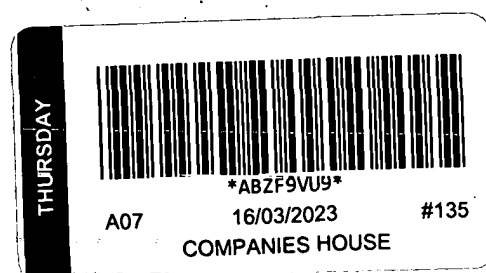


Company Registration Number: 07347930 (England & Wales)

Westcliff High School for Boys Limited
(A company limited by guarantee)

Annual Report and Financial Statements

For the year ended 31 August 2022



Westcliff High School for Boys Limited
(A company limited by guarantee)

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Westcliff High School for Boys Limited
(A company limited by guarantee)

Reference and administrative details

Members

I L Croxford
F Colwell
J Gershinson
S Johnson
A Cole (appointed 20 September 2022)

Governors

C Casey
A Cole, Joint Chair of Governors
F Colwell, Joint Chair of Governors
J Currell
K Dalby (appointed 14 December 2021)
M DeGrove
R Galvin
J Gershinson (resigned 31 August 2022)
P Guyler, Vice Chair of Governors
E Hamilton (resigned 8 September 2021)
T Nageh
D Norman
M Skelly, Headmaster
M Solomons
R Steel (appointed 14 December 2021)

**Company registered
number**

07347930

Company name

Westcliff High School for Boys Limited

**Principal and registered
office**

Kenilworth Gardens
Westcliff-on-Sea
Essex
SS0 0BP

Company secretary

M Skelly

**Senior management
team**

M Skelly, Headmaster
W Williams, First Deputy Headmaster
M Manning, Second Deputy Headmaster
G Fairfax, Third Deputy Headmaster (from 3 September 2022)
J Bleakley, Assistant Head
A Dean, Assistant Head (6th Form)
S Rothon, Director of Finance & Accounting

Independent auditors

Kreston Reeves LLP
Statutory Auditor
Chartered Accountants
37 St Margaret's Street
Canterbury
Kent
CT1 2TU

Bankers

Lloyds Bank plc
PO Box 1000
BX1 1LT

Westcliff High School for Boys Limited
(A company limited by guarantee)

Governors' Report
For the year ended 31 August 2022

The Board of Governors present their annual report together with the Financial Statements and Auditor's report of the charitable company for the year 1 September 2021 to 31 August 2022. The Annual Report serves the purposes of both a Trustees' Report, and a Directors' Report under company law.

Westcliff High School for Boys (WHSB) is a selective Academy Grammar School located in Southend-on-Sea, Essex. The School has been designated Outstanding by OFSTED and currently has 911 boys aged 11-16 and 357 students in the mixed Sixth Form.

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 Governors are the Trustees of Westcliff High School for Boys Limited and are also the Directors of the charitable company for the purposes of company law. Details of the Governors who served during the year, and to the date these accounts are approved, are included in the Reference and Administrative Details on page 1.

Members' liability

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

Governors' indemnities

The Academy through its Articles has indemnified its Trustees/Governors to the fullest extent permissible by law. During the period the Academy also purchased and maintained liability insurance for its Trustees/Governors.

Method of recruitment and appointment or election of governors

Governors are recruited:

- a. By co-option. Efforts are made to identify and encourage service from amongst those who may wish to serve and efforts are made to ensure that there is a diverse mix and also to seek to have a range of skill sets (including those who have professional skills which may be of particular advantage to the School);
- b. By appointment of the Members of the Academy Trust;
- c. By direct election from amongst the parent body;
- d. By direct election from amongst the staff (teaching and support staff)

Policies and procedures adopted for the induction and training of Governors

On appointment, all Governors meet with the Chair of Governors, and the Headmaster, to discuss the role, and are provided with instruction manuals by the Governance Professional (previously known as Clerk to the Board of Governors).

All Governors are encouraged to avail themselves of training, and the School arranges regular training events, both face-to-face, and online. All Governors have access to training provided by the Local Authority, The Key for School Governors, and CEFM. A log of training done by Governors is kept by the Governance Professional and is shared with Governors via the ePortal.

Organisational structure

The Full Board of Governors has four scheduled meetings each year. Those meetings regularly receive and discuss detailed papers prepared by the Headmaster. In addition there are four committees of the Board of Governors, namely Personnel, Finance, Administration & Property, Performance Scrutiny, and Teaching Quality & Pastoral Care. Minutes of Committee meetings are presented to the subsequent meeting of the Full Board of Governors and the Chairman and Headmaster/Deputy Headmasters/Director of Finance & Accounting are available to answer questions. All minutes and related documents are posted on the Governors' ePortal which can be accessed by all members of the Board of Governors.

Westcliff High School for Boys Limited
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Governors' Report (continued)
For the year ended 31 August 2022

Arrangements for setting pay and remuneration of key management personnel

The pay and remuneration of key management personnel is set in accordance with the School's Pay Policy. In summary, salaries are set with regard to, amongst other factors, level of responsibility, experience, and market conditions. Trustees who are not part of the School's Senior Team or Staff Governors do not receive any remuneration.

Trade union facility time

Relevant union officials

- Number of employees who were relevant union officials during the relevant period
- Full-time equivalent employee number

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	-
1%-50%	-
51%-99%	-
100%	-

Percentage of pay bill spent on facility time

Total cost of facility time	
Total pay bill	£5,845,649
Percentage of the total pay bill spent on facility time	

Paid trade union activities

- Time spent on paid trade union activities as a percentage of total paid facility time hours

Related parties and other connected charities and organisations

The Governors consider that the Academy has the following relevant connected organisations and related party relationships:

- WHSB Uniforms Ltd, a dormant subsidiary company which, until the Spring of 2020, used to run the uniform shop. This operation was brought into the main WHSB account during 2020 and continues to trade through the Academy.
- Paul Robinson solicitors which, in the past, has provided legal services to the Academy. F Colwell is a partner of this firm.

Further details are given in note 27.

Objectives and activities

Objects and aims

The principle objective and aim of the Academy is to function successfully as a State-funded selective Grammar School. The Academy endeavours to pursue an ethos and identity as articulated in the School's Learner Profile encouraging both the academic and personal development of its pupils. Promoting community and the moral dimension in education are central to the Academy's activity.

Westcliff High School for Boys Limited
(A company limited by guarantee)

Governors' Report (continued)
For the year ended 31 August 2022

Objectives, strategies and activities

There is an emphasis on encouraging pupils not only to acquire qualifications, but to also develop respect for scholarship and learning. There is a concern to transmit an understanding of the breadth of human achievement and to encourage pupils to think critically, to respect evidence, to distinguish between opinions and prejudices and to make balanced judgments of their own. In addition, the School is clear on the importance of inculcating personal values such as integrity, self-discipline, initiative, reliability and punctuality and of refining pupils' moral vocabularies and sensibilities.

Public benefit

The above-described objectives, aims, strategies, and activities are self-evidently for the benefit of the public in so far as they provide a broad but effective formal education for young people whilst also encouraging them to participate, and achieve to their best ability, in other sporting and cultural activities. In addition, on many and various occasions throughout the year members of the public are welcome (subject to COVID-19 and other public health regulations which may be in issue) to attend events such as plays, concerts and lectures.

The Governors have complied with their duty to have due regard to the guidance on public benefit issued by the Charity Commission in exercising their powers and duties.

Strategic report

Achievements and performance

The Academy has enjoyed, for many years, a strong academic record and results in public examinations in recent years have been impressive.

Key performance indicators

In 2022 82% of subject entries at GCSE were graded 7-9 and in the same year the A*/A/B percentage at Advanced Level was 83%.

Going concern

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

Financial review

The Governors are pleased to record that the Academy's financial status remains secure. Total income for the year was £8,758,844 (2021 - £7,198,487) and expenditure for the purposes of the Academy totalled £8,158,122 (2021 - £7,341,872). Total funds carried forward at 31 August 2022 were £24,839,535 (2021 - £22,044,813) which is split between an Unrestricted Fund of £791,387 (2021 - £791,352), a Restricted General Fund of £1,372,092 (2021 - £1,261,026), an Other Restricted Fund of £nil (2021 - £1,064), a Restricted Fixed Asset Fund of £22,581,453 (2021 - £22,279,435), a further Restricted Fixed Asset Fund in respect of designated CIF Funding of £497,603 (2021 - £nil) and a Restricted Pension Fund in deficit to the amount of £403,000 (2021 - £2,287,000).

Reserves policy

The Governors seek to build and maintain a reserve from income sufficient to provide for unforeseen adverse developments in planned expenditure and also to allow over the medium and longer term development of the buildings and facilities of the Academy.

It is considered that a minimum of one months' revenue expenditure is an appropriate general reserve (approximately £550,000 - £600,000) but that up to two months' revenue expenditure (£1,100,000 - £1,200,000) is optimal to allow for unforeseen circumstances.

At the end of the year the Academy held £2,163,479 in General Reserves (2021 - £2,052,378).

Westcliff High School for Boys Limited
(A company limited by guarantee)

Governors' Report (continued)
For the year ended 31 August 2022

This balance is higher than the normal range, as reserves have been built-up to allow for forthcoming capital projects the Academy has planned, and which are within the 5 year financial forecast.

Capital projects identified, total £1,223,000 and comprise;

Main Hall Refurbishment & Floor Replacement	£265,000
Purchase of Adjacent Land	£145,000
Wi-Fi infrastructure upgrade	£123,000
East Basement upgrade (inc. drainage)	£100,000
Work per Condition Survey (Roof, Floors, Windows)	£137,000
East Toilet Block	£250,000
Computer equipment	£80,000
Other upgrade & projects	£123,000
Total	£1,223,000

After allowing for these plans, General Reserves of £940,479 would remain, which is within the range set out above.

It should be noted that completion of the Replacement of Heating System in Main School Building will see further expenditure in the 2022/2023 academic year of approximately £500,000, which will be funded via the designated Fixed Asset other (CIF) fund, which stands at £497,603 at 31 August 2022.

Per the Balance Sheet, and notes 18 & 24 in these Financial Statements, there is a deficit (Pension Reserve) of £403,000 on the Local Government Pension Scheme (LGPS). A guarantee from Parliament is in place, to the effect that in the event of an academy closure, the LGPS liability would be met by the Department for Education.

The reserves policy is reviewed bi-annually during the budget setting process and the closure of accounts, unless additional review is required during the year.

Investment policy

Funds are held on deposit where appropriate to ensure any balances attract interest, with due regard given to the security of the deposit.

Principal risks and uncertainties

The principal risks relating to the Academy can be categorised as Academic, Financial and Pastoral. Academic risk involves the possible impact on the School of decline in academic standards or results. The financial risk is that School funding becomes inadequate to support the activities of the Academy. Pastoral risk includes health and safety and pupil matters that would impact the Academy activities such as accidents, or incidents. The risks are identified and monitored by the Senior Team, the Full Board of Governors and the appropriate sub-committees.

Financial and risk management objectives and policies

The Governors seek to apply the Academy's financial resources such that it is able to pay its debts as and when they fall due and otherwise prudently to husband its revenue such as over time to build sufficient reserves as to permit development and improvement of buildings and facilities.

Fundraising

The Academy receives the majority of its funding from the Education & Skills Funding Agency but also approaches current parents and alumni of the Academy for financial support. Sponsorship from commercial organisations is sought for specific purposes, and income is raised through lettings of Academy's premises. In addition, the School's Parents' Association fundraises for the benefit of the Academy. The Academy does not work with any commercial participators or professional fundraisers.

Donations received are recorded along with the purpose of the donation (if this is restricted) and regular monitoring takes place by the Finance, Administration and Property Committee.

Westcliff High School for Boys Limited
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Governors' Report (continued)
For the year ended 31 August 2022

Fundraising efforts are conducted with due recognition of the need to protect members of the public, including vulnerable people, from unreasonably intrusive or persistent fundraising approaches, and undue pressure to donate. Any complaints are dealt with under the Academy's Comments & Complaints Procedure.

Auditor

In so far as the Governors are aware:

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

A resolution proposing that Kreston Reeves be reappointed as auditor of the charitable company will be put to the members.

The Governors' Report, incorporating a strategic report, was approved by order of the Board of Governors, as the company directors, on *13th December 2022* and signed on its behalf by:


A Cole
Joint Chair of Governors


M Skelly
Headmaster

Westcliff High School for Boys Limited
(A company limited by guarantee)

Governance Statement

Scope of responsibility

As Governors we acknowledge we have overall responsibility for ensuring that Westcliff High School For Boys Limited 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 Governors has delegated the day-to-day responsibility to the Headmaster, as Accounting Officer, for ensuring that 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 Westcliff High School For Boys Limited and the Secretary of State for Education. He is also responsible for reporting to the Board of Governors any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Governors' Report and in the Statement of governors' Responsibilities. The Board of Governors has formally met 5 times during the year.

Attendance during the year at meetings of the Board of Governors was as follows:

Governor	Meetings attended	Out of a possible
C Casey	4	5
A Cole, Joint Chair of Governors	5	5
F Colwell, Joint Chair of Governors	4	5
J Currell	3	5
K Dalby (appointed 14 December 2021)	4	4
M DeGrove	4	5
R Galvin	3	5
J Gershinson (resigned 31 August 2022)	5	5
P Guyler, Vice Chair of Governors	5	5
T Nageh	5	5
D Norman	3	5
M Skelly, Headmaster	5	5
M Solomons	2	5
R Steel (appointed 14 December 2021)	4	4

The Finance, Administration & Property Committee, incorporating the Audit & Risk Committee, is a sub-committee of the main Board of Governors. Its purpose is to ensure the sound management of the Academy's finances and resources and to make appropriate recommendations on the Academy's financial practices and procedures to the Board of Governors on a regular basis.

Attendance at Finance, Administration & Property Committee meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
J Gershinson	4	4
M Skelly, Headmaster	4	4
C Casey	4	4
M DeGrove	4	4
R Galvin	4	4
R Steel	1	2
J Currell	3	4

In addition to this committee, further committees of the Board of Governors are the Personnel Committee, Teaching Quality & Pastoral Care Committee, and Performance Scrutiny Committee. Taking all Board and committee meetings together, Governors met on nineteen occasions in the year.

Westcliff High School for Boys Limited
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Governance Statement (continued)

Review of value for money

As Accounting Officer the Headmaster 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 Governors where value for money can be improved, including the use of benchmarking data where available. The Accounting Officer for the Academy Trust has delivered improved value for money during the year by:

- Continuing to provide excellent education as evidenced by pupil outcomes and engagement with the wider community;
- Improving facilities for learning by investment in property and digital strategy;
- Following robust financial procedures such as competitive tendering and budgeting;
- Leadership and collaboration including ensuring that the Board of Governors has a range of useful experience and using purchasing consortia to ensure that best value is achieved.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of the Academy Trust's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in the Academy Trust for the period 1 September 2021 to 31 August 2022 and up to the date of approval of the Annual Report and Financial Statements. This process is regularly reviewed by the Board of Governors.

Capacity to handle risk

The Board of Governors 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 Governors is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period 1 September 2021 to 31 August 2022 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the Board of Governors.

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 Governors;
- regular reviews by the Finance, Administration and Property 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.

During the 2021/22 financial year, the Board of Governors appointed Griffin Chapman to carry out a programme of internal checks.

Westcliff High School for Boys Limited
(A company limited by guarantee)

Governance Statement (continued)

The risk and control framework (continued)

The Internal Auditor's role includes reviewing internal controls and performing a range of checks on the Academy Trust's financial systems. In particular, the checks carried out in the current period included:

- testing of payroll systems;
- testing of purchase systems;
- financial reporting and budgetary control.

In April 2022, Griffin Chapman conducted a review of the governance of the School, with independent governance review being a 'strong preference' of the DfE according to the September 2021 Academy Trust Handbook.

On a termly basis, the Internal Reviewer reports to the Board of Governors, through the Finance, Administration & Property Committee on the operation of the systems of control and on the discharge of the Board of Governors' financial responsibilities.

Review of effectiveness

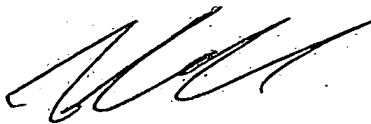
As Accounting Officer the Headmaster has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of Griffin Chapman;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The Finance, Administration & Property Committee has kept the Accounting Officer advised of the findings of their reviews of the system of internal control. Plans to address any weaknesses found, and to ensure continuous improvement of the system, are in place.

Approved by order of the members of the Board of Governors on *13th December 2022* and signed on their behalf by:

A Cole
Joint Chair of Governors



M Skelly
Headmaster



Westcliff High School for Boys Limited
(A company limited by guarantee)

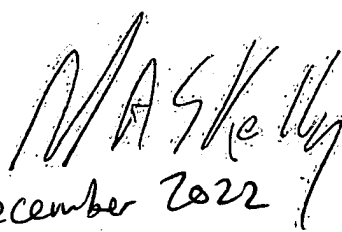
Statement on Regularity, Propriety and Compliance

As Accounting Officer of Westcliff High School for Boys Limited I have considered my responsibility to notify the Academy Board of Governors and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy, under the funding agreement in place between the Academy 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 2021.

I confirm that I and the Academy Board of Governors are able to identify any material irregular or improper use of all funds by the Academy, or material non-compliance with the terms and conditions of funding under the Academy's funding agreement and the Academies Financial Handbook 2021.

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 Governors and ESFA.

M Skelly
Accounting Officer
Date:


13th December 2022

Westcliff High School for Boys Limited
(A company limited by guarantee)

Statement of Governors' responsibilities
For the year ended 31 August 2022

The Governors (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Governors' Report and the financial statements in accordance with the Academies Accounts Direction published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Governors to prepare financial statements for each financial year. Under company law, the Governors 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 Governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Governors 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 Governors 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 ESFA/DfE have been applied for the purposes intended.

The Governors 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 Governors and signed on its behalf by:


A Cole

Joint Chair of Governors

Date: 13th December 2022


M Skelly
Headmaster

Westcliff High School for Boys Limited
(A company limited by guarantee)

Independent auditors' Report on the Financial Statements to the Members of Westcliff High School for Boys Limited

Opinion

We have audited the financial statements of Westcliff High School for Boys Limited (the 'academy') for the year ended 31 August 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2022 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 2019 and the Academies Accounts Direction 2021 to 2022 issued by the Education and Skills Funding Agency.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Academy in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Westcliff High School for Boys Limited
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Independent auditors' Report on the Financial Statements to the Members of Westcliff High School for Boys Limited (continued)

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditors' report thereon. The Governors are responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Governors' Report including the Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Governors' Report and the Strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors' Report including the Strategic report.

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

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

Responsibilities of trustees

As explained more fully in the Statement of governors' responsibilities, the Governors (who are also the directors of the Academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Governors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Governors are responsible for assessing the Academy's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Governors either intend to liquidate the Academy or to cease operations, or have no realistic alternative but to do so.

Westcliff High School for Boys Limited
(A company limited by guarantee)

Independent auditors' Report on the Financial Statements to the Members of Westcliff High School for Boys Limited (continued)

Auditors' responsibilities for the audit of the financial statements

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

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

Capability of the audit in detecting irregularities, including fraud

Based on our understanding of the Academy Trust and the sector as a whole, and through discussion with the Trustees and other management (as required by auditing standards), we identified that the principal risks of non-compliance with laws and regulations related to child protection and safeguarding, health and safety and employment law. We considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, Statement of Recommended Practice, Academies Accounts Direction, Academies Financial Handbook, taxation and pension legislation. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase revenue or reduce expenditure, management bias in accounting estimates and judgemental areas of the financial statements such as the valuation of land and buildings and revenue and noncompliance with financial management and governance requirements which are consistent with the obligations of public funded bodies). Audit procedures performed by the engagement team included:

- Discussions with management and assessment of known or suspected instances of non-compliance with laws and regulations (including health and safety) and fraud, and review of the reports made by management and internal audit; and
- Assessment of identified fraud risk factors; and
- Consideration of income streams, completeness of income and compliance with the obligations of funders including the ESFA
- Challenging assumptions and judgements made by management in its significant accounting estimates; and
- Performing analytical procedures to identify any unusual or unexpected relationships, including related party transactions, that may indicate risks of material misstatement due to fraud; and
- Confirmation of related parties with management, and review of transactions throughout the period to identify any previously undisclosed transactions with related parties outside the normal course of business; and
- Reading minutes of meetings of those charged with governance, reviewing internal audit reports and reviewing correspondence with relevant tax and regulatory authorities; and
- Review of corporate governance arrangements; and
- Review of significant and unusual transactions and evaluation of the underlying financial rationale supporting the transactions; and
- Identifying and testing journal entries, in particular any manual entries made at the year end for financial statement preparation.

Westcliff High School for Boys Limited
(A company limited by guarantee)

Independent auditors' Report on the Financial Statements to the Members of Westcliff High School for Boys Limited (continued)

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the Academy's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Governors.
- Conclude on the appropriateness of the Governors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Academy's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditors' report. However, future events or conditions may cause the Academy to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the Academy'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'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 and its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Kreston Reeves LLP

Peter Manser FCA DChA (Senior statutory auditor)

for and on behalf of

Kreston Reeves LLP

Statutory Auditor

Chartered Accountants

Canterbury

14 December 2022

Westcliff High School for Boys Limited
(A company limited by guarantee)

Independent Reporting Accountant's Assurance Report on Regularity to Westcliff High School for Boys Limited and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 16 August 2022 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2021 to 2022, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Westcliff High School for Boys Limited during the year 1 September 2021 to 31 August 2022 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 Westcliff High School for Boys Limited and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Westcliff High School for Boys Limited and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Westcliff High School for Boys Limited and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Westcliff High School for Boys Limited's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Westcliff High School for Boys Limited's funding agreement with the Secretary of State for Education dated 31 August 2010 and the Academy Trust Handbook, extant from 1 September 2021, 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 2021 to 2022. 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 2021 to 31 August 2022 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Westcliff High School for Boys Limited
(A company limited by guarantee)

Independent Reporting Accountant's Assurance Report on Regularity to Westcliff High School for Boys Limited and the Education & Skills Funding Agency (continued)
Approach

We conducted our engagement in accordance with the Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- Reviewed the evidence used to support the Accounting Officer's sign off of the regularity statement
- Reviewed expenditure against specific terms of grant funding within the funding agreement
- Reviewed that grants have been applied for the purposes intended
- Confirmed that internal control procedures exist relating to expenditure incurred of cash and credit cards
- Confirmed items claimed on cash and credit cards are not for personal benefit
- Reviewed expenditure and considered whether any supplies are from related parties
- Reviewed minutes of Trust Board minutes for declaration of interests
- Reviewed Governance arrangements
- Considered whether other income activities are permitted within the Academy Trust's charitable objects
- Considered if borrowing agreements, including leases, have been made in accordance with the Academies Trust Handbook
- Confirmed that procurement and tendering procedures exist relating to expenditure and have been complied with.

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2021 to 31 August 2022 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Kreston Reeves LLP

Kreston Reeves LLP
Reporting Accountant
Chartered Accountant
Canterbury

Date: 14 December 2022

Westcliff High School for Boys Limited
(A company limited by guarantee)

Statement of Financial Activities (incorporating income and expenditure account)
For the year ended 31 August 2022

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	Total funds 2021 £
Income from:						
Donations and capital grants	3	29,731	-	1,066,306	1,096,037	119,275
Other trading activities	5	624,244	38,596	-	662,840	351,817
Investments	6	810	-	-	810	599
Charitable activities		-	6,999,157	-	6,999,157	6,726,796
Total income		654,785	7,037,753	1,066,306	8,758,844	7,198,487
Expenditure on:						
Charitable activities		381,005	7,236,687	540,430	8,158,122	7,341,872
Total expenditure		381,005	7,236,687	540,430	8,158,122	7,341,872
Net income/(expenditure)		273,780	(198,934)	525,876	600,722	(143,385)
Transfers between funds	18	(273,745)	-	273,745	-	-
Other recognised gains/(losses):						
Actuarial gains/(losses) on defined benefit pension schemes	25	-	2,194,000	-	2,194,000	(115,000)
Net movement in funds		35	1,995,066	799,621	2,794,722	(258,385)
Reconciliation of funds:						
Total funds brought forward		791,352	(1,025,974)	22,279,435	22,044,813	22,303,198
Net movement in funds	35	1,995,066	799,621	799,621	2,794,722	(258,385)
Total funds carried forward		791,387	969,092	23,079,056	24,839,535	22,044,813

The Statement of financial activities includes all gains and losses recognised in the year.

The notes on pages 21 to 46 form part of these financial statements.

Westcliff High School for Boys Limited
(A company limited by guarantee)
Registered number: 07347930

Balance Sheet
As at 31 August 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	13	22,581,453	22,279,435
Investments	14	50	50
		<u>22,581,503</u>	<u>22,279,485</u>
Current assets			
Stocks	15	53,608	62,701
Debtors	16	698,489	173,695
Cash at bank and in hand		2,631,842	2,124,491
		<u>3,383,939</u>	<u>2,360,887</u>
Creditors: amounts falling due within one year	17	(722,907)	(308,559)
Net current assets		<u>2,661,032</u>	<u>2,052,328</u>
Net assets excluding pension liability		<u>25,242,535</u>	<u>24,331,813</u>
Defined benefit pension scheme liability	25	(403,000)	(2,287,000)
Total net assets		<u><u>24,839,535</u></u>	<u><u>22,044,813</u></u>
Funds of the Academy			
Restricted funds:			
Fixed asset funds	18	23,079,056	22,279,435
Restricted income funds	18	1,372,092	1,261,026
		<u>24,451,148</u>	<u>23,540,461</u>
Restricted funds excluding pension asset	18	24,451,148	23,540,461
Pension reserve	18	(403,000)	(2,287,000)
Total restricted funds	18	<u>24,048,148</u>	<u>21,253,461</u>
Unrestricted income funds	18	<u>791,387</u>	<u>791,352</u>
Total funds		<u><u>24,839,535</u></u>	<u><u>22,044,813</u></u>

The financial statements on pages 18 to 46 were approved by the Governors, and authorised for issue on 13th December 2022 and are signed on their behalf, by:

A Cole
Joint Chair of Governors

M Skelly
Headmaster

The notes on pages 21 to 46 form part of these financial statements.

Westcliff High School for Boys Limited
(A company limited by guarantee)

Statement of Cash Flows
For the year ended 31 August 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Net cash provided by operating activities	20	282,685	652,146
Cash flows from investing activities	21	224,666	(110,131)
Change in cash and cash equivalents in the year		507,351	542,015
Cash and cash equivalents at the beginning of the year		2,124,491	1,582,476
Cash and cash equivalents at the end of the year	22, 23	<u>2,631,842</u>	<u>2,124,491</u>

The notes on pages 21 to 46 form part of these financial statements

Westcliff High School for Boys Limited
(A company limited by guarantee)

Notes to the Financial Statements
For the year ended 31 August 2022

1. Accounting policies

Westcliff High School for Boys Limited is a charitable company limited by guarantee and an exempt charity incorporated in England and Wales. The registered office is Westcliff High School for Boys, Kenilworth Gardens, Westcliff-on-sea, Essex, SS0 0BP. The principal activity of the academy trust is to provide a secondary education for pupils that satisfies the requirements of the Education Act 2002.

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 Basis of preparation of financial statements

The Financial Statements of the Academy, which is a public benefit entity under FRS 102, have been prepared under the historic 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 2021 to 2022 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Westcliff High School for Boys Limited meets the definition of a public benefit entity under FRS 102.

The Academy Trust's functional and presentational currency is Pounds Sterling.

The Academy Trust's Financial Statements are presented to the nearest pound.

1.2 Going concern

The Governors 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 to continue as a going concern.

The Governors confirm that there are no material uncertainties about the Academy'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 2022

1. Accounting policies (continued)

1.3 Income

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

• **Grants**

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

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 year is deducted from income and recognised as a liability.

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

• **Donations**

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

• **Other income**

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

• **Donated fixed assets (excluding transfers on conversion or into the Academy)**

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as 'Income from Donations and Capital Grants' and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Academy's accounting policies.

1.4 Expenditure

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

• **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

Westcliff High School for Boys Limited
(A company limited by guarantee)

Notes to the Financial Statements
For the year ended 31 August 2022

1. Accounting policies (continued)

1.5 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Academy; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

1.6 Tangible fixed assets

Assets costing £5,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on 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.

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

Depreciation is provided on the following basis:

Land and buildings	-	2% straight line basis
Furniture and equipment	-	20% straight line basis
Computer equipment	-	33% straight line basis
Motor vehicles	-	20% straight line basis

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

1.7 Investments

The academy's shareholding in the wholly owned subsidiary, WHSB Uniforms Limited, is included in the Balance Sheet at the cost of the share capital owned less any impairment. There is no readily available market value and the cost of valuation exceeds the benefit derived.

1.8 Stocks

Unsold uniforms and reprographics stock are valued at the lower of cost or net realisable value.

1.9 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.10 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.

Westcliff High School for Boys Limited
(A company limited by guarantee)

Notes to the Financial Statements
For the year ended 31 August 2022

1. Accounting policies (continued)

1.11 Liabilities

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

Provisions are recognised when the Academy Trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within the interest payable and similar charges.

1.12 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16. Prepayments are not financial instruments.

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

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

1.13 Operating leases

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

Westcliff High School for Boys Limited
(A company limited by guarantee)

Notes to the Financial Statements
For the year ended 31 August 2022

1. Accounting policies (continued)

1.14 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

Actuarial gains and losses are recognised immediately in Other Recognised Gains and Losses.

1.15 Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the funders 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/donor and include grants from the Department for Education Group.

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

Notes to the Financial Statements
For the year ended 31 August 2022

2. 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 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.

Multi-employer defined benefit pension scheme

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2022. 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.

Tangible fixed assets

The Academy Trust has recognised the tangible fixed assets with a carrying value of £22,581,453 at the reporting date (see note 13). These assets are stated at their cost less provision for depreciation and impairment. The Academy Trust's accounting policy sets out the approach to calculating depreciation for immaterial assets acquired. For material assets such as land and buildings the Academy Trust determines at acquisition reliable estimates for the useful life of the asset, its residual value and decommissioning costs. These estimates are based upon such factors as the expected use of the acquired asset and market conditions. At subsequent reporting dates the governors consider whether there are any factors such as technological advancements or changes in market conditions that indicate a need to reconsider the estimates used.

Where there are indicators that the carrying value of tangible assets may be impaired the Academy Trust undertakes tests to determine the recoverable amount of assets. These tests require estimates of the fair value of the assets less cost to sell and of their value in use. Wherever possible the estimate of the fair value of assets is based upon observable market prices less incremental cost for disposing of the asset. The value in use calculation is based upon a discounted cash flow model, based upon the Academy Trust's forecasts for the foreseeable future which do not include any restructuring activities that the Academy Trust is not yet committed to or significant future investments that will enhance the asset's performance. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well expected future cash flows and the growth rate used for extrapolation purposes.

Critical areas of judgment:

Multi-employer defined benefit pension scheme

Certain employees participate in multi-employer defined benefit pension scheme with other Academy Trusts in the region. In the judgment of the governors, the Academy Trust does not have sufficient information on the plan assets and liabilities to be able to reliably account for its share of the defined benefit obligation and plan assets. Therefore the scheme is accounted for as a defined contribution scheme, see note 25 for further details.

Westcliff High School for Boys Limited
(A company limited by guarantee)

Notes to the Financial Statements
For the year ended 31 August 2022

3. Income from donations and capital grants

	Unrestricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £	Total funds 2021 £
Donations	29,731	-	29,731	91,841
Capital Grants	-	1,066,306	1,066,306	27,434
	<u>29,731</u>	<u>1,066,306</u>	<u>1,096,037</u>	<u>119,275</u>
Total 2021	<u>75,261</u>	<u>44,014</u>	<u>119,275</u>	

4. Funding for the academy's educational operations

	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
DfE/ESFA grants			
General Annual Grant (GAG)	6,714,822	6,714,822	6,188,256
Other DfE/ESFA grants			
Teachers' Pension Grant	72,996	72,996	251,340
Others	211,339	211,339	287,200
	<u>6,999,157</u>	<u>6,999,157</u>	<u>6,726,796</u>
Total 2021	<u>6,726,796</u>	<u>6,726,796</u>	

Westcliff High School for Boys Limited
(A company limited by guarantee)

Notes to the Financial Statements
For the year ended 31 August 2022

5. Income from other trading activities

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Rental income	28,685	-	28,685	11,651
Membership income	-	34,996	34,996	25,896
Other income	98,322	3,600	101,922	53,208
Catering income	367,013	-	367,013	173,928
Trip income	61,702	-	61,702	11,160
School shop income	68,522	-	68,522	75,974
	<u>624,244</u>	<u>38,596</u>	<u>662,840</u>	<u>351,817</u>
Total 2021	<u>325,921</u>	<u>25,896</u>	<u>351,817</u>	

6. Investment income

	Unrestricted funds 2022 £	Total funds 2022 £	Total funds 2021 £
Bank interest	810	810	599

7. Expenditure

	Staff Costs 2022 £	Premises 2022 £	Other 2022 £	Total 2022 £	Total 2021 £
Academies educational operations:					
Direct costs	4,625,912	-	766,960	5,392,872	5,142,335
Support costs	1,219,737	187,603	1,357,910	2,765,250	2,199,537
	<u>5,845,649</u>	<u>187,603</u>	<u>2,124,870</u>	<u>8,158,122</u>	<u>7,341,872</u>
Total 2021	<u>5,519,650</u>	<u>206,984</u>	<u>1,615,238</u>	<u>7,341,872</u>	

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8. Analysis of expenditure by activities

	Activities undertaken directly 2022 £	Support costs 2022 £	Total funds 2022 £	Total funds 2021 £
Educational operations	5,392,872	2,765,250	8,158,122	7,341,872
Total 2021	5,142,335	2,199,537	7,341,872	

Analysis of direct costs

	Activities 2022 £	Total funds 2022 £	Total funds 2021 £
Staff costs	4,625,912	4,625,912	4,701,816
Educational supplies and services	238,769	238,769	182,520
Examination fees	197,694	197,694	122,163
Other direct costs	282,922	282,922	81,224
Educational consultancy	47,575	47,575	54,612
	5,392,872	5,392,872	5,142,335
Total 2021	5,142,335	5,142,335	

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8. Analysis of expenditure by activities (continued)

Analysis of support costs

	Activities 2022 £	Total funds 2022 £	Total funds 2021 £
Pension finance costs	36,000	36,000	30,000
Staff costs	1,219,737	1,219,737	817,834
Depreciation	540,430	540,430	556,924
Recruitment	21,874	21,874	36,947
Computer costs	24,349	24,349	27,182
Insurance	30,542	30,542	28,688
Cleaning	31,068	31,068	51,208
Security	6,738	6,738	4,269
Rates	133,658	133,658	136,328
Maintenance of premises and equipment	156,029	156,029	125,622
Uniform shop and Centenary costs	57,991	57,991	73,387
Legal and professional	61,814	61,814	49,142
Catering costs	376,006	376,006	213,410
Other support costs	70,439	70,439	48,596
(Profit)/ loss on disposal of fixed assets	(1,425)	(1,425)	-
	<u>2,765,250</u>	<u>2,765,250</u>	<u>2,199,537</u>
Total 2021	<u>2,199,537</u>	<u>2,199,537</u>	

9. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2022 £	2021 £
Depreciation of tangible fixed assets	540,432	556,924
Fees paid to auditors for:		
- audit	11,750	11,750
- other services	2,150	2,150
	<u>13,932</u>	<u>13,900</u>

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10. Staff

a. Staff costs

Staff costs during the year were as follows:

	2022 £	2021 £
Wages and salaries	4,237,128	4,075,038
Social security costs	420,114	392,767
Pension costs	1,188,407	1,051,845
	<u>5,845,649</u>	<u>5,519,650</u>

b. Staff numbers

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

	2022 No.	2021 No.
Teachers	85	85
Administration and support	63	66
	<u>148</u>	<u>151</u>

c. Higher paid staff

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

	2022 No.	2021 No.
In the band £60,001 - £70,000	5	2
In the band £70,001 - £80,000	1	1
In the band £110,001 - £120,000	1	1

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10. Staff (continued)

c. Higher paid staff (continued)

Six (2021: four) of the above employees participated in the Teachers' Pension Scheme. Pension contributions for these employees in the year ended 31 August 2022 amounted to £105,788 (2021: £78,310). One (2021: none) of the above employees participated in the Local Government Pension Scheme, pension contributions amounted to £15,643 (2021: £NIL).

d. Key management personnel

The key management personnel of the Academy comprise the Governors and the senior management team as listed on page 1. The total salaries received by key management personnel for their services to the academy trust was £448,690 (2021: £439,197). Employer pension contributions were a total of £107,076 (2021: £104,578) and employer national insurance contributions were a total of £56,440 (2021: £52,114).

11. Governors' remuneration and expenses

One or more Governors has been paid remuneration or has received other benefits from an employment with the Academy. The Headmaster and other Staff Governors only receive remuneration in respect of services they provide undertaking the roles of Headmaster and staff members under their contracts of employment. The value of Governors' remuneration and other benefits was as follows:

		2022 £	2021 £
M Skelly, Headmaster	Remuneration	115,000 -	115,000 -
		120,000	120,000
	Pension contributions paid	25,000 -	25,000 -
		30,000	30,000
C Burden (resigned 31 August 2021)	Remuneration	nil	15,000 -
	Pension contributions paid	nil	20,000
S Neagus (resigned 31 August 2021)	Remuneration	nil	0 - 5,000
			40,000 -
	Pension contributions paid	nil	45,000
			10,000 -
			15,000
R Steel (appointed 14 December 2021)	Remuneration	30,000 -	nil
		35,000	
	Pension contributions paid	5,000 -	nil
		10,000	
K Dalby (appointed 14 December 2021)	Remuneration	35,000 -	nil
		40,000	
	Pension contributions paid	5,000 -	nil
		10,000	

During the year ended 31 August 2022, no Governor expenses have been incurred (2021 - £NIL).

12. Governors' and Officers' insurance

The Academy has opted into the Department for Education's Risk Protection Arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000. It is not possible to quantify the Governors and officers indemnity element from the overall cost of the RPA scheme membership.

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13. Tangible fixed assets

	Land and buildings £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Total £
Cost or valuation					
At 1 September 2021	25,585,914	810,749	1,112,601	50,581	27,559,845
Additions	692,052	64,593	85,805	-	842,450
At 31 August 2022	26,277,966	875,342	1,198,406	50,581	28,402,295
Depreciation					
At 1 September 2021	3,508,006	668,064	1,064,000	40,340	5,280,410
Charge for the year	394,882	78,559	61,866	5,125	540,432
At 31 August 2022	3,902,888	746,623	1,125,866	45,465	5,820,842
Net book value					
At 31 August 2022	22,375,078	128,719	72,540	5,116	22,581,453
At 31 August 2021	22,077,908	142,685	48,601	10,241	22,279,435

Included within the value of the Freehold Land and Buildings is an amount of £5,880,810 relating to non-depreciable land.

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Notes to the Financial Statements
For the year ended 31 August 2022

14. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 September 2021	50
At 31 August 2022	<u>50</u>

Principal subsidiaries

The following was a subsidiary undertaking of the Academy:

Name	Company number	Principal activity	Class of shares	Holding
WHSB Uniforms Limited	01567080	Dormant	Ordinary	100%

The financial results of the subsidiary for the year were:

Name	Net assets £
WHSB Uniforms Limited	50

15. Stocks

	2022 £	2021 £
School uniform	38,934	45,193
Books and stationery	6,905	9,117
Centenary merchandise	7,769	8,391
	<u>53,608</u>	<u>62,701</u>

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16. Debtors

	2022 £	2021 £
Due within one year		
Trade debtors	15,502	7,700
Other debtors	63,664	18,822
Prepayments and accrued income	619,323	147,173
	<u>698,489</u>	<u>173,695</u>

17. Creditors: Amounts falling due within one year

	2022 £	2021 £
Trade creditors	137,218	51,466
Other creditors	221,056	156,430
Accruals and deferred income	364,633	100,663
	<u>722,907</u>	<u>308,559</u>

	2022 £	2021 £
Deferred income at 1 September 2021	51,933	35,308
Resources deferred during the year	40,993	51,933
Amounts released from previous periods	(51,933)	(35,308)
	<u>40,993</u>	<u>51,933</u>

At the Balance Sheet date the Academy Trust was holding funds received in advance for other income in respect of the following financial year.

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For the year ended 31 August 2022

18. Statement of funds

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2022 £
Unrestricted funds						
General Funds	791,352	654,785	(381,005)	(273,745)	-	791,387
Restricted general funds						
General Annual Grant (GAG)	1,259,962	4,996,394	(4,884,264)	-	-	1,372,092
Teachers' Pension Grant	-	72,966	(72,966)	-	-	-
Other DfE/EFA grants	-	1,929,797	(1,929,797)	-	-	-
Other restricted	1,064	38,596	(39,660)	-	-	-
Pension reserve	(2,287,000)	-	(310,000)	-	2,194,000	(403,000)
	<u>(1,025,974)</u>	<u>7,037,753</u>	<u>(7,236,687)</u>	<u>-</u>	<u>2,194,000</u>	<u>969,092</u>
Restricted fixed asset funds						
DfE group capital grants	22,279,435	27,642	(540,430)	814,806	-	22,581,453
Other capital grants	-	1,038,664	-	(541,061)	-	497,603
	<u>22,279,435</u>	<u>1,066,306</u>	<u>(540,430)</u>	<u>273,745</u>	<u>-</u>	<u>23,079,056</u>
Total Restricted funds	<u>21,253,461</u>	<u>8,104,059</u>	<u>(7,777,117)</u>	<u>273,745</u>	<u>2,194,000</u>	<u>24,048,148</u>
Total funds	<u><u>22,044,813</u></u>	<u><u>8,758,844</u></u>	<u><u>(8,158,122)</u></u>	<u><u>-</u></u>	<u><u>2,194,000</u></u>	<u><u>24,839,535</u></u>

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

General Annual Grant represents funds to be used for the normal running costs of the Academy Trust. Carried forward amounts are also to be used for upcoming capital projects that have been identified, further detail of which can be seen in the reserves policy of the Governor's report.

The other DfE/ESFA grants represents grants provided for specific purposes, such as Pupil Premium which is used to support disadvantaged pupils and assist them in decreasing the attainment gap between them and their peers.

Other restricted funds relate to monies received from pupils towards membership of clubs.

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18. Statement of funds (continued)

Restricted Fixed Asset Funds relate to the assets purchased for use in achieving the objectives of the Academy.

Funds were transferred from the unrestricted funds during the year for purchases of fixed assets for school use.

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG it could carry forward at 31 August 2022.

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Notes to the Financial Statements
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18. Statement of funds (continued)

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

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Unrestricted funds						
General Funds - all funds	861,659	401,781	(377,937)	(94,151)	-	791,352
Restricted general funds						
General Annual Grant (GAG)	716,345	4,594,266	(4,050,649)	-	-	1,259,962
Teachers' Pension Grant	-	251,340	(251,340)	-	-	-
Other DfE/EFA grants	-	1,881,190	(1,881,190)	-	-	-
Other restricted Pension reserve	(1,973,000)	25,896	(24,832)	-	-	1,064
			(199,000)	-	(115,000)	(2,287,000)
	(1,256,655)	6,752,692	(6,407,011)	-	(115,000)	(1,025,974)
Restricted fixed asset funds						
DfE group capital grants	22,698,194	44,014	(556,924)	94,151	-	22,279,435
Total Restricted funds	21,441,539	6,796,706	(6,963,935)	94,151	(115,000)	21,253,461
Total funds	22,303,198	7,198,487	(7,341,872)	-	(115,000)	22,044,813

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19. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2022 £	Restricted funds 2022 £	Restricted fixed asset funds 2022 £	Total funds 2022 £
Tangible fixed assets	-	-	22,581,453	22,581,453
Fixed asset investments	-	50	-	50
Current assets	823,487	2,062,849	497,603	3,383,939
Creditors due within one year	(32,100)	(690,807)	-	(722,907)
Provisions for liabilities and charges	-	(403,000)	-	(403,000)
Total	791,387	969,092	23,079,056	24,839,535

Analysis of net assets between funds - prior year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Restricted fixed asset funds 2021 £	Total funds 2021 £
Tangible fixed assets	-	-	22,279,435	22,279,435
Fixed asset investments	-	50	-	50
Current assets	868,780	1,492,107	-	2,360,887
Creditors due within one year	(77,428)	(231,131)	-	(308,559)
Provisions for liabilities and charges	-	(2,287,000)	-	(2,287,000)
Total	791,352	(1,025,974)	22,279,435	22,044,813

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Notes to the Financial Statements
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20. Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2022 £	2021 £
Net income/(expenditure) for the year (as per Statement of Financial Activities)	600,722	(143,385)
Adjustments for:		
Depreciation	540,432	556,924
Capital grants from DfE and other capital income	(1,066,306)	(27,434)
Interest receivable	(810)	(599)
Defined benefit pension scheme administrative expenses	1,000	1,000
Defined benefit pension scheme cost less contributions payable	273,000	168,000
Defined benefit pension scheme finance cost	36,000	30,000
Decrease/(increase) in stocks	9,093	(2,711)
Decrease/(increase) in debtors	(524,794)	79,247
Increase/(decrease) in creditors	414,348	(8,896)
Net cash provided by operating activities	282,685	652,146

21. Cash flows from investing activities

	2022 £	2021 £
Interest from investments	810	599
Purchase of tangible fixed assets	(842,450)	(138,164)
Capital grants from DfE Group and other capital income	1,066,306	27,434
Net cash provided by/(used in) investing activities	224,666	(110,131)

22. Analysis of cash and cash equivalents

	2022 £	2021 £
Cash in hand and at bank	2,631,842	2,124,491
Total cash and cash equivalents	2,631,842	2,124,491

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23. Analysis of changes in net debt

	At 1 September 2021 £	Cash flows £	At 31 August 2022 £
Cash at bank and in hand	2,124,491	507,351	2,631,842
	<u>2,124,491</u>	<u>507,351</u>	<u>2,631,842</u>

24. Capital commitments

	2022 £	2021 £
Contracted for but not provided in these financial statements		
Acquisition of tangible fixed assets	<u>510,482</u>	

25. Pension commitments

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

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

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

Teachers' Pension Scheme

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

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

Notes to the Financial Statements
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25. Pension commitments (continued)

Valuation of the Teachers' Pension Scheme

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

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI, assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2024.

The employer's pension costs paid to TPS in the year amounted to £691,757 (2021 - £699,226).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2022 was £263,000 (2021 - £214,000), of which employer's contributions totalled £211,000 (2021 - £172,000) and employees' contributions totalled £52,000 (2021 - £42,000). The agreed contribution rates for future years are 25 per cent for employers and 5.5 - 12.5 per cent 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

	2022 %	2021 %
Rate of increase in salaries	3.95	3.90
Rate of increase for pensions in payment/inflation	2.95	2.90
Discount rate for scheme liabilities	4.25	1.65
Inflation assumption (CPI)	2.95	2.90

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25. Pension commitments (continued)

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

	2022 Years	2021 Years
Retiring today		
Males	21.0	21.6
Females	23.5	23.6
Retiring in 20 years		
Males	22.3	22.9
Females	24.9	25.1

Sensitivity analysis

	2022 £000	2021 £000
Discount rate +0.1%	(64)	(107)
Discount rate -0.1%	65	109
Mortality assumption - 1 year increase	78	177
Mortality assumption - 1 year decrease	(76)	(170)
Salary rate +0.1%	5	11
Salary rate -0.1%	(5)	(11)

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25. Pension commitments (continued)

Share of scheme assets

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

	At 31 August 2022	At 31 August 2021
	£	£
Equities	1,279,000	1,341,000
Gilts	44,000	53,000
Other bonds	101,000	97,000
Property	215,000	146,000
Cash and other liquid assets	68,000	58,000
Alternative assets	341,000	233,000
Absolute return fund	226,000	167,000
Total market value of assets	2,274,000	2,095,000

The actual return on scheme assets was £5,000 (2021 - £376,000).

The amounts recognised in the Statement of financial activities are as follows:

	2022	2021
	£	£
Current service cost	(484,000)	(340,000)
Interest income	36,000	26,000
Interest cost	(72,000)	(56,000)
Administrative expenses	(1,000)	(1,000)
Total amount recognised in the Statement of Financial Activities	(521,000)	(371,000)

Changes in the present value of the defined benefit obligations were as follows:

	2022	2021
	£	£
At 1 September	4,382,000	3,533,000
Current service cost	484,000	340,000
Interest cost	72,000	56,000
Employee contributions	52,000	42,000
Actuarial (gains)/losses	(2,225,000)	465,000
Benefits paid	(88,000)	(54,000)
At 31 August	2,677,000	4,382,000

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25. Pension commitments (continued)

Changes in the fair value of the Academy's share of scheme assets were as follows:

	2022 £	2021 £
At 1 September	2,095,000	1,560,000
Interest income	36,000	26,000
Actuarial (losses)/gains	(31,000)	350,000
Employer contributions	211,000	172,000
Employee contributions	52,000	42,000
Benefits paid	(88,000)	(54,000)
Administrative expenses	(1,000)	(1,000)
At 31 August	2,274,000	2,095,000

26. Operating lease commitments

At 31 August 2022 the Academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2022 £	2021 £
Not later than 1 year	7,285	294
Later than 1 year and not later than 5 years	4,522	-
Later than 5 years	268	-
	12,075	294

27. 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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28. Related party transactions

Owing to the nature of the Academy and the composition of the Board of Governors being drawn from local public and private sector organisations, transactions may take place with organisations in which the Governors have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academy Trust Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Academy's financial regulations and normal procurement procedures relating to connected and related party transactions.

Paul Robinson Solicitors of which F Colwell, a Governor of the Academy, is a Partner, provided sponsorship to the Academy totalling £Nil (2021: £3,333) in relation to Centenary Sponsorship. A total of £Nil (2021: £Nil) was owed to the Academy at the year end.

Donations were received during the year from J Gershinson and T Nageh, Governors of the Academy, into the pupil fund, totalling £3,000 (2021: £3,000) and £Nil (2021: £200) respectively.

J Williams, spouse of W Williams, a member of the Senior Management Team, is employed by the academy trust as a teacher. J Williams' appointment was made in open competition and W Williams was not involved in the decision-making process regarding appointment. J Williams is paid within the normal pay scale for her role and receives no special treatment as a result of her relationship to a member of the Senior Management Team.

29. Agency arrangements

The Academy Trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2022 the academy trust received £15,879 (2021: £14,433) and disbursed £12,794 (2021: £14,402) from the fund.

At the balance sheet date the academy trust was holding funds received in respect of the above for the following financial year of £3,183 (2021: £98).

30. Controlling party

The Academy Trust is run by the management team on a day to day basis. Strategic decisions are made by the Board of Governors. There is no ultimate controlling party.