

**WESTLEA PRIMARY SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2016**



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**WESTLEA PRIMARY SCHOOL**  
**(A COMPANY LIMITED BY GUARANTEE)**

**REFERENCE AND ADMINISTRATIVE DETAILS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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<b>Members</b>	B Barrett T Dowell R Carberry
<b>Trustees</b>	B Barrett, Chair <sup>2,3,4</sup> T Dowell, Vice Chair <sup>2,3,4</sup> R Carberry, Headteacher <sup>1,2,3,4</sup> S Green (appointed 10 March 2016) <sup>1,2</sup> M Carroll <sup>1,2</sup> M Davis (resigned 13 July 2016) <sup>1</sup> S Earl <sup>1,4</sup> A Amin (appointed 13 July 2016) <sup>2</sup> S James <sup>1,3</sup> M Walker (resigned 15 September 2015) <sup>3</sup> L Hakin (appointed 9 December 2015) <sup>1,2</sup> M Row (resigned 7 September 2016) <sup>2</sup> L Batstone (resigned 4 March 2016) <sup>1,2</sup> K Butler (appointed 7 September 2016) <sup>2</sup> S Sumner (appointed 7 September 2016) <sup>1,2,3</sup>  <sup>1</sup> Curriculum <sup>2</sup> Finance <sup>3</sup> Premises <sup>4</sup> Staffing
<b>Company registered number</b>	08713214
<b>Company name</b>	Westlea Primary School
<b>Principal and registered office</b>	Langstone Way Westlea Swindon Wiltshire SN5 7BT
<b>Accounting officer</b>	R Carberry
<b>Senior management team</b>	R Carberry, Headteacher S Sumner, Deputy Headteacher L McGinn, Phase 3/4 Lead S James, Phase 5/6 Lead
<b>Independent auditors</b>	Bishop Fleming Bath Limited Chartered Accountants Statutory Auditors Minerva House Lower Bristol Road Bath BA2 9ER
<b>Bankers</b>	Lloyds Bank 5 High Street Swindon SN1 3EN

**WESTLEA PRIMARY SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)**

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY TRUST, ITS TRUSTEES AND  
ADVISERS  
FOR THE YEAR ENDED 31 AUGUST 2016**

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**Advisers (continued)**

<b>Solicitors</b>	Stone King Bath Office 13 Queen Square Bath BA1 2HJ
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**TRUSTEES' REPORT  
FOR THE YEAR ENDED 31 AUGUST 2016**

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The Trustees present their annual report together with the financial statements and auditors' report of the Charitable Company for the year ended 31 August 2016. The annual report serves the purpose of both a Trustees' report, and a Directors' report under company law.

The Trust operates an academy for pupils aged 4 to 11 in Westlea, Swindon. It has a pupil capacity of 325 and had a roll of 309 in the school census on 3 October 2016.

**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 Westlea Primary School are also the directors of the Charitable Company for the purposes of company law. The Charitable Company is known as Westlea Primary School.

Details of the Trustees who served throughout the year, except as noted, are included in the Reference and Administrative Details on pages 1 to 2.

**Members' Liability**

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

**Trustees' Indemnities**

Trustees benefit from indemnity insurance purchased at the Academy Trust's expense to cover the liability of the Trustees which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Academy Trust, provided that any such insurance shall not extend to any claim arising from any act or omission which the Trustees knew to be a breach of trust or breach of duty or which was committed by the Trustees in reckless disregard to whether it was a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Trustees in their capacity as Directors of the Academy Trust. The limit of this indemnity is £2,000,000.

In accordance with normal commercial practice the Academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £100,000 on any one claim.

**TRUSTEES**

**Method of Recruitment and Appointment or Election of Trustees**

On 1 November 2013 the Trustees appointed all those Trustees from the predecessor school to be Trustees of the newly formed Academy. These Trustees were appointed for a term of office that would end when their original term at the predecessor school would have ended, thus ensuring a staggered re-election or replacement process.

The Academy's Board of Trustees comprises the Headteacher, a minimum of 3 Parent Trustees, up to 3 Staff Trustees (providing that the total number of Trustees, including the Headteacher, who are employees of the Academy Trust, does not exceed one third of the total number of Trustees) and up to 10 other Trustees.

The Academy Trust shall have the following Trustees as set out in its Articles of Association and funding agreement:

- up to 1 SRP Trustee who are appointed by the board;
- up to 7 LACT Trustees who are appointed by the board;
- up to 3 Parent Trustees who are elected by parents of registered pupils at the Academy;

**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2016**

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- up to 2 staff Trustees appointed by Trustee board;
- the Headteacher who is treated for all purposes as being an ex officio Trustee; and
- co-opted by the board - no max.

Trustees are appointed for a four year period, except that this time limit does not apply to the Headteacher. Subject to remaining eligible to be a particular type of Trustee, any Trustee can be re-appointed or re-elected.

When appointing new Trustees, the Board will give consideration to the skills and experience mix of existing Trustees in order to ensure that the Board has the necessary skills to contribute fully to the Academy's development.

**Policies and Procedures Adopted for the Induction and Training of Trustees**

The Academy has a Trustee Recruitment, Induction and Training policy available from the Clerk to the Trustees.

The training and induction provided for new Trustees will depend upon their existing experience but would always include a tour of the Academy and a chance to meet staff and pupils. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees. As there are normally only two or three new Trustees a year, induction tends to be done informally and is tailored specifically to the individual. Advantage is taken of specific courses offered by the Local Authority and other bodies.

**Organisational Structure**

The Board of Trustees normally meets once each full term. The Board establishes an overall framework for the governance of the Academy and determines membership, terms of reference and procedures of Committees and other groups. It receives reports including policies from its Committees for ratification. It monitors the activities of the Committees through the minutes of their meetings. The Board may from time to time establish Working Groups to perform specific tasks over a limited timescale.

There are 5 committees as follows;

- Finance Committee - this meets at least four times a year and is responsible for monitoring, evaluating and reviewing policy and performance in relation to financial management, compliance with reporting and regulatory requirements and reporting, receiving reports from the Internal Auditor and drafting the annual budget including setting staffing levels. It also incorporates the role of an audit committee;
- Curriculum Committee - this meets at least once a full term to monitor, evaluate and review Academy policy, practice and performance in relation to curriculum planning, communications, target setting and assessment, examinations and all pastoral issues;
- Premises Committee - this meets at least once a full term to monitor, evaluate and review Academy policy, practice and performance in relation to all premises and Health and Safety issues;
- Staffing Committee - this meets at least once a full term to review all staffing related issues and initiatives that affect the staff; and
- Steering Committee - this meets at least once a full term to oversee all the other committees and to plan further projects and statutory compliance.

The following decisions are reserved to the Board of Trustees: to consider any proposals for changes to the status or constitution of the Academy and its committee structure, to appoint or remove the Chairman and/or Vice Chairman, to appoint the Headteacher and Clerk to the Trustees, to approve the Annual Development Plan and budget.

The Trustees are responsible for setting general policy, adopting an annual plan and budget, approving the statutory accounts, monitoring the Academy by the use of budgets and other data, and making major decisions about the direction of the Academy, capital expenditure and staff appointments.

**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2016**

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The Trustees and Board of Trustees have devolved responsibility for day to day management of the Academy to the Headteacher and Senior Management Team (SMT). The SMT comprises of the Headteacher, Deputy Headteacher, Phase and Key Stage Leaders and the senior finance officer. The SMT implement the policies laid down by the Trustees and report back to them on performance.

The Academy has a leadership structure which consists of the Trustees, The Senior Management Team and Team Leaders. The aim of the leadership structure is to devolve responsibility and encourage involvement in decision making at all levels.

The Senior Management Team (SMT) consists of the Headteacher, Deputy Headteacher, Key Stage One leader, 3/4 and 5/6 Phase leader, PI manager and the Senior Finance Officer. The SLT controls the Academy at an executive level, implementing the policies laid down by the Trustees and reporting back to them. The Headteacher, Senior Finance Officer and Premises Committee are responsible for the authorisation of spending within agreed budgets; a summary of this is in the Scheme of Delegation. Some spending control is devolved to Budget Holders which must be authorised in line with the Scheme of Delegation. The Headteacher is responsible for the appointment of staff, though appointment panels for teaching posts always include a Trustee.

The Link Academy Collaborative Trust comprises of four Primary schools – Millbrook, Peatmoor, Westlea and Shaw Ridge. Each school has its own Governing Body responsible for day to day operations and management of the school's budget. The Trust Board comprises of Directors elected from the Governing Body of each school.

The Headteacher is the Accounting Officer.

**Arrangements for Setting Pay and Remuneration of Key Management Personnel**

The Trustee's consider the Senior Leadership Team comprises the Key Management Personnel of the Academy in charge of directing, controlling, running and operating the Trust on a day to day basis. All Trustee's give their time freely and no Trustee received remuneration in the 2015-16 financial year in their role as a Trustee.

The pay of Key Management Personnel is reviewed annually and is normally increased in accordance with average earning in line with National Pay Awards. Any further pay awards are performance related in accordance with the Academy's Pay Policy.

**Connected Organisations, including Related Party Relationships**

Westlea is a member of the Link Academy Collaborative Trust, an Umbrella Trust, and has strong working relationships with the other three above named schools.

The FOW (Friends of Westlea) raise money for the school and provide valuable resources, although the finances are completely separate to the finances of the Academy.

**OBJECTIVES AND ACTIVITIES**

**Objects and Aims**

The principal object and activity of the Academy is to advance for the public benefit education in the United Kingdom, in particular by establishing, maintaining, carrying on, managing and developing a school, offering a broad range of curriculum for pupils of different abilities, with a strong emphasis on inclusion.

The principal object and activity of the Charitable Company is the operation of Westlea Primary School to provide free education and care for pupils of different abilities. The Academy's specialism is care and education of PI children in a fully inclusive curriculum.

**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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The aims of the Academy during the year ended 31 August 2016 are summarised below:

- to continually drive up standards of Reading and Writing for the whole school;
- to continually drive up standards of Numeracy for the whole school;
- to develop students as more effective learners;
- to enhance the tertiary provision and outcomes;
- to develop the Academy site so that it enables students to achieve their full potential;
- to ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care;
- to improve the effectiveness of the Academy by keeping the curriculum and organisational structure under continual review;
- to maximise the number of students who achieve the Expected Standard in Reading, Writing, SPAG and Numeracy to provide value for money for the funds expended;
- to develop the curriculum at Westlea Primary School to ensure it is broad and balanced and to develop greater coherence, clarity and effectiveness in school systems;
- to comply with all appropriate statutory and curriculum requirements;
- to maintain close links with industry and commerce;
- to develop the Academy's capacity to manage change; and
- to conduct the Academy's business in accordance with the highest standards of integrity, probity and openness.

At Westlea Primary School we aim to achieve the best for, and from, each child. We intend to enable each child to realise his or her full academic, creative and physical potential and to develop positive social and moral values. Our Academy is a community in which children, staff and parents should be part of a happy and caring environment.

**Objectives, Strategies and Activities**

Key priorities for the year are contained in our Academy Development Plan which is available from the Academy Office. Improvement focuses identified for this year include:

- To continually drive up standards of numeracy throughout the school. To ensure good/outstanding progress for the whole school;
- To continually drive up standards of reading and writing for the whole school. To ensure progress remains at good/outstanding throughout the whole school; and
- To implement the new curriculum effectively.

Targets have been set for the end of KS2 SAT assessments as follows:

- Reading EXS+ 76% GDS 20%;
- Writing EXS+ 68% GDS 20%; and
- Numeracy EXS+ 85% 18%

Key activities and targets were identified in the Academy Development Plan and were influenced by the significant challenges and opportunities arising from national changes in education policy and funding, including the conversion to Academy status. The activities included the following:

- review of numeracy, literacy and ICT capability;
- review of staffing levels in the light of budgetary pressure;
- further development of the intranet to support administration and communication;
- development and embedding of key financial and administrative procedures arising from conversion;
- continued development of systems for tracking and monitoring pupil attainment; and
- range of activities to promote community cohesion and support of other charities activities.



**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2016**

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**Public Benefit**

The Trustees confirm that they have complied with the duty in Section 17(5) of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit in exercising their powers or duties. They have referred to this guidance when reviewing the Academy Trust's aims and objectives and in planning its future activities.

The Academy Trust aims to advance for the public benefit, education in Westlea and the surrounding area. In particular, but without prejudice to the generality of the forgoing by estimating, maintaining, managing and developing schools, offering a broad curriculum with a strong emphasis on, but in no way limited to the specialism of inclusion.

As an Academy we have a duty to support other schools. Our named schools in the Academy status are Peatmoor Community Primary School, Shaw Ridge Primary School and Millbrook Primary School. We support these schools through use of our specialist skills in the core subjects and a collaborative approach.

**STRATEGIC REPORT**

**Achievements and Performance**

The Academy is in its third year of operation and has exceeded the forecast number of students. The total number of students in the year ended 31 August 2016 was 309. The Academy is full in four year groups and has a waiting list in operation. Year 4 has 3 places and Year 5 has 5 places and Year 6 has 7 places.

The Academy is oversubscribed. There were 66 applicants for the 45 places available in Reception. The pupil numbers from the October census 2016 was 309. For results see RAISE online document, October 2016.

To ensure that standards are continually assessed, the Academy operates a programme of lesson observations, which are undertaken by the Senior Leadership Team.

The Academy was inspected by OFSTED on 19 October 2016 and was judged to be good.

During the year the Academy completed the redecoration of all classrooms, all new lighting, carpeting, extensive kitchen repairs, new infrastructure for two walls between two classrooms that were temporary.

The Academy has established close links with Shaw Ridge, Peatmoor Community and Millbrook Primary Schools. The four Academies are embarking on mutual staff development, with the primary aim of driving up standards.

**Key Performance Indicators**

The main financial performance indicator is the level of reserves held at the Balance Sheet date. In particular, the management of spending against General Annual Grant (GAG) requires special attention. At the end of 2016 £57,982 was carried forward representing 4.7% of GAG.

As funding is based on pupil numbers this is also a key performance indicator. Pupil numbers for 2016 were 309, a decrease of 6 over 2015. It is anticipated that school will continue to operate at full PAN.

Another key financial performance indicator is staffing costs as a percentage of total revenue income. For 2016 this was 72.5%, compared to 75% in 2015.

**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 Going concern policy.

**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2016**

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**FINANCIAL REVIEW**

**Financial Review**

Most of the Academy's income is obtained from the DfE via the EFA/LA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2016 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activities.

During the year ended 31 August 2016, total expenditure of £1,621,696 was covered by recurrent grant funding from the DfE, together with other incoming resources of £1,672,796. The excess of income over expenditure for the year (excluding restricted fixed asset funds) was £51,100.

At 31 August 2016 the net book value of fixed assets was £2,650,190 and movements in tangible fixed assets are shown in note 14 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

The land, buildings and other assets were transferred to the Academy upon conversion. Land and buildings were professionally valued at 31 March 2014 at £2,634,000. Other assets have been included in the financial statements at a best estimate, taking into account purchase price and remaining useful lives.

The Academy has taken on the deficit in the Local Government Pension Scheme in respect of its non teaching staff transferred on conversion. The deficit is incorporated within the Statement of Financial Activity with details in Note 24 to the financial statements.

Key financial policies adopted or reviewed during the year include the Finance Policy which lays out the framework for financial management, including financial responsibilities of the Board, Headteacher, managers, budget holders and other staff, as well as delegated authority for spending. Other policies reviewed and updated included Charges and Lettings, Asset Management and Insurance.

**Reserves Policy**

The Trustees review the reserve levels of the Academy annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The Trustees take into consideration the future plans of the Academy, the uncertainty over future income streams and other key risks identified during the risk review.

The Trustees have determined that the appropriate level of free reserves should be decided by taking into account the following:

- one month salary bill;
- the school's annual budget;
- the need for any large project spend such as facilities development or building condition needs;
- any uncertainty, turbulence or expected reduction in funding arrangements; and
- anticipated funding over the next three years.

Trustees monitor and discuss the school finances on a regular basis with the Senior Finance Officer and Headteacher.

The defined benefit pension scheme reserve has a negative balance. The effect of the deficit position of the pension scheme is that the Academy Trust is paying higher employers' pension contributions over a period of years. The higher employers' pension contributions will be met from the Academy Trust's budgeted annual income, whilst the deficit will not be immediately eliminated, there should be no actual cash flow deficit on the fund, or direct impact in the free reserves on the Academy Trust.

**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2016**

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**Investment Policy**

Trustees are committed to ensuring that all funds under their control are managed in such a way as to maximise return whilst minimising risk. Any cash not required for operating expenses is placed on deposit at the most favourable rate available from providers covered by the Financial Services Compensation Scheme. Day to day management of the surplus funds is delegated to the Headteacher and Finance Officer within strict guidelines approved by the Board of Trustees.

**Principal Risks And Uncertainties**

The Board of Trustees has reviewed the major 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 principal risks and uncertainties facing the Academy are as follows:

**Financial** - the Academy has considerable reliance on continued Government funding through the EFA. In the last year 94% of the Academy's incoming resources were ultimately Government funded and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.

**Failures in governance and/or management** - the risk in this area arises from potential failure to effectively manage the Academy's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks.

**Safeguarding and child protection** - the Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health and safety and discipline.

**Staffing** - the success of the Academy is reliant upon the quality of its staff and so the Trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is a clear succession planning.

**Fraud and mismanagement of funds** - The Academy has appointed an organisation to perform Internal Assurance checks on financial systems and records as required by the Academy Financial Handbook. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area.

The Academy has continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness. A risk register is maintained, reviewed and updated on a regular basis.

The Academy has agreed a Risk Management Strategy, a Risk Register and a Risk Management Plan. These have been discussed by Trustees and include the financial risks to the Academy. The register and plan are regularly reviewed in light of any new information and formally reviewed annually.

The Trustees have assessed the major risks to which the Academy is exposed. In particular those relating to its finances, teaching, facilities and other operational areas. The Trustees have implemented a number of systems to assess and minimise those risks, including internal controls described elsewhere. Where significant financial risk still remains they have ensured they have adequate insurance cover.

The Trustees examine the financial health formally every term. They review performance against budgets and overall expenditure by means of regular update reports at all Board and Finance Committee meetings. The Trustees also regularly review cash flow forecasts and ensure sufficient funds are held to cover all known and anticipated commitments.

At the year end, the Academy had no significant liabilities arising from trade creditors or debtors that would have a significant effect on liquidity.

**TRUSTEES' REPORT (continued)  
FOR THE YEAR ENDED 31 AUGUST 2016**

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The Board of Trustees recognise that the defined benefit pension scheme deficit (Local Government Pension Scheme) represents a significant potential liability. However as the Trustees consider that the Academy is able to meet its known annual contribution commitments for the foreseeable future, this risk from this liability is minimised.

**PLANS FOR FUTURE PERIODS**

The Academy will continue to strive to provide outstanding education and improve the levels of performance of its pupils at all levels. The Academy will continue to aim to attract high quality teachers and support staff in order to deliver its objectives.

The Academy will continue to work with partner schools to improve the educational opportunities for students in the wider community.

The Academy aims to secure EFA funding to further improve parts of the school.

Full details of our plans for the future are given in our Academy Development Plan, which is available on our website or from the Clerk to the Trustees.

**FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS**

The Academy and its Trustees do not act as the Custodian Trustees of any other Charity.

**AUDITORS**

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are 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 auditors are aware of that information.

The auditors, Bishop Fleming Bath Limited, are willing to continue in office and a resolution to appoint them will be proposed at the annual general meeting.

Trustees' report, incorporating a strategic report, approved by order of the Board of Trustees, as company directors, on 8 December 2016 and signed on the board's behalf by:



**B Barrett  
Chair of Trustees**

## **GOVERNANCE STATEMENT**

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### **SCOPE OF RESPONSIBILITY**

As Trustees, we acknowledge we have overall responsibility for ensuring that Westlea Primary 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 Headteacher, 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 Westlea Primary 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 year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
B Barrett, Chair	4	4
T Dowell, Vice Chair	4	4
R Carberry, Headteacher	4	4
S Green	1	2
M Carroll	4	4
M Davis	1	4
S Earl	2	4
A Amin	1	1
S James	3	4
L Batstone	1	2
L Hakin	3	3
M Row	2	4

The Finance Committee is a sub-committee of the main Board of Trustees. It meets at least four times a year and is responsible for monitoring and evaluating policy and performance in relation to financial management, compliance with reporting and regulatory requirements and reporting, receiving financial reports and drafting the annual budget including setting staffing levels. It also incorporates the role of an audit committee.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
L Batstone	1	3
T Dowell	1	4
R Carberry	4	4
B Barrett	2	4
S Green	1	1
L Hakin	2	2
M Row	3	4
M Carroll	3	4

**GOVERNANCE STATEMENT (continued)**

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**REVIEW OF VALUE FOR MONEY**

As Accounting Officer, the Headteacher 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 Academy 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 appropriate. The Accounting Officer for the Academy Trust has delivered improved value for money during the year by:

- Working closely with the Bursar to ensure services and products purchased are constantly reviewed for best value;
- Working collaboratively with other schools in the LACT we have expanded our sharing of training resources and facilities to maximise CPD savings and jointly purchased consultancy services to benefit from further discounted rates;
- Working collaboratively with a local secondary school and other West Swindon primary schools, we undertook a paper purchasing exercise, resulting in a cost saving for all schools with our increased buying power. We are looking to expand this initiative in the future;
- PE & Sport Grant allows the school to purchase services from Premier Education (1yr contract) which includes in-house curriculum CPD for staff. This has improved the quality of teaching in school and pupil engagement and participation in physical activity; and
- Site Manager regularly negotiates with contractors and suppliers to ensure best value prices for supplies and services.

**THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of 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 Westlea Primary School for the year 1 September 2015 to 31 August 2016 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 year 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

**GOVERNANCE STATEMENT (continued)**

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**THE RISK AND CONTROL FRAMEWORK**

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

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

The Board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed Financial Services 4 Schools Ltd to perform additional checks.

The reviewer's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. On a semi-annual basis, the reviewer's report to the Board of Trustees on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

**REVIEW OF EFFECTIVENESS**

As Accounting Officer, the Headteacher 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 external auditors;
- 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 Finance Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 8 December 2016 and signed on their behalf, by:



**B Barrett**  
**Chair of Trustees**



**R Carberry**  
**Accounting Officer**

**WESTLEA PRIMARY SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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As Accounting Officer of Westlea Primary School I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

I confirm that I and the Academy 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.

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 EFA.



**R Carberry  
Accounting Officer**

Date: 8 December 2016



**STATEMENT OF TRUSTEES' RESPONSIBILITIES  
FOR THE YEAR ENDED 31 AUGUST 2016**

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The Trustees (who act as governors of Westlea Primary School and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Strategic report, the Trustees' report and the financial statements in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the 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 of the Charities SORP 2015 and the Academies' Accounts Direction 2015 to 2016;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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 financial statements 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 grants received from the EFA/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 financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the Board of Trustees and signed on its behalf by:



**B Barrett  
Chair of Trustees**

**Date: 8 December 2016**

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE BOARD OF TRUSTEES  
OF WESTLEA PRIMARY SCHOOL**

We have audited the financial statements of Westlea Primary School for the year ended 31 August 2016 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

This report is made solely to the Academy Trust'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 Academy Trust's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy Trust and its members, as a body, for our audit work, for this report, or for the opinion we have formed.

**RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS**

As explained more fully in the Statement of Trustees' responsibilities, the Trustees (who are also the directors of the Academy Trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

**SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Academy Trust's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Trustees' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

**OPINION ON FINANCIAL STATEMENTS**

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2016 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

**OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006**

In our opinion the information given in the Trustees' report, incorporating the Strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

**'WESTLEA PRIMARY SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)**

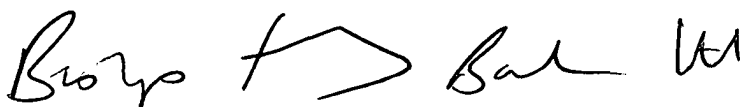
**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE BOARD OF TRUSTEES  
OF WESTLEA PRIMARY SCHOOL**

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**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

We have nothing to report in respect of the following matters where 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 financial statements 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.



Simon Morrison FCA (Senior Statutory Auditor)

for and on behalf of

**Bishop Fleming Bath Limited**

Chartered Accountants

Statutory Auditors

Minerva House

Lower Bristol Road

Bath

BA2 9ER

Date:

13/12/2016

**WESTLEA PRIMARY SCHOOL  
(A COMPANY LIMITED BY GUARANTEE)**

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO WESTLEA  
PRIMARY SCHOOL AND THE EDUCATION FUNDING AGENCY**

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In accordance with the terms of our engagement letter dated 03 June 2014 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Westlea Primary School during the year 1 September 2015 to 31 August 2016 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 Westlea Primary School and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Westlea Primary School and EFA 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 Westlea Primary School and EFA, for our work, for this report, or for the conclusion we have formed.

**RESPECTIVE RESPONSIBILITIES OF WESTLEA PRIMARY SCHOOL'S ACCOUNTING OFFICER AND THE  
REPORTING ACCOUNTANT**

The accounting officer is responsible, under the requirements of Westlea Primary School's funding agreement with the Secretary of State for Education dated 19 December 2012, and the Academies Financial Handbook extant from 1 September 2014, 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 2015 to 2016. 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 year 1 September 2015 to 31 August 2016 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

**APPROACH**

We conducted our engagement in accordance with the Academies Accounts Direction 2015 to 2016 issued by EFA. 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.

Our work on regularity included a review of the internal controls policies and procedures that have been implemented and an assessment of their design and effectiveness to understand how the academy complied with the framework of authorities. We also reviewed the reports commissioned by the trustees to assess the internal controls throughout the year.

We performed detailed testing based on our assessment of the risk of material irregularity, impropriety and non-compliance. This work was integrated with our audit on the financial statements where appropriate and included analytical review and detailed substantive testing of transactions.

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO WESTLEA  
PRIMARY SCHOOL AND THE EDUCATION FUNDING AGENCY (continued)**

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**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 year 1 September 2015 to 31 August 2016 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Simon Morrison FCA (Reporting Accountant)

**Bishop Fleming Bath Limited**

Chartered Accountants  
Statutory Auditors  
Minerva House  
Lower Bristol Road  
Bath  
BA2 9ER

Date: 13/12/2016

**WESTLEA PRIMARY SCHOOL**  
**(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

	Note	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
<b>INCOME FROM:</b>						
Donations and capital grants	2	1,787	23,869	-	25,656	17,865
Charitable activities	5	19,085	1,596,430	-	1,615,515	1,557,941
Other trading activities	3	31,320	-	-	31,320	29,608
Investments	4	305	-	-	305	340
<b>TOTAL INCOME</b>		<b>52,497</b>	<b>1,620,299</b>	<b>-</b>	<b>1,672,796</b>	<b>1,605,754</b>
<b>EXPENDITURE ON:</b>						
Charitable activities		52,479	1,569,217	68,679	1,690,375	1,686,415
<b>TOTAL EXPENDITURE</b>	6	<b>52,479</b>	<b>1,569,217</b>	<b>68,679</b>	<b>1,690,375</b>	<b>1,686,415</b>
<b>NET INCOME / (EXPENDITURE) BEFORE TRANSFERS</b>						
Transfers between Funds	17	18	51,082	(68,679)	(17,579)	(80,661)
		-	(23,294)	23,294	-	-
<b>NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES</b>						
		18	27,788	(45,385)	(17,579)	(80,661)
Actuarial losses on defined benefit pension schemes	21	-	(253,000)	-	(253,000)	(15,000)
<b>NET MOVEMENT IN FUNDS</b>		<b>18</b>	<b>(225,212)</b>	<b>(45,385)</b>	<b>(270,579)</b>	<b>(95,661)</b>
<b>RECONCILIATION OF FUNDS:</b>						
Total funds brought forward		174,895	(327,082)	2,680,953	2,528,766	2,624,427
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b>174,913</b>	<b>(552,294)</b>	<b>2,635,568</b>	<b>2,258,187</b>	<b>2,528,766</b>

The notes on pages 23 to 45 form part of these financial statements.

**WESTLEA PRIMARY SCHOOL**  
**(A COMPANY LIMITED BY GUARANTEE)**  
**REGISTERED NUMBER: 08713214**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2016**

	Note	£	2016 £	£	2015 £
<b>FIXED ASSETS</b>					
Tangible assets	13		<b>2,650,190</b>		2,698,280
<b>CURRENT ASSETS</b>					
Debtors	14	<b>48,255</b>		71,057	
Cash at bank and in hand		<b>280,799</b>		190,962	
			<b>329,054</b>	<b>262,019</b>	
<b>CREDITORS:</b> amounts falling due within one year	15	<b>(96,551)</b>		<b>(90,073)</b>	
<b>NET CURRENT ASSETS</b>			<b>232,503</b>		171,946
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<b>2,882,693</b>		2,870,226
<b>CREDITORS:</b> amounts falling due after more than one year	16		<b>(19,506)</b>		<b>(20,460)</b>
<b>NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES</b>			<b>2,863,187</b>		2,849,766
Defined benefit pension scheme liability	21		<b>(605,000)</b>		<b>(321,000)</b>
<b>NET ASSETS INCLUDING PENSION SCHEME LIABILITIES</b>			<b>2,258,187</b>		2,528,766
<b>FUNDS OF THE ACADEMY TRUST</b>					
Restricted income funds:					
General funds	17	<b>52,706</b>		(6,082)	
Fixed asset funds	17	<b>2,635,568</b>		2,680,953	
Restricted income funds excluding pension liability		<b>2,688,274</b>		2,674,871	
Pension reserve		<b>(605,000)</b>		<b>(321,000)</b>	
Total restricted income funds			<b>2,083,274</b>		2,353,871
Unrestricted income funds	17		<b>174,913</b>		174,895
<b>TOTAL FUNDS</b>			<b>2,258,187</b>		2,528,766

The financial statements were approved by the Trustees, and authorised for issue, on 8 December 2016 and are signed on their behalf, by:



**B Barrett**  
**Chair of Trustees**

The notes on pages 23 to 45 form part of these financial statements.

**WESTLEA PRIMARY SCHOOL**  
**(A COMPANY LIMITED BY GUARANTEE)**

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

	<b>Note</b>	<b>2016 £</b>	<b>2015 £</b>
<b>Cash flows from operating activities</b>			
Net cash provided by/(used in) operating activities	19	<b>113,735</b>	<b>(50,480)</b>
<b>Cash flows from investing activities:</b>			
Interest received		<b>305</b>	<b>340</b>
Proceeds from the sale of tangible fixed assets		<b>-</b>	<b>700</b>
Purchase of tangible fixed assets		<b>(23,294)</b>	<b>(46,264)</b>
<b>Net cash used in investing activities</b>		<b>(22,989)</b>	<b>(45,224)</b>
<b>Cash flows from financing activities:</b>			
Repayments of borrowings		<b>(909)</b>	<b>(866)</b>
<b>Net cash used in financing activities</b>		<b>(909)</b>	<b>(866)</b>
<b>Change in cash and cash equivalents in the year</b>		<b>89,837</b>	<b>(96,570)</b>
Cash and cash equivalents brought forward		<b>190,962</b>	<b>287,532</b>
<b>Cash and cash equivalents carried forward</b>	20	<b>280,799</b>	<b>190,962</b>



**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**1. ACCOUNTING POLICIES**

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

**1.1 GENERAL INFORMATION**

Westlea Primary School is a company limited by guarantee, incorporated in England and Wales. The registered office is Langstone Way, Westlea, Swindon, Wiltshire, SN5 7BT.

**1.2 BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

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 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

Westlea Primary School constitutes a public benefit entity as defined by FRS 102.

**First time adoption of FRS 102**

These financial statements are the first financial statements of Westlea Primary School prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) and the Charities SORP 2015 (SORP 2015). The financial statements of Westlea Primary School for the year ended 31 August 2015 were prepared in accordance with previous Generally Accepted Accounting Practice ('UK GAAP') and SORP 2005.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the Trustees have amended certain accounting policies to comply with FRS 102 and SORP 2015. The Trustees have also taken advantage of certain exemptions from the requirements of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.

Reconciliations to previous UK GAAP for the comparative figures are included in note 27.

**1.3 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 Academy Trust 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 financial statements 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.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**1. ACCOUNTING POLICIES (continued)**

**1.4 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 Education Funding Agency where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder and include grants from the Department for Education.

Transfers are made between restricted funds and restricted fixed asset funds where restricted funds are used to purchase fixed assets.

**1.5 INCOME**

All income is recognised once the Academy has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

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 entitlement of receipt, its recognition is deferred and included in creditors as deferred income. 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 when there is entitlement and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

Sponsorship income provided to the Academy which amounts to a donation is recognised in the Statement of financial activities in the period in which it is receivable, where there is certainty of receipt and it is measurable.

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

Other income, including the hire of facilities, is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**1. ACCOUNTING POLICIES (continued)**

**1.6 EXPENDITURE**

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

Expenditure on raising funds includes all expenditure incurred by the Academy Trust to raise funds for its charitable purposes and includes cost of all fundraising activities, events and non-charitable trading.

Charitable activities 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.

All resources expended are inclusive of irrecoverable VAT.

**1.7 TANGIBLE FIXED ASSETS AND DEPRECIATION**

All assets costing more than £500 are capitalised.

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 the relevant assets is charged directly 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.

On conversion the Academy Trust was granted a 125 year lease from the Local Authority for the land and buildings previously occupied by the local authority school. On conversion the long term leasehold property was recognised as a donation from the Local Authority and was valued using the depreciated replacement cost method.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Long term leasehold property	-	50 years straight line
Long term leasehold land	-	125 years straight line
Fixtures and fittings	-	5 years straight line
Computer equipment	-	3 years 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.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**1. ACCOUNTING POLICIES (continued)**

**1.8 OPERATING LEASES**

Rentals under operating leases are charged to the Statement of financial activities incorporating income and expenditure account on a straight line basis over the lease term.

**1.9 TAXATION**

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

**1.10 DEBTORS**

Trade and other debtors with no stated interest rate and due within one year are recorded at the amount of the cash or other consideration expected to be received. Prepayments are valued at the amount paid.

**1.11 CASH AT BANK AND IN HAND**

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account and cash on deposit that has a notice period of less than 30 days.

**1.12 LIABILITIES AND PROVISIONS**

Liabilities and provisions 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. Provisions are measured at the best estimate of the amounts required to settle the obligation.

**1.13 FINANCIAL INSTRUMENTS**

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidence a residual interest in the assets of the company after deducting all of its liabilities. Financial instruments includes cash at bank, trade debtors, accrued income from financial instruments (comprising dividends and interest due from investments), trade creditors and accrued expenditure.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

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**1. ACCOUNTING POLICIES (continued)**

**1.14 PENSIONS**

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 21, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each Balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of financial activities incorporating income and expenditure account 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.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2016**

**1. ACCOUNTING POLICIES (continued)**

**1.15 CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGMENT**

Estimates and judgments 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 (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2013 has been used by the actuary in valuing the pensions liability at 31 August 2016. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

The Academy Trust obtains use of fixed assets as a lessee. The classification of such leases as operating or finance lease requires the Academy Trust to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the Balance Sheet.

**2. INCOME FROM DONATIONS**

	<b>Unrestricted funds 2016 £</b>	<b>Restricted funds 2016 £</b>	<b>Restricted fixed asset funds 2016 £</b>	<b>Total funds 2016 £</b>	<b>Total funds 2015 £</b>
Donations	<b>1,787</b>	<b>23,869</b>	<b>-</b>	<b>25,656</b>	<b>17,865</b>

In 2015, of the total income from donations, £ Nil was to unrestricted funds and £17,865 was to restricted funds.

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**3. OTHER TRADING ACTIVITIES**

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Lettings	27,765	-	27,765	28,868
Fees received	3,555	-	3,555	740
	<u>31,320</u>	<u>-</u>	<u>31,320</u>	<u>29,608</u>

In 2015, of the total income from other trading activities, £29,608 was to unrestricted funds and £Nil was to restricted funds.

**4. INVESTMENT INCOME**

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Bank interest	305	-	305	340
	<u>305</u>	<u>-</u>	<u>305</u>	<u>340</u>

In 2015, of the total investment income, £340 was to unrestricted funds and £Nil was to restricted funds.

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**5. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS**

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
<b>DfE/EFA grants</b>				
General Annual Grant	-	1,233,175	1,233,175	1,189,207
Other DfE/EFA grants	-	145,041	145,041	152,636
	<u>-</u>	<u>1,378,216</u>	<u>1,378,216</u>	<u>1,341,843</u>
<b>Other government grants</b>				
High Needs	-	202,464	202,464	177,095
	<u>-</u>	<u>202,464</u>	<u>202,464</u>	<u>177,095</u>
<b>Other funding</b>				
Internal catering income	19,085	-	19,085	14,136
Other	-	15,750	15,750	24,867
	<u>19,085</u>	<u>15,750</u>	<u>34,835</u>	<u>39,003</u>
	<u>19,085</u>	<u>1,596,430</u>	<u>1,615,515</u>	<u>1,557,941</u>

In 2015, of the total income from charitable activities, £30,573 was to unrestricted funds and £1,527,368 was to restricted funds.

**6. EXPENDITURE**

	Staff costs 2016 £	Premises 2016 £	Other costs 2016 £	Total 2016 £	Total 2015 £
Education:					
Direct costs	983,492	71,384	191,126	1,246,002	1,211,485
Support costs	247,635	152,444	44,294	444,373	474,930
	<u>1,231,127</u>	<u>223,828</u>	<u>235,420</u>	<u>1,690,375</u>	<u>1,686,415</u>

In 2016, of the total expenditure, £52,479 (2015: £48,882) was to unrestricted funds and £1,653,079 (2015: £1,637,530) was to restricted funds.



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**7. DIRECT COSTS**

	<b>Total 2016 £</b>	<b>Total 2015 £</b>
Pension finance costs	12,000	10,000
Educational supplies	116,194	128,196
Staff development	12,030	9,203
Other costs	8,986	9,033
Supply teachers	22,047	447
School trip expenditure	23,916	25,552
Technology costs	-	493
Wages and salaries	781,486	790,199
National insurance	52,425	48,536
Pension cost	145,534	126,412
Depreciation	71,384	63,414
	<b>1,246,002</b>	<b>1,211,485</b>

**8. SUPPORT COSTS**

	<b>Total 2016 £</b>	<b>Total 2015 £</b>
Other costs	-	56
Recruitment and support	-	8,539
Maintenance of premises and equipment	35,344	82,650
Cleaning	7,555	9,048
Rent and rates	11,390	11,765
Energy costs	16,604	19,285
Insurance	9,693	9,978
Security and transport	474	448
Catering	29,089	27,191
Technology costs	15,230	16,618
Office overheads	11,289	10,297
Legal and professional	54,905	38,952
Bank interest and charges	1,118	1,128
(Profit) / Loss on disposal of fixed assets	-	3,731
Wages and salaries	198,647	189,414
National insurance	9,676	7,945
Pension cost	43,359	37,885
	<b>444,373</b>	<b>474,930</b>

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**9. NET INCOME/ (EXPENDITURE) FOR THE PERIOD**

This is stated after charging:

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Depreciation of tangible fixed assets:		
- owned by the charity	<b>71,384</b>	63,414
Auditors' remuneration - audit	<b>4,650</b>	4,650
Auditors' remuneration - non audit	<b>1,340</b>	1,690
Operating lease payments	<b>900</b>	1,804
	<b><u>78,274</u></b>	<b><u>71,558</u></b>

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**10. STAFF COSTS**

Staff costs were as follows:

	2016 £	2015 £
Wages and salaries	958,086	979,165
Social security costs	62,101	56,481
Operating costs of defined benefit pension schemes	188,893	164,298
	<u>1,209,080</u>	<u>1,199,944</u>
Supply teacher costs	22,047	447
	<u><u>1,231,127</u></u>	<u><u>1,200,391</u></u>

The average number of persons employed by the Academy Trust during the year was as follows:

	2016 No.	2015 No.
Teachers	12	14
Admin and support including teaching assistants	48	44
Management	3	4
	<u>63</u>	<u>62</u>

Average headcount expressed as a full time equivalent:

	2016 No.	2015 No.
Teachers	10	12
Admin and support including teaching assistants	29	26
Management	3	4
	<u>42</u>	<u>42</u>

No employee received remuneration amounting to more than £60,000 in either year.

The key management personnel of the Academy Trust comprise the Trustees (who do not received remuneration for their role as Trustees) and the Senior Leadership Team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their service to the Academy Trust was £186,848 (2015: £265,473).

As Staff Trustees are not remunerated in respect of their role as a Trustee, where Staff Trustees do not form part of the key management personnel other than in their role as Trustee, their remuneration as set out in note 11 has not been included in the total benefits received by key management personnel above.

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**11. TRUSTEES' REMUNERATION AND EXPENSES**

During the year retirement benefits were accruing to 5 Trustees (2015: 5) in respect of defined benefit pension schemes.

The Headteacher and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff under their contracts of employment, and not in respect of their services as Trustees. Other Trustees did not receive any payments, other than expenses, from the Academy Trust in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows: R Carberry: Remuneration £55,000 - £60,000 (2015: £55,000 - £60,000), Employer's Pension £5,000 - £10,000 (2015: £5,000 - £10,000), S James: Remuneration £30,000 - £35,000 (2015: £30,000 - £35,000), Employer's Pension £5,000 - £10,000 (2015: £0 - £5,000), M Walker: Remuneration £Nil (2015: £10,000 - £15,000), Employer's Pension £Nil (2015: £0 - £5,000), M Carroll: Remuneration £Nil (2015: £30,000 - £35,000), Employer's Pension £Nil (2015: £0 - £5,000).

During the year, no Trustees received any reimbursement of expenses (2015: £NIL).

**12. TRUSTEES' AND OFFICERS' INSURANCE**

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim. The cost of this insurance is included in the total insurance cost.

**13. TANGIBLE FIXED ASSETS**

	Long Term Leasehold Property £	Fixtures and Fittings £	Computer Equipment £	Total £
<b>COST</b>				
At 1 September 2015	2,715,774	47,081	46,414	2,809,269
Additions	17,871	5,423	-	23,294
At 31 August 2016	2,733,645	52,504	46,414	2,832,563
<b>DEPRECIATION</b>				
At 1 September 2015	90,889	7,357	12,743	110,989
Charge for the year	50,142	5,925	15,317	71,384
At 31 August 2016	141,031	13,282	28,060	182,373
<b>NET BOOK VALUE</b>				
At 31 August 2016	2,592,614	39,222	18,354	2,650,190
At 31 August 2015	2,624,885	39,724	33,671	2,698,280

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**14. DEBTORS**

	2016 £	2015 £
VAT recoverable	3,211	6,151
Prepayments and accrued income	45,044	64,906
	<u>48,255</u>	<u>71,057</u>

**15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2016 £	2015 £
Other loans	953	908
Trade creditors	-	19,546
Other taxation and social security	19,323	17,550
Other creditors	21,056	7,920
Accruals and deferred income	55,219	44,149
	<u>96,551</u>	<u>90,073</u>

	2016 £	2015 £
<b>DEFERRED INCOME</b>		
Deferred income at 1 September 2015	28,511	30,231
Resources deferred during the year	30,330	28,511
Amounts released from previous years	(28,511)	(30,231)
	<u>30,330</u>	<u>28,511</u>

Deferred income at 31 August 2016 relates to funding received for Universal Infant Free School Meals and rates relief to be recognised in the 2016/17 academic year.

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**16. CREDITORS:**  
**AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	<b>2016</b>	2015
	<b>£</b>	<b>£</b>
Other loans	<b>19,506</b>	20,460

Included within the above are amounts falling due as follows:

	<b>2016</b>	2015
	<b>£</b>	<b>£</b>
<b>BETWEEN ONE AND TWO YEARS</b>		
Other loans	<b>1,000</b>	953
<b>BETWEEN TWO AND FIVE YEARS</b>		
Other loans	<b>3,307</b>	3,151
<b>OVER FIVE YEARS</b>		
Other loans	<b>15,199</b>	16,356

Creditors include amounts not wholly repayable within 5 years as follows:

	<b>2016</b>	2015
	<b>£</b>	<b>£</b>
Repayable by instalments	<b>15,199</b>	16,356

The Equal Pay Loan relates to amounts due to Swindon Unitary Authority in respect of an equal pay claim which arose prior to conversion to an Academy. The total amount due is unsecured and repayable in annual instalments of £1,962 over 18 years. Interest is being charged at a rate of 4.93% per annum. The total amount outstanding at the year end was £20,460 (2015: £21,368).

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**17. STATEMENT OF FUNDS**

	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Carried Forward £
<b>UNRESTRICTED FUNDS</b>						
General funds	174,895	52,497	(52,479)	-	-	174,913
<b>RESTRICTED FUNDS</b>						
General Annual Grant (GAG)	15,286	1,233,175	(1,150,040)	(25,256)	-	73,165
Pupil Premium	-	84,266	(84,266)	-	-	-
Universal Infant Free School Meals income	-	43,919	(43,919)	-	-	-
High needs income	-	202,464	(202,464)	-	-	-
Other DfE/EFA grants	-	9,335	(9,335)	-	-	-
Devolved formula capital	-	7,521	(7,521)	-	-	-
Supply insurance income	-	15,750	(15,750)	-	-	-
Educational visits	-	23,869	(23,869)	-	-	-
Equal pay loan	(21,368)	-	(1,053)	1,962	-	(20,459)
Pension reserve	(321,000)	-	(31,000)	-	(253,000)	(605,000)
	(327,082)	1,620,299	(1,569,217)	(23,294)	(253,000)	(552,294)
<b>RESTRICTED FIXED ASSET FUNDS</b>						
Fixed assets transferred on conversion	2,600,708	-	(56,294)	-	-	2,544,414
Fixed assets purchased from GAG and other restricted funds	33,228	-	-	23,294	-	56,522
DfE/EFA Capital grants	41,971	-	(10,452)	-	-	31,519
Fixed assets purchased from donations	5,046	-	(1,933)	-	-	3,113
	2,680,953	-	(68,679)	23,294	-	2,635,568
Total restricted funds	2,353,871	1,620,299	(1,637,896)	-	(253,000)	2,083,274
Total of funds	2,528,766	1,672,796	(1,690,375)	-	(253,000)	2,258,187

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**17. STATEMENT OF FUNDS (continued)**

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

**RESTRICTED FUNDS**

General Annual Grant - Income from the EFA which is to be used for the normal running costs of the Academy, including education and support costs.

High Needs - Funding received by the Local Authority to fund further support for students with additional needs.

Devolved formula capital - This represents funding from the EFA to cover the maintenance and purchase of the Academy's assets.

Pupil Premium - Pupil premium represents funding received from the EFA for children that qualify for free school meals to enable the Academy to address the current underlying inequalities between those children and their wealthier peers.

PE Grant - This represents funding received from the EFA and must be used to fund improvements to the provision of PE and sport, for the benefit of primary-aged pupils, so that they develop healthy lifestyles.

Pension reserve - This represents the Academy's share of the assets and liabilities in the Local Government Pension Scheme. As with most pension schemes this is currently in deficit due to an excess of scheme liabilities over scheme assets which was inherited on conversion to an academy. The Academy is following the recommendations of the actuary to reduce the deficit by making additional contributions over a number of years.

**FIXED ASSET FUNDS**

Fixed assets transferred on conversion represent the building and equipment donated to the school from Swindon Unitary Authority on conversion to an academy.

Capital income received from the EFA in the period represents ACMF income received for fire protection and roof repairs.

**18. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

	Unrestricted funds 2016 £	Restricted funds 2016 £	Restricted fixed asset funds 2016 £	Total funds 2016 £	Total funds 2015 £
Tangible fixed assets	14,622	-	2,635,568	2,650,190	2,698,280
Current assets	160,291	168,763	-	329,054	262,019
Creditors due within one year	-	(96,551)	-	(96,551)	(90,073)
Creditors due in more than one year	-	(19,506)	-	(19,506)	(20,460)
Pension scheme liability	-	(605,000)	-	(605,000)	(321,000)
	<u>174,913</u>	<u>(552,294)</u>	<u>2,635,568</u>	<u>2,258,187</u>	<u>2,528,766</u>



**NOTES TO THE FINANCIAL STATEMENTS**  
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**19. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	2016 £	2015 £
Net expenditure for the year (as per Statement of financial activities)	(17,579)	(80,661)
<b>Adjustment for:</b>		
Depreciation charges	71,384	63,414
Interest received	(305)	(340)
Loss on the disposal of fixed assets	-	3,731
Decrease in debtors	22,802	32,590
Increase/(decrease) in creditors	6,433	(94,214)
Defined benefit pension scheme cost less contributions payable	19,000	15,000
Defined benefit pension scheme finance cost	12,000	10,000
<b>Net cash provided by/(used in) operating activities</b>	<b>113,735</b>	<b>(50,480)</b>

**20. ANALYSIS OF CASH AND CASH EQUIVALENTS**

	2016 £	2015 £
Cash in hand	280,799	190,962
<b>Total</b>	<b>280,799</b>	<b>190,962</b>

**NOTES TO THE FINANCIAL STATEMENTS**  
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**21. PENSION COMMITMENTS**

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2013.

Contributions amounting to £21,056 were payable to the schemes at 31 August 2016 (2015: £7,920) and are included within creditors.

**Teachers' Pension Scheme**

**Introduction**

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

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

**Valuation of the Teachers' Pension Scheme**

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

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

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS will be as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £84,842 (2015: £77,838)

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website ([www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx](http://www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx)).

**NOTES TO THE FINANCIAL STATEMENTS**  
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**21. PENSION COMMITMENTS (continued)**

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

**Local Government Pension Scheme**

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2016 was £105,000 (2015: £87,000), of which employer's contributions totalled £84,000 (2015: £70,000) and employees' contributions totalled £21,000 (2015: £7,000). The agreed contribution rates for future years are; from April 2017 23%, from April 2018 24.1%, from April 2019 25.3% for employers and 5.5% to 12.5%% 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.

Principal actuarial assumptions:

	<b>2016</b>	<b>2015</b>
Discount rate for scheme liabilities	<b>2.10 %</b>	3.70 %
Rate of increase in salaries	<b>4.10 %</b>	4.50 %
Rate of increase for pensions in payment / inflation	<b>2.00 %</b>	2.60 %

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

	<b>2016</b>	<b>2015</b>
Retiring today		
Males	<b>22.3 years</b>	22.3 years
Females	<b>24.5 years</b>	24.5 years
Retiring in 20 years		
Males	<b>24.1 years</b>	24.1 years
Females	<b>26.9 years</b>	26.9 years

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**21. PENSION COMMITMENTS (continued)**

The Academy's share of the assets in the scheme was:

	Fair value at 31 August 2016 £	Fair value at 31 August 2015 £
Equities	549,000	420,000
Debt instruments	115,000	89,000
Property	92,000	71,000
Cash	8,000	12,000
	<u>764,000</u>	<u>592,000</u>
Total market value of assets	<u>764,000</u>	<u>592,000</u>

The amounts recognised in the Statement of financial activities incorporating income and expenditure account are as follows:

	2016 £	2015 £
Current service cost (net of employee contributions)	(103,000)	(85,000)
Net interest cost	(12,000)	(10,000)
	<u>(115,000)</u>	<u>(95,000)</u>
Total	<u>(115,000)</u>	<u>(95,000)</u>

Movements in the present value of the defined benefit obligation were as follows:

	2016 £	2015 £
Opening defined benefit obligation	913,000	774,000
Current service cost	103,000	85,000
Interest cost	36,000	30,000
Contributions by employees	21,000	17,000
Changes in financial assumptions	306,000	7,000
Benefits paid	(10,000)	-
	<u>1,369,000</u>	<u>913,000</u>
Closing defined benefit obligation	<u>1,369,000</u>	<u>913,000</u>

Movements in the fair value of the Academy's share of scheme assets:

	2016 £	2015 £
Opening fair value of scheme assets	592,000	493,000
Interest income	24,000	20,000
Return on assets excluding amounts included in net interest	53,000	(8,000)
Contributions by employer	84,000	70,000
Contributions by employees	21,000	17,000
Benefits paid	(10,000)	-
	<u>764,000</u>	<u>592,000</u>
Closing fair value of scheme assets	<u>764,000</u>	<u>592,000</u>

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**22. OPERATING LEASE COMMITMENTS**

At 31 August 2016 the total of the Academy trust's future minimum lease payments under non-cancellable operating leases was:

	<b>2016</b> <b>£</b>	2015 <b>£</b>
<b>AMOUNTS PAYABLE:</b>		
Within 1 year	<b>300</b>	900
Between 1 and 5 years	<b>3,851</b>	5,776
<b>Total</b>	<b>4,151</b>	6,676

**23. RELATED PARTY TRANSACTIONS**

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

The Academy is a member of the Link Academies Collaborative Trust with Peatmoor Community Primary School, Shaw Ridge Primary School and Millbrook Primary School. Income and expenditure with these schools in the year were as follows:

	<b>Expenditure £</b>			
	Shaw Ridge	Millbrook	Westlea	Peatmoor
<b>Income £</b>				
Shaw Ridge	X	250	315	250
Millbrook	672	X	575	395
Westlea	531	3,044	X	2,906
Peatmoor	4,000	12,960	4,000	X

At the year end there were no balances outstanding between the Academy and any of the other members of the Link Academies Collaborative Trust.

**WESTLEA PRIMARY SCHOOL**  
**(A COMPANY LIMITED BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS**  
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**24. CONTROLLING PARTY**

The Company is under joint control of the Trustees and therefore there is no ultimate controlling party.

**25. FINANCIAL INSTRUMENTS**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Financial assets measured at fair value through income and expenditure	<b>280,799</b>	190,962
Financial assets measured at amortised cost	<b>15,163</b>	27,343
	<u><b>295,962</b></u>	<u>218,305</u>
Financial liabilities measured at amortised cost	<u><b>40,072</b></u>	<u>35,184</u>

Financial assets measured at fair value through income and expenditure comprise cash and cash equivalents.

Financial assets measured at amortised cost comprises of accrued income.

Financial liabilities measured at amortised cost comprise of trade creditors and accruals.

**26. MEMBERS' LIABILITY**

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

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**27. FIRST TIME ADOPTION OF FRS 102**

It is the first year that the Academy Trust has presented its financial statements under SORP 2015 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 31 August 2015 and the date of transition to FRS 102 and SORP 2015 was therefore 1 September 2014. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

Reconciliations and descriptions of the effect of the transition to FRS 102 and SORP 2015 on total funds and net income/(expenditure) for the comparative period reported under previous UK GAAP and SORP 2005 are given below.

<b>RECONCILIATION OF TOTAL FUNDS</b>	<b>Notes</b>	<b>1 September 2014</b>	<b>31 August 2015</b>
		<b>£</b>	<b>£</b>
Total funds under previous UK GAAP		2,624,427	2,528,766
Total funds reported under FRS 102		<u>2,624,427</u>	<u>2,528,766</u>
<b>Reconciliation of net income / (expenditure)</b>	<b>Notes</b>		<b>31 August 2015</b>
			<b>£</b>
Net (expenditure) previously reported under UK GAAP			(70,661)
Interest cost on pension liability			(10,000)
Net movement in funds reported under FRS 102			<u>(80,661)</u>

Explanation of changes to previously reported funds and net income/expenditure:

Under previous UK GAAP the trust recognised an expected return on defined benefit plan assets in expenditure. Under FRS102 a net interest, based on the net defined benefit liability, is recognised in expenditure. There has been no change to the defined benefit liability at either 1 September 2014 or 31 August 2015. The effect of the change has been to reduce increase the expenditure by £10,000 and decrease other recognised gains and losses in the SoFA by an equivalent amount.