 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 Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by 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.

WEST DERBY SCHOOL

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

FOR THE YEAR ENDED 31 AUGUST 2021

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 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

UHY Hacker Young

Reporting Accountant

UHY Hacker Young Manchester LLP

Dated: 08 December 2021

WEST DERBY SCHOOL

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	Unrestricted funds £	Restricted funds: General	Fixed asset £	Total 2021 £	Total 2020. £
Income and endowments from:						
Donations and capital grants	3	100	1,250	98,508	99,858	209,510
Charitable activities:						
- Funding for educational operations	4	-	6,783,269	-	6,783,269	6,275,361
Other trading activities	5	171,751	1,000	-	172,751	239,644
Investments	6	5,380	-	-	5,380	6,143
Total		<u>177,231</u>	<u>6,785,519</u>	<u>98,508</u>	<u>7,061,258</u>	<u>6,730,658</u>
Expenditure on:						
Charitable activities:						
- Educational operations	8	122,358	6,938,355	555,818	7,616,531	7,376,056
Total	7	<u>122,358</u>	<u>6,938,355</u>	<u>555,818</u>	<u>7,616,531</u>	<u>7,376,056</u>
Net income/(expenditure)		54,873	(152,836)	(457,310)	(555,273)	(645,398)
Transfers between funds	17	(53,976)	(29,346)	83,322	-	-
Other recognised gains/(losses)						
Actuarial gains on defined benefit pension schemes	19	-	145,000	-	145,000	35,000
Net movement in funds		<u>897</u>	<u>(37,182)</u>	<u>(373,988)</u>	<u>(410,273)</u>	<u>(610,398)</u>
Reconciliation of funds						
Total funds brought forward		770,929	(2,535,000)	24,393,051	22,628,980	23,239,378
Total funds carried forward		<u>771,826</u>	<u>(2,572,182)</u>	<u>24,019,063</u>	<u>22,218,707</u>	<u>22,628,980</u>

WEST DERBY SCHOOL

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

FOR THE YEAR ENDED 31 AUGUST 2021

Comparative year information Year ended 31 August 2020	Notes	Unrestricted funds £	Restricted funds: General Fixed asset £ £		Total 2020 £
Income and endowments from:					
Donations and capital grants	3	1,000	-	208,510	209,510
Charitable activities:					
- Funding for educational operations	4	-	6,275,361	-	6,275,361
Other trading activities	5	233,811	5,833	-	239,644
Investments	6	6,143	-	-	6,143
Total		<u>240,954</u>	<u>6,281,194</u>	<u>208,510</u>	<u>6,730,658</u>
Expenditure on:					
Charitable activities:					
- Educational operations	8	178,012	6,568,352	629,692	7,376,056
Total	7	<u>178,012</u>	<u>6,568,352</u>	<u>629,692</u>	<u>7,376,056</u>
Net income/(expenditure)		62,942	(287,158)	(421,182)	(645,398)
Transfers between funds	17	(190,990)	60,642	130,348	-
Other recognised gains/(losses)					
Actuarial gains on defined benefit pension schemes	19	-	35,000	-	35,000
Net movement in funds		<u>(128,048)</u>	<u>(191,516)</u>	<u>(290,834)</u>	<u>(610,398)</u>
Reconciliation of funds					
Total funds brought forward		898,977	(2,343,484)	24,683,885	23,239,378
Total funds carried forward		<u>770,929</u>	<u>(2,535,000)</u>	<u>24,393,051</u>	<u>22,628,980</u>

WEST DERBY SCHOOL

BALANCE SHEET

AS AT 31 AUGUST 2021

	Notes	2021 £	2020 £
Fixed assets			
Tangible assets	12	24,019,063	24,393,051
Current assets			
Stocks	13	3,186	849
Debtors	14	356,244	299,682
Cash at bank and in hand		846,701	1,000,277
		1,206,131	1,300,808
Current liabilities			
Creditors: amounts falling due within one year	15	(426,487)	(529,879)
Net current assets		779,644	770,929
Net assets excluding pension liability		24,798,707	25,163,980
Defined benefit pension scheme liability	19	(2,580,000)	(2,535,000)
Total net assets		22,218,707	22,628,980
Funds of the academy trust:			
Restricted funds	17		
- Fixed asset funds		24,019,063	24,393,051
- Restricted income funds		7,818	-
- Pension reserve		(2,580,000)	(2,535,000)
Total restricted funds		21,446,881	21,858,051
Unrestricted income funds	17	771,826	770,929
Total funds		22,218,707	22,628,980

The accounts on pages 27 to 48 were approved by the trustees and authorised for issue on 08 December 2021 and are signed on their behalf by:

Sian Graham
Sian Graham (Dec 10, 2021 16:19 GMT)

S Graham
Principal and Accounting Officer

J. Atkinson
Jonny Atkinson (Dec 10, 2021 15:33 GMT)

J Atkinson
Chair of Trustees

Company Number 08166938

WEST DERBY SCHOOL

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Net cash used in operating activities	20		(75,634)		(69,263)
Cash flows from investing activities					
Dividends, interest and rents from investments		5,380		6,143	
Capital grants from DfE Group		21,705		21,426	
Capital funding received from sponsors and others		-		49,749	
Purchase of tangible fixed assets		(106,327)		(201,524)	
Proceeds from sale of tangible fixed assets		1,300		-	
Net cash used in investing activities			(77,942)		(124,206)
Net decrease in cash and cash equivalents in the reporting period			(153,576)		(193,469)
Cash and cash equivalents at beginning of the year			1,000,277		1,193,746
Cash and cash equivalents at end of the year			846,701		1,000,277

WEST DERBY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

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 financial statements of the academy trust, 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 2020 to 2021 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 financial statements.

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 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 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.

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.

WEST DERBY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

(Continued)

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

Where the donated asset is a fixed asset, it is 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.

Expenditure on raising funds

This includes all expenditure incurred by the academy trust 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 trust's educational operations, including support costs and costs relating to the governance of the academy trust apportioned to charitable activities.

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. Where there are specific conditions attached to the funding requiring the continued use of the asset, 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. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

WEST DERBY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

(Continued)

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
Building adaptations	10 years straight line
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 as noted in note 14. 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 and accruals are financial instruments, and are measured at amortised cost as detailed in note 15. 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.

1.9 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.

WEST DERBY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

(Continued)

1.10 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.

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 projected unit method. The TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is 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 multi-employer 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,

1.11 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 2021

2 Critical accounting estimates and areas of judgement

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 19, 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 31/03/2016 has been used by the actuary in valuing the pensions liability at 31 August 2021. 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.

3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Donated fixed assets	-	76,803	76,803	137,335
Capital grants	-	21,705	21,705	21,426
Other donations	100	1,250	1,350	50,749
	<u>100</u>	<u>99,758</u>	<u>99,858</u>	<u>209,510</u>

WEST DERBY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

4 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
DfE / ESFA grants				
General annual grant (GAG)	-	5,992,023	5,992,023	5,602,284
Other DfE / ESFA grants:				
Pupil premium	-	346,490	346,490	334,542
Others	-	284,254	284,254	301,546
	-	6,622,767	6,622,767	6,238,372
Other government grants				
Local authority grants	-	15,730	15,730	21,299
Exceptional government funding				
Other Coronavirus funding	-	144,772	144,772	15,690
Total funding	-	6,783,269	6,783,269	6,275,361

5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Catering income	132,453	-	132,453	201,544
Trip income	-	1,000	1,000	4,997
Other income	39,298	-	39,298	33,103
	171,751	1,000	172,751	239,644

6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Short term deposits	5,380	-	5,380	6,143

WEST DERBY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

7 Expenditure

	Staff costs £	Non-pay expenditure Premises £	Other £	Total 2021 £	Total 2020 £
Academy's educational operations					
- Direct costs	4,251,096	357,974	405,817	5,014,887	4,676,492
- Allocated support costs	1,255,553	1,020,661	325,430	2,601,644	2,699,564
	<u>5,506,649</u>	<u>1,378,635</u>	<u>731,247</u>	<u>7,616,531</u>	<u>7,376,056</u>

Net income/(expenditure) for the year includes:

	2021 £	2020 £
Fees payable to auditor for:		
- Audit	7,500	7,500
- Other services	5,750	2,600
Operating lease rentals	19,212	19,212
Depreciation of tangible fixed assets	553,166	481,197
Loss on disposal of fixed assets	2,652	148,494
Net interest on defined benefit pension liability	43,000	41,000
	<u></u>	<u></u>

8 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Direct costs				
Educational operations	-	5,014,887	5,014,887	4,676,492
Support costs				
Educational operations	122,358	2,479,286	2,601,644	2,699,564
	<u>122,358</u>	<u>7,494,173</u>	<u>7,616,531</u>	<u>7,376,056</u>

	2021 £	2020 £
Analysis of support costs		
Support staff costs	1,201,185	1,141,234
Depreciation	197,844	335,447
Technology costs	44,101	838
Premises costs	822,817	816,208
Other support costs	253,879	341,548
Governance costs	81,818	64,289
	<u>2,601,644</u>	<u>2,699,564</u>

WEST DERBY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

9 Staff

Staff costs

Staff costs during the year were:

	2021 £	2020 £
Wages and salaries	3,998,889	3,696,144
Social security costs	409,110	374,619
Pension costs	1,028,836	994,897
Staff costs - employees	5,436,835	5,065,660
Agency staff costs	69,814	69,647
	5,506,649	5,135,307
Staff development and other staff costs	7,590	7,825
Total staff expenditure	5,514,239	5,143,132

Staff numbers

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

	2021 Number	2020 Number
Teachers	60	57
Administration and support	53	48
Management	11	12
	124	117

Higher paid staff

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

	2021 Number	2020 Number
£60,001 - £70,000	4	3
£100,001 - £110,000	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 £839,803 (2020 - £755,658).

WEST DERBY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

10 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 £552 (2020: £122) were reimbursed to 1 trustee, in their capacity as a member 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 - £105,000 - £110,000 (2020: £105,000 - £110,000)

Employer's pension contributions - £25,000 - £30,000 (2020: £20,000 - £25,000)

C Jones (Staff trustee) (resigned 31 August 2021)

Remuneration - £41,604 (2020: £40,000 - £45,000)

Employer's pension contributions - £9,852 (2020: £5,000 - £10,000)

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

11 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. The cost of this insurance is included in the total insurance cost.

12 Tangible fixed assets

	Land and buildings	Computer equipment	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 September 2020	27,673,389	625,748	222,984	8,500	28,530,621
Additions	24,340	153,078	5,712	-	183,130
Disposals	(4,650)	(13,750)	-	-	(18,400)
At 31 August 2021	27,693,079	765,076	228,696	8,500	28,695,351
Depreciation					
At 1 September 2020	3,425,805	494,781	208,484	8,500	4,137,570
On disposals	(698)	(13,750)	-	-	(14,448)
Charge for the year	447,623	100,433	5,110	-	553,166
At 31 August 2021	3,872,730	581,464	213,594	8,500	4,676,288
Net book value					
At 31 August 2021	23,820,349	183,612	15,102	-	24,019,063
At 31 August 2020	24,247,584	130,967	14,500	-	24,393,051

WEST DERBY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

12 Tangible fixed assets

(Continued)

Buildings to the value of £21,820,349 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.

13 Stocks

	2021 £	2020 £
Catering stock	3,186	849

14 Debtors

	2021 £	2020 £
Trade debtors	30,128	11,212
Other debtors	65,040	44,395
Prepayments and accrued income	261,076	244,075
	<u>356,244</u>	<u>299,682</u>

15 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	154,753	204,315
Other taxation and social security	199,090	180,478
Accruals and deferred income	72,644	145,086
	<u>426,487</u>	<u>529,879</u>

16 Deferred income

	2021 £	2020 £
Deferred income is included within:		
Creditors due within one year	<u>20,426</u>	<u>21,434</u>
Deferred income at 1 September 2020	21,434	28,641
Released from previous years	(21,434)	(28,641)
Resources deferred in the year	<u>20,426</u>	<u>21,434</u>
Deferred income at 31 August 2021	<u>20,426</u>	<u>21,434</u>

WEST DERBY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

16 Deferred income

(Continued)

At the balance sheet date the academy trust was holding the following funds:

- £20,426 was received in advance in relation to rates relief.

17 Funds

	Balance at 1 September 2020 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2021 £
Restricted general funds					
General Annual Grant (GAG)	-	5,992,023	(5,954,859)	(29,346)	7,818
Pupil premium	-	346,490	(346,490)	-	-
Other DfE / ESFA grants	-	284,254	(284,254)	-	-
Other government grants	-	160,502	(160,502)	-	-
Other restricted funds	-	2,250	(2,250)	-	-
Pension reserve	(2,535,000)	-	(190,000)	145,000	(2,580,000)
	<u>(2,535,000)</u>	<u>6,785,519</u>	<u>(6,938,355)</u>	<u>115,654</u>	<u>(2,572,182)</u>
Restricted fixed asset funds					
DfE group capital grants	24,205,967	21,705	(555,818)	83,322	23,755,176
Private sector capital sponsorship	187,084	76,803	-	-	263,887
	<u>24,393,051</u>	<u>98,508</u>	<u>(555,818)</u>	<u>83,322</u>	<u>24,019,063</u>
Total restricted funds	<u>21,858,051</u>	<u>6,884,027</u>	<u>(7,494,173)</u>	<u>198,976</u>	<u>21,446,881</u>
Unrestricted funds					
General funds	770,929	177,231	(122,358)	(53,976)	771,826
Total funds	<u>22,628,980</u>	<u>7,061,258</u>	<u>(7,616,531)</u>	<u>145,000</u>	<u>22,218,707</u>

WEST DERBY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

17 Funds

(Continued)

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 2021.

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

	Balance at 1 September 2019 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2020 £
Restricted general funds					
General Annual Grant (GAG)	21,516	5,602,284	(5,684,442)	60,642	-
Pupil premium	-	341,642	(341,642)	-	-
Other DfE / ESFA grants	-	331,435	(331,435)	-	-
Other restricted funds	-	5,833	(5,833)	-	-
Pension reserve	(2,365,000)	-	(205,000)	35,000	(2,535,000)
	<u>(2,343,484)</u>	<u>6,281,194</u>	<u>(6,568,352)</u>	<u>95,642</u>	<u>(2,535,000)</u>
Restricted fixed asset funds					
DfE group capital grants	24,683,885	21,426	(629,692)	130,348	24,205,967
Private sector capital sponsorship	-	187,084	-	-	187,084
	<u>24,683,885</u>	<u>208,510</u>	<u>(629,692)</u>	<u>130,348</u>	<u>24,393,051</u>
Total restricted funds	<u>22,340,401</u>	<u>6,489,704</u>	<u>(7,198,044)</u>	<u>225,990</u>	<u>21,858,051</u>
Unrestricted funds					
General funds	<u>898,977</u>	<u>240,954</u>	<u>(178,012)</u>	<u>(190,990)</u>	<u>770,929</u>
Total funds	<u>23,239,378</u>	<u>6,730,658</u>	<u>(7,376,056)</u>	<u>35,000</u>	<u>22,628,980</u>

WEST DERBY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

18 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2021 are represented by:				
Tangible fixed assets	-	-	24,019,063	24,019,063
Current assets	771,826	434,305	-	1,206,131
Creditors falling due within one year	-	(426,487)	-	(426,487)
Defined benefit pension liability	-	(2,580,000)	-	(2,580,000)
Total net assets	771,826	(2,572,182)	24,019,063	22,218,707

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2020 are represented by:				
Tangible fixed assets	-	-	24,393,051	24,393,051
Current assets	770,929	529,880	-	1,300,809
Creditors falling due within one year	-	(529,879)	-	(529,879)
Defined benefit pension liability	-	(2,535,000)	-	(2,535,000)
Total net assets	770,929	(2,534,999)	24,393,051	22,628,981

19 Pension and similar obligations

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Merseyside Pension Fund. 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 2019, and that of the LGPS related to the period ended 31 March 2019.

Contributions amounting to £49,432 were prepaid to the schemes at 31 August 2021 (2020: £80,652) and are included within debtors.

Teachers' Pension Scheme

Introduction

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.

WEST DERBY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

19 Pension and similar obligations

(Continued)

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% employer administration charge)
- 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
- 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 the TPS in the period amounted to £667,573 (2020: £631,013).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 19.6% for employers and 5.5% - 8.5% for employees.

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

Total contributions made	2021 £	2020 £
Employer's contributions	213,000	199,000
Employees' contributions	59,000	56,000
Total contributions	272,000	255,000

WEST DERBY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

19 Pension and similar obligations

(Continued)

Principal actuarial assumptions	2021 %	2020 %
Rate of increase in salaries	4.2	3.9
Rate of increase for pensions in payment/inflation	2.8	2.5
Discount rate for scheme liabilities	1.7	1.8
Inflation assumption (CPI)	2.7	2.4

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

	2021 Years	2020 Years
Retiring today		
- Males	21	20.9
- Females	24.1	24
Retiring in 20 years		
- Males	22.6	22.5
- Females	26	25.9

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	5,227,000	5,423,000	5,339,000	5,483,000
Assets	(2,789,000)	(2,789,000)	(2,789,000)	(2,789,000)
Deficit/(surplus)	2,438,000	2,634,000	2,550,000	2,694,000
Projected Service Cost for next year	337,000	352,000	345,000	356,000
Projected Interest Cost for next year	44,000	45,000	44,000	46,000

Defined benefit pension scheme net liability

	2021 £	2020 £
Scheme assets	3,498,000	2,789,000
Scheme obligations	(6,078,000)	(5,324,000)
Net liability	(2,580,000)	(2,535,000)

WEST DERBY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

19 Pension and similar obligations

(Continued)

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

	2021 Fair value £	2020 Fair value £
Equities	1,798,000	1,357,000
Government bonds	49,000	70,000
Other bonds	413,000	385,000
Cash/liquidity	63,000	151,000
Property	332,000	251,000
Other assets	843,000	575,000
Total market value of assets	<u>3,498,000</u>	<u>2,789,000</u>

The actual return on scheme assets was £533,000 (2020: £84,000).

Amount recognised in the statement of financial activities

	2021 £	2020 £
Current service cost	360,000	354,000
Past service cost	-	9,000
Interest income	(52,000)	(47,000)
Interest cost	95,000	88,000
Total operating charge	<u>403,000</u>	<u>404,000</u>

Changes in the present value of defined benefit obligations

	2021 £	2020 £
At 1 September 2020	5,324,000	4,899,000
Current service cost	360,000	354,000
Interest cost	95,000	88,000
Employee contributions	59,000	56,000
Actuarial loss	336,000	2,000
Benefits paid	(96,000)	(84,000)
Past service cost	-	9,000
At 31 August 2021	<u>6,078,000</u>	<u>5,324,000</u>

WEST DERBY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

19 Pension and similar obligations

(Continued)

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

	2021 £	2020 £
At 1 September 2020	2,789,000	2,534,000
Interest income	47,000	43,000
Actuarial gain	486,000	41,000
Employer contributions	213,000	199,000
Employee contributions	59,000	56,000
Benefits paid	(96,000)	(84,000)
At 31 August 2021	3,498,000	2,789,000

20 Reconciliation of net expenditure to net cash flow from operating activities

	2021 £	2020 £
Net expenditure for the reporting period (as per the statement of financial activities)	(555,273)	(645,398)
Adjusted for:		
Capital grants from DfE and other capital income	(98,508)	(208,510)
Investment income receivable	(5,380)	(6,143)
Defined benefit pension costs less contributions payable	147,000	164,000
Defined benefit pension scheme finance cost	43,000	41,000
Depreciation of tangible fixed assets	553,166	481,198
Loss on disposal of fixed assets	2,652	148,494
(Increase)/decrease in stocks	(2,337)	610
(Increase) in debtors	(56,562)	(80,863)
(Decrease)/increase in creditors	(103,392)	36,349
Net cash used in operating activities	(75,634)	(69,263)

21 Analysis of changes in net funds

	1 September 2020 £	Cash flows £	31 August 2021 £
Cash	1,000,277	(153,576)	846,701

WEST DERBY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

22 Long-term commitments, including operating leases

At 31 August 2021 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2021 £	2020 £
Amounts due within one year	19,212	19,212
Amounts due in two and five years	22,414	41,626
	<u>41,626</u>	<u>60,838</u>

23 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) is a governor and Head Teacher, Ms S Graham (a trustee, and also Head Teacher) is a governor.

No transactions have taken place in the current or prior year with Holly Lodge Girls' College. No balances were outstanding at year end (2020: £nil).

24 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.