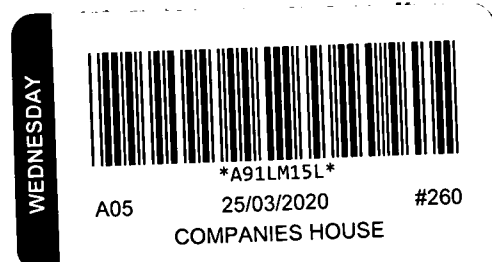


THE WESTBROOK TRUST
(A company limited by guarantee)

Annual Report and Financial Statements

For the year ended 31 August 2019



THE WESTBROOK TRUST
(A company limited by guarantee)

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THE WESTBROOK TRUST
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Reference and Administrative Details

Members	Mr David Bragger Ms Lillian Gould Mr John Jones Mr Richard Gibbons Mrs Jemena Glover (resigned 9 July 2019)
Trustees	Mrs Samantha White ¹ Mrs Jane Heyes (resigned 1 September 2019) ¹ Mr Richard Gibbons ¹ Lt. Col Adam Foley Mrs Joanne Alsop (resigned 3 October 2018) Mrs Christine Moses Ms Annette Saunders (resigned 8 October 2018) Mr Oliver Allen (appointed 2 September 2019) ¹ Mr James Lockhart (appointed 21 January 2019) Mrs Nicola Lockhart (appointed 21 January 2019) ¹ Finance and Audit Committee
Company registered number	09223515
Company name	The Westbrook Trust
Principal and registered office	Kings Bastion Brompton Gillingham Kent ME7 5DQ
Company secretary	The Trust has decided not to appoint a Company Secretary at this time
Chief executive officer	Mr Oliver Allen
Senior management team	Mrs Jane Heyes, CEO / Executive Head Teacher (resigned 1 September 2019) Mr Oliver Allen, CEO / Director of Learning Mrs Susan Mason, Head Teacher Brompton-Westbrook PS Mr Jon Carthy, Head Teacher Byron PS Mrs Paula Fewtrell, Head Teacher St Margaret's IS Mr Richard Warnham, Chief Financial Officer
Independent auditors	Williams Giles Professional Services Ltd Chartered Accountants and Registered Auditors Statutory Auditor Sittingbourne Kent ME10 5BH
Bankers	National Westminster 117 High Street Gillingham Kent ME7 1AG

THE WESTBROOK TRUST
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Reference and Administrative Details (continued)
For the year ended 31 August 2019

Solicitors

Mr Brendan Roodt
67 Lapins Lane
West Malling
Kent
ME19 4LE

THE WESTBROOK TRUST
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Trustees' Report
For the year ended 31 August 2019

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year 1 September 2018 to 31 August 2019. The annual report serves the purposes of both a Trustees' report and a directors' report under company law.

The trust operates three academies in Gillingham, Kent. These are Brompton-Westbrook Primary School, Byron Primary School and St. Margaret's Infant School. The academies have a combined pupil capacity of 1,230 plus 112 nursery places and had a roll of 1,283 in the school census on 16th May 2019. The schools were over-subscribed at the point of entry. Brompton-Westbrook is not expected to be at full capacity at this stage as it is under a Basic Needs Expansion programme where additional children will be admitted to Foundation Stage 2 each year (60 instead of 45) until all year groups have 60 children.

Structure, governance and management

a. Constitution

The Academy is a charitable company limited by guarantee and an exempt charity.

The charitable company's Trust deed is the primary governing document of the Academy.

The Trustees of The Westbrook Trust are also the directors of the charitable company for the purposes of company law.

The charitable company is known as The Westbrook Trust.

Details of the Trustees who served during the year, and to the date these accounts are approved are included in the Reference and administrative details on page 1.

b. 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.

c. Method of recruitment and appointment or election of Trustees

The Trust must have a minimum of 3 trustees and there is no upper limit. The Chief Executive must be a trustee. Members decide whether trustees are to be appointed or elected. At least one Trustee must be the parent of a child who is of compulsory school age. No more than one third of trustees will be employees. When appointing trustees, members use information obtained from its annual review of governance to identify gaps in skills and experience. They aim to recruit trustees who have a vested interest in the local community. Potential candidates are invited to visit the school and interviewed by members. In addition, a curriculum vitae and references are scrutinised.

d. Policies adopted for the induction and training of Trustees

The Trust has a policy on Induction and Training. This outlines the procedures which include a series of pre-meetings and basic training as well as the allocation of a mentor for new trustees. The induction is tailored according to the level of experience the new trustee brings to the board and is assessed using a skills audit. Gaps in the knowledge and skills of all Trustees, as identified through an annual Trust evaluation and individual skills audits, are addressed in five ways: support from a mentor; meetings with relevant staff in school; attending specific training sessions; advisory reading, visits to other establishments.

THE WESTBROOK TRUST
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Trustees' Report (continued)
For the year ended 31 August 2019

Structure, governance and management (continued)

e. Organisational structure

The Trust has five people known as members whose role is to maintain the ethos and objectives of the Trust, recommend changes to the Articles of Association and appoint and remove trustees. It is the responsibility of the trustees to realise the ethos and objectives of the Trust, protect its assets, reputation and staff and use resources appropriately. The Trust has a chief executive officer, who is also the Trust's Accounting Officer.

Each school in the Trust has a head teacher. A senior leadership team, finance staff and layer of middle management support the head teacher at each school. The schools have their own local governing body which have the option to operate in two committees, each of which must be guided by the approved Terms of Reference.

The Trust has a Scheme of Delegation and a number of finance policies & procedures in place. These documents explain in detail the level of delegated responsibility throughout the structure of the Trust. In addition, there is a document in which the review timetable for Trust policies is set out and this also indicates the level at which each policy must be approved.

There is a Trust Improvement Plan, which is updated annually, and each school has its own school improvement plan which is managed by the head teacher and overseen by governors. The plan details specific delegated responsibilities in respect of the key improvement priorities and the budget plan is linked to realising these objectives.

Trustees have overall responsibility for the Trust's finances and make final decisions about e.g. procurement and budget setting when sums of money are significant. They also have overall responsibility for ensuring that funds are well managed, spent on activities that meet the Trust's objectives and that all legal requirements are met. A Finance & General Purposes Committee convenes before every Trustee meeting to specifically monitor the financial position of the trust and to discuss related matters. They delegate responsibility to the Chief Executive (who is also the Accounting Officer) and Chief Financial Officer. The Chief Financial Officer has a clear understanding of the spending priorities of the individual schools and delegates the management of the budget to the head teachers. Day-to-day operational and checking duties are the responsibility of finance staff within each school.

The Trust minutes all significant decisions giving reasons for those decisions.

f. Arrangements for setting pay and remuneration of key management personnel

Under the Trust's Pay Policy, all management personnel are paid in accordance with either the School Teacher's Pay and Conditions Document or the National Joint Council pay and conditions. Trustees take into account the circumstances the number of schools and pupils in the Trust when agreeing salaries. All staff are appraised against performance targets annually and the approval of incremental pay awards are based upon their success in meeting them. External verification of performance is used for head teachers and the Chief Executive Officer.

THE WESTBROOK TRUST
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Trustees' Report (continued)
For the year ended 31 August 2019

Structure, governance and management (continued)

g. Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the year	1
Full-time equivalent employee number	1

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	177
1%-50%	1
51%-99%	-
100%	-

Percentage of pay bill spent on facility time £

Total cost of facility time	1,448
Total pay bill	3,678,006
Percentage of 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	- %
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h. Related parties and other connected charities and organisations

Some schools within the Trust have a Parent Teacher Association. One of these associations is a registered charity which retains its own bank account in which it accumulates funds raised for the benefit of the school and its pupils.

THE WESTBROOK TRUST
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Trustees' Report (continued)
For the year ended 31 August 2019

Objectives and activities

a. Objects and aims

The object of the Academy Trust is to advance, for the public benefit, education in the UK. To establish, maintain, manage and develop schools with a broad and balanced curriculum.

What do we aim to do?

Our overarching aim is to 'Achieve Together' and to do this we believe we must all focus on the 5 Ps of:

progress, performance, pedagogy, prospects and partnership

What that means in real terms is that we must all try as hard as we can to be:

the best that we can...in the best way that we can ...to get where we want to be ... with the help of and helping others.

How do we do it?

Achieving our aims means that we have to focus on our 5 Cs which are:

core, curriculum, collaboration, coaching and community

- Core - prioritising reading and basic skills
- Curriculum – teaching that which interests and challenges
- Collaboration – working in teams within and beyond
- Coaching – developing, enabling, supporting, evaluating
- Community – engaging, building capacity and raising aspirations

What helps us?

The Trust believes that the teaching of reading and writing is central to all we do. This is why we use Read, Write Inc. strategies and materials as the cornerstone that guides our work. We apply their 5Ps which should be evident in every lesson in school and they are:

passion, participation, positivity, pace and purpose.

THE WESTBROOK TRUST
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Trustees' Report (continued)
For the year ended 31 August 2019

Objectives and activities (continued)

b. Objectives, strategies and activities

A broad range of Key Performance Indicators were agreed and monitored for all schools. The Trust vision of 'Achieve Together' was realised through increased networking with the Medway Teaching School Alliance and a number of staff supported school improvement within other schools and trusts. The specific objectives set at the beginning of the year and their strategies are as follows: -

Objective 1: Progress and attainment of pupils improves across the Trust in targeted areas.

Strategy: Deliver staff training to support implementation of core subject policies. Review outcomes from peer-reviews and implement actions. Review school improvement plans to ensure school to school support is effectively planned. Conduct 360 degree monitoring across the curriculum. Review progress and attainment data and implement actions. Facilitate 'Action Research'. Co-ordinate cross-Trust moderation.

Objective 2: Improve leadership, including governance, at Trust and school level.

Strategy: Create KPIs to monitor the performance of LGBs. Appoint a new CEO. Draft, approve and implement terms of reference for the FGP Committee of Trustees. Provide training to governors and trustees on 'becoming a chair'. Share and approve trustee induction plan and add to policy.

Objective 3: Improve finance and administration procedures through increased standardisation, increased efficiency and continued monitoring of staffing structures.

Strategy: Production, approval and implementation of a 'Finance Handbook' to improve and standardise financial policies & procedures across the Trust. Develop and provide a centralised Trust policy and compliance system to ensure all schools are meeting their statutory obligations whilst improving standardisation. Improve financial efficiency and identify savings / income generation

Objective 4: Improve outcomes for staff by developing positive communications, strengthening policy and procedures for those with protected characteristics and enhancing succession planning opportunities.

Strategy: Fully implement Communications Policy, including surveys and changes to reporting and feedback. Utilise training opportunities and CPD offer. Monitor impact of Communications policy, receive feedback from school level questionnaires and review curriculum in respect of careers information, jointly plan improvements and include in school KPIs

c. Public benefit

When exercising their powers and duties, the Trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission. They are aware of the guidance and take it into account when making decisions and have not taken any decisions that require them to depart from it. The activities of the Trust have been solely for charitable purposes and benefited the public, more specifically they have benefitted children and their families who have applied to and been successful in acquiring a place at the schools in the Trust. The activities of the Trust have not given rise to anything other than incidental benefits to employees. The Trust has a Gifts and Donations Policy to ensure that this is the case. Overall, pupils at each school in the Trust have achieved well and made good progress and in most cases better than that achieved nationally, thereby demonstrating that the work of the Trust has been for public benefit.

THE WESTBROOK TRUST
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Trustees' Report (continued)
For the year ended 31 August 2019

Strategic report

Achievements and performance

Objective 1: Progress and attainment of pupils improves across the Trust in targeted areas.

Outcomes: GLD and phonics outcomes are above national averages across the Trust. Improved greater depth attainment in Key Stage 1. Age-related attainment in Key Stage 1 and Key Stage 2 in line with national average.

Objective 2: Improve leadership, including governance, at Trust and school level.

Outcomes: A new CEO has been appointed and inducted. Training has been provided on 'becoming a chair'. Terms of Reference for FGP committee have been produced and implemented. Trustee induction processes have been refined. A number of staff undertook DfE leadership training.

Objective 3: Improve finance and administration procedures through increased standardisation, increased efficiency and continued monitoring of staffing structures

Outcomes: Finance staff across the Trust are using a new handbook and audit and Accounting Officer checks show that the procedures are being followed. Staffing structures and potential increases in efficiency continue to be monitored across the Trust with savings achieved. ICFP review undertaken and has informed future planning.

Objective 4: Improve outcomes for staff by developing positive communications, strengthening policy and procedures for those with protected characteristics and enhancing succession planning opportunities.

Outcomes: Policies strengthened and implemented with positive feedback received through staff engagement.

THE WESTBROOK TRUST
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Trustees' Report (continued)
For the year ended 31 August 2019

Strategic report (continued)

Achievements and performance (continued)

a. Key Performance Indicators

Key Performance Indicators for schools in the Trust in 2018-2019.

- Attainment in FS, Yr2 and Yr6 was at least in-line with national results
- Behaviour & safety has been evaluated to be at least good in all schools
- Responses to pupil, parent and staff surveys have been positive
- Schools have maintained or improved their Ofsted grading during the year
- Pupil attendance is close to national average
- There have been no permanent pupil exclusions, and fixed-term pupil exclusions are below 1%
- SEND levels are low
- The schools are at or close to capacity for pupil numbers
- There have been no reportable data protection breaches
- Audit reports have raised no 'red-rated' issues
- Complaints are at a low level
- The schools have all supported colleagues in other schools
- School premises are used by the community

The following table shows the attainment and progress of pupils at all three schools as demonstrated by statutory assessment results: -

	Brompton-Westbrook Primary School	Byron Primary School	St Margaret's Infants School
Good level of development FS2	73%	72%	72%
Phonics screening Yr1	85%	85%	89%
ATTAINMENT			
Reading Yr2	67%	88%	78%
Writing Yr2	61%	81%	75%
Maths Yr2	78%	81%	80%
Reading Yr6	70%	72%	
Writing Yr6	89%	80%	
Maths Yr6	77%	73%	
PROGRESS			
Reading Yr6	-3.0	+2.4	
Writing Yr6	+0.6	+2.1	
Maths Yr6	-3.3	+1.0	
COMBINED SCORES			
Reading, Writing & maths	64%	64%	

THE WESTBROOK TRUST
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Trustees' Report (continued)
For the year ended 31 August 2019

Strategic report (continued)

Achievements and performance (continued)

b. Going concern

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

Financial review

a. Reserves policy

On the advice of the accountants, the Trustees have added to their Risk Register that there should be sufficient reserves to cover at least one month's running costs. Trustees have agreed that any build up can be accepted because there is an expectation that school budgets will decrease in real terms in the near future with increases to staff costs in general set off against a smaller increase in funding provided. Funds available at 31st August 2019 are £12,319,799. However, no reserves are freely available for general purposes until the reserves target has been achieved.

b. Investment policy

The Trust does not have any material investments at this time. Trustees may invest to further their Trust's charitable aims, but must ensure that investment risk is properly managed; act within their powers as set out in the Memorandum and Articles of Association; have an investment policy to manage; control and track the investment and ensure value for money. Trustees must exercise care in investments and take professional advice, ensuring that security takes precedence over revenue maximisation. Investments must be in the best interests of the trust and command broad public support.

THE WESTBROOK TRUST
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Trustees' Report (continued)
For the year ended 31 August 2019

Strategic report (continued)

Financial review (continued)

c. Principal risks and uncertainties

The Trust has a Risk Register that is reviewed three times a year unless, during a review, an action is agreed that involves reviewing a particular risk more frequently. The Risk Register is reviewed by trustees, the Accounting Officer / Chief Executive Officer and the Chief Financial Officer. Strategies to mitigate risk are planned or put into operation and the risk is then re-rated. The Risk Register includes reference to financial, strategic and reputational, operational and compliance risks,

The principal risks identified in the Trust's Risk Register and the mitigating factors are:

1. Financial: Potential for loss of funds with National Funding Formula as well as other matters
 - Three-year budgets drawn up and staffing structures continually reviewed.
 - Increased efforts have been made with regard to central procurement and cost-savings.
 - The Trust commissioned an 'Integrated Curriculum Financial Planning' review during the year and is working towards the recommendations made.
2. Strategic: Difficulty in recruiting pupils
 - Good communication via feeder nursery schools.
 - All schools currently oversubscribed at FS2.
 - BWPS has continued its expansion plan from 45 to 60.
3. Operational: Quality of Management Information is not of high quality or is not produced in a timely manner to effectively aid decision-making and school/trust improvement.
 - New management information systems are being reviewed with potential to move to a cloud-based intelligent system.
 - Regular reporting and review of performance against targets in place.
 - The finance system is being used effectively and reports are being provided to aid decision-making and comply with academy regulation.

d. Financial Review

During the reporting period the Trust has incurred an in-year surplus of £43,829, this includes a depreciation figure of £327,052. The principal source of funding for the Trust was that of the General Annual Grant provided by the Department for Education.

The Trust has a reserve position of £12,320,381 as at 31 August 2019. The in-year deficit has reduced this figure from the previous year but the Trust is making steps towards increased financial stability through the recent implementation of three-year budgets, benchmarking and improved management information.

The Trust has not made any financial investments this academic year. Reserves are held in line with Trust policy which requires a 2% contingency when budget-setting as a minimum. Any significant remaining funds must be earmarked for use to provide additional benefit for pupils.

The Trust has a pension deficit of £2,096,000 which is low in comparison to most academy trusts and is therefore not considered to be a significant risk to the Trust.

The Trust has complied with all appropriate financial regulations and undergone all relevant audits.

Fundraising

The Trust is happy to receive funds and donations from third parties providing they fit with the overall values and vision of the Trust. Staff within the Trust are encouraged to bid for funds where these are identified as having the potential to enrich the offering that the Trust can provide to its stakeholders.

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Trustees' Report (continued)
For the year ended 31 August 2019

Fundraising (continued)

During the year the Trust has received funds from amongst other sources a local bank, ward councillors and local branches of retailers.

The Trust is happy to maintain links to institutions and donors where its pupils will benefit and will regularly review such relationships as appropriate. In line with Charity Commission guidance, all bids are planned effectively and any fundraising activities are appropriately supervised. The Trust considers carefully whether the bidding or fundraising is likely to affect its reputation and acts to protect its money and assets at all times. All relevant laws and regulations are followed within each fundraising activity.

The trust has added a section to its table of delegated authority which details at which levels donations and sponsorship can be accepted within the Trust.

Plans for future periods

Priorities for 2019-20

Priority 1: Embed a consistent, vision-linked approach to excellence that draws on the diverse talents, skills and creativity within individual schools for a truly collaborative system of improvement.

Actions:

- Communicate Trust vision and values regularly and model through consistent behaviours of all central team and executive leaders
- Reflect shared values in all systems, policies and procedures
- Engage highly effectively and meaningfully with staff at all levels about workload
- Reflect on, collaboratively agree, and communicate frameworks for excellence for key practice
- Align school and Trust improvement priorities
- Facilitate sharing of teaching resources
- Increase reading attainment in KS2 and writing attainment in KS1 across the trust

Priority 2: Develop our capacity to collaborate with other schools to be able to grow with integrity.

Actions:

- Develop and embed a collaborative curriculum policy
- Develop and embed a connected and developmental approach to monitoring the quality of education
- Ensure disadvantaged children, including SEND, have the cultural capital to succeed
- Facilitate subject specific professional development
- Develop a collaborative approach to the recruitment and development of staff

Priority 3: Provide Executive Leaders, including Trustees and governors, with an integrated picture of performance with quantitative and qualitative information across the MAT to support school improvement.

Actions:

- Develop and embed an impactful peer review system
- Refine the external review timetable to support executive leaders to fulfil their statutory duties
- Implement a Trust-wide MIS to support the effective sharing of quantitative data
- Reflect on and improve Trust systems and procedures so that they provide qualitative information at all levels that support improvement

Evaluation Procedures used to identify priorities:

Trustees used the following to establish the priorities:

- Regional School's Commissioner's self-evaluation for multi-academy trusts documents
- Processes outlined in their policy on Appraisal and Self-Evaluation
- Attainment and progress data from all schools
- 360 degree monitoring of teaching and learning from all schools
- Key performance Indicator outcomes for all schools

THE WESTBROOK TRUST
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Trustees' Report (continued)
For the year ended 31 August 2019

Plans for future periods (continued)

- Integrated Curriculum Financial Planning review
- Ofsted reports
- Various internal and external reviews & audits
- Governor and trustee skills audits
- Information on the Trust Risk Register
- Knowledge of forthcoming educational changes and other changes that might impact of schools and trusts
- Budget information
- Information about school priorities from their individual plans

Funds held as custodian on behalf of others

The Trust does not hold funds as a custodian trustee on behalf of other charities.

Disclosure of information to auditors

Insofar as the Trustees are aware:

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

Auditors

The auditors, Williams Giles Professional Services Ltd, have indicated their willingness to continue in office. The Trustees will propose a motion reappointing the auditors at a meeting of the Finance and Audit committee.

The Trustees' report, incorporating a strategic report, was approved by order of the board of Trustees, as the company directors, on 16 December 2019 and signed on its behalf by:



Mr Richard Gibbons
Chair of Trustees

THE WESTBROOK TRUST
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Governance Statement

Scope of responsibility

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

The board of Trustees has delegated the day-to-day responsibility to the Chief Executive Officer, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The Westbrook Trust and the Secretary of State for Education. They are also responsible for reporting to the board of Trustees any material weaknesses or breakdowns in internal control.

THE WESTBROOK TRUST
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Governance Statement (continued)

Governance

The information on governance included here supplements that described in the Trustees' report and in the Statement of Trustees' responsibilities. The board of Trustees has formally met 7 times during the year.

Attendance during the year at meetings of the board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
Mr Richard Gibbons	6	7
Mrs Jane Heyes	7	7
Mrs Samantha White	5	7
Lt. Col Adam Foley	5	7
Mrs Joanne Alsop	0	1
Mrs Christine Moses	5	7
Ms Annette Saunders	0	1
Mrs Nicola Lockhart	4	4
Mr James Lockhart	4	4

Trustees have carried out a self-evaluation and completed skills audits. They identified areas for the Trust Improvement Plan and made recommendations to update the Trust Business Plan. They have carried out their duties and responsibilities with due diligence. In addition, they have also appointed a new CEO, supported the development of communication between local governing bodies and the trust board, used their expertise to assist with the development of an Estates Management Policy and a marketing strategy and have engaged with the full review of governance across the trust.

The Trustees successfully achieved the key objectives set out in their improvement plan. However, the following items require attention:

- Attendance at meetings is 80%
- A new trustee needs to be appointed
- The growth of the trust (number of schools)

Trustees have received strong data on the performance of the schools and information about the progress of improvement plans. The board finds this data acceptable because over time predictions and expectations have matched final outcomes and progress is being made in all three schools.

The Trust has developed an agreed system for reviewing governance and carries out such reviews annually and in line with its stated policy. Each Trustee has completed an individual skills assessment to identify their personal development needs and indicate the areas of training that are required more broadly for the whole Board. The Board has used three main tools to evaluate its performance and identify priorities. The Regional School's Commissioner's evaluation tool, the National School's Commissioner's list of the characteristics of effective academy trusts and the National Governor's Association skills audit. The Trust has developed and uses its own materials for governor and trustee appraisal.

The Trust schedules a full review of governance every four years and has carried out a review in the current period, this involves a review of boards at all levels and 360 reviews of every chair. It is conducted with external support and through peer review.

The outcomes of the activities outlined above have been used to create a Trust Improvement Plan.

The areas identified for further development in the previous review were as follows: -

- Improvement of communications between boards and in the wider context
- Requirement for specific KPI's to monitor finances and the performance of boards
- Guidance for the operation of the Finance & General Purposes Committee
- Requirement for review of chair effectiveness and succession planning for their roles
- Board vacancies

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Governance Statement (continued)

Governance (continued)

The actions taken in respect of the above and outcomes were as follows: -

- Implementation of a communications policy leading to positive feedback
- KPI's created for both financial performance and performance of boards which has led to Trustees having a clearer picture in respect of monitoring expectations and outcomes
- Terms of Reference for the Finance and General Purposes Committee agreed
- New policy regarding induction of Trustees and chairs created which has received positive feedback from new Trustees
- New Trustees appointed, however these have replaced resignations and the search for an additional Trustee continues

The Finance and Audit Committee is a sub-committee of the main board of trustees. Its purpose is to remain responsible to the Trust board and operate under its terms of reference. The committee must have a deeper oversight of trust finances to carry out its delegated responsibilities and advise the full board. Responsibilities include aspects of policy approval, pay, budget planning and monitoring as well as liaising closely with the Chief Financial Officer and the Accounting Officer. They must have oversight of the budget compliance, controls and spending limits and scrutinise audits reports. The committee does not itself possess decision-making power but must bring all recommendations to the full board.

The full board holds 5 minuted meetings each year. Their 6th meeting is for training, development and self-evaluation and is not minuted. However, at this 6th meeting financial information is presented to the board in the usual way for scrutiny. In this way the trustees consider effective oversight of funds to be maintained.

Key tasks undertaken during the reporting period were:

- Scrutiny of audit reports
- Budget approval, monitoring and forecasting
- Review of ICFP and Benchmarking analysis
- Risk management
- Setting tasks for the Chief Financial Officer
- Monitoring Accounting Officer checks
- Re-appointment of auditors
- Scrutinised policies prior to Trustee approval

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Mr Richard Gibbons	5	5
Mrs Jane Heyes	5	5
Mrs Samantha White	4	5

The Trust was not required to operate a separate audit committee this year.

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Governance Statement (continued)

Review of value for money

As accounting officer, the Chief Executive Officer has responsibility for ensuring that the Academy 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's use of its resources has provided good value for money during each academic year, and reports to the board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate. The accounting officer for the Academy has delivered improved value for money during the year by:

1. Taking advantage of opportunities to bring in additional funds to the trust;
2. Carrying out regular checks on the Trust budget and that of the schools to ensure value for money;
3. Together with the CFO, conducting regular reviews of benchmarking materials as well as creating a new set of Financial KPI's which are presented to the Trustees each month;
4. Achieving good outcomes and progress for pupils;
5. Maintaining good attendance records for pupils;
6. Completing tasks and achieving tasks as set out on the Trust Improvement and Business Plans;
7. Use of Education Endowment Foundation 'Toolkit for Learning' to ensure effective use of time and money to secure better outcomes for pupils;
8. Carrying out regular and systematic accounting officer checks across each of the schools within the trust and sharing subsequent recommendations with schools and chairs.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy 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 Westbrook Trust for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The board of Trustees has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks that has been in place for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Trustees.

THE WESTBROOK TRUST
(A company limited by guarantee)

Governance Statement (continued)

The risk and control framework

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

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

The board of Trustees has considered the need for a specific internal audit function and has decided to appoint Williams Giles Professional Services as internal auditor.

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

- Fixed assets/inventory
- Banking & cash handling
- Income & expenditure
- Payroll & recruitment
- Governance & procedures
- School trips
- School meals
- Financial monitoring and reporting
- Contracts & procurement
- Lettings & income generation

The auditor reports to the board of trustees, through the Finance and Audit committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

The internal auditors have delivered their schedule of work as planned and no material control issues have been identified during the year.

THE WESTBROOK TRUST
(A company limited by guarantee)

Governance Statement (continued)


Review of effectiveness

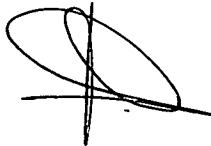
As accounting officer, the Chief Executive Officer has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

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

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

16/12/19

Approved by order of the members of the board of Trustees on  and signed on their behalf by:



Mr Richard Gibbons
Chair of Trustees



Mr Oliver Allen
Accounting Officer

THE WESTBROOK TRUST
(A company limited by guarantee)

Statement on Regularity, Propriety and Compliance

As accounting officer of The Westbrook Trust I have considered my responsibility to notify the Academy board of Trustees and the Education & 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 2018.

I confirm that I and the Academy board of Trustees 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 2018.

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



Mr Oliver Allen
Accounting Officer
Date: 16 December 2019

THE WESTBROOK TRUST
(A company limited by guarantee)

Statement of Trustees' responsibilities
For the year ended 31 August 2019

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- 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 Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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

Approved by order of the members of the board of Trustees on 16 December 2019 and signed on its behalf by:



Mr Richard Gibbons
Chair of Trustees

THE WESTBROOK TRUST
(A company limited by guarantee)

Independent Auditors' Report on the financial statements to the Members of The Westbrook Trust

Opinion

We have audited the financial statements of The Westbrook Trust (the 'academy') for the year ended 31 August 2019 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 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & 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 2019 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & 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

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

- the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Academy's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

THE WESTBROOK TRUST
(A company limited by guarantee)

Independent Auditors' Report on the financial statements to the Members of The Westbrook Trust
(continued)

Other information

The Trustees are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' report thereon. Other information includes the Reference and administrative details, the Trustees' report including the Strategic report, and the Governance statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

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 Trustees' Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' 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 Trustees' 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 Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

THE WESTBROOK TRUST
(A company limited by guarantee)

Independent Auditors' Report on the financial statements to the Members of The Westbrook Trust
(continued)

Responsibilities of trustees

As explained more fully in the Trustees' responsibilities statement, the Trustees (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 Trustees 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 Trustees 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 Trustees either intend to liquidate the Academy or to cease operations, or have no realistic alternative but to do so.

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.

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

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.



Alastair Crawford FCA (Senior statutory auditor)

for and on behalf of
Williams Giles Professional Services Ltd

Chartered Accountants and Registered Auditors
Statutory Auditor

Sittingbourne

Kent

ME10 5BH

17 December 2019

THE WESTBROOK TRUST
(A company limited by guarantee)

**Independent Reporting Accountant's Assurance Report on Regularity to The Westbrook Trust and the
Education & Skills Funding Agency**

In accordance with the terms of our engagement letter dated [enter date here] and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Westbrook Trust during the year 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of The Westbrook Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of The Westbrook Trust's funding agreement with the Secretary of State for Education dated 30 September 2014 and the Academies Financial Handbook, extant from 1 September 2018, 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 2018 to 2019. 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 2018 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

THE WESTBROOK TRUST
(A company limited by guarantee)

**Independent Reporting Accountant's Assurance Report on Regularity to The Westbrook Trust and the
Education & Skills Funding Agency (continued)**

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 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 included:

- An assessment of the risk of material misstatement and irregularity.
- Testing and review of areas identified through risk assessment including enquiry, inspection and review, observation and re-performance.
- Review of system controls, policies and procedures in place to ensure compliance with the regularity regime.
- Consideration of evidence obtained through the work performed as part of our audit in order to support the regularity conclusion.

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 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Alastair Crawford FCA

Williams Giles Professional Services Ltd

Date: 17 December 2019

THE WESTBROOK TRUST
(A company limited by guarantee)

Statement of financial activities (incorporating income and expenditure account)
For the year ended 31 August 2019

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
Income from:						
Donations and capital grants	3	8,781	68,398	804,123	881,302	547,656
Charitable activities		-	5,333,521	-	5,333,521	5,176,601
Other trading activities		162,176	58,125	-	220,301	254,147
Total income		170,957	5,460,044	804,123	6,435,124	5,978,404
Expenditure on:						
Raising funds		53,483	-	-	53,483	47,140
Charitable activities		104,475	5,906,285	327,052	6,337,812	6,103,146
Total expenditure		157,958	5,906,285	327,052	6,391,295	6,150,286
Net income/(expenditure)		12,999	(446,241)	477,071	43,829	(171,882)
Transfers between funds	18	-	146,071	(146,071)	-	-
Net movement in funds before other recognised gains/(losses)		12,999	(300,170)	331,000	43,829	(171,882)
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	24	-	(350,000)	-	(350,000)	817,000
Net movement in funds		12,999	(650,170)	331,000	(306,171)	645,118
Reconciliation of funds:						
Total funds brought forward		441,470	(1,282,624)	13,467,706	12,626,552	11,981,434
Net movement in funds		12,999	(650,170)	331,000	(306,171)	645,118
Total funds carried forward		454,469	(1,932,794)	13,798,706	12,320,381	12,626,552

THE WESTBROOK TRUST
(A company limited by guarantee)
Registered number: 09223515

Balance Sheet
As at 31 August 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	15	13,306,258	13,015,239
		<u>13,306,258</u>	<u>13,015,239</u>
Current assets			
Debtors	16	165,098	105,291
Cash at bank and in hand		1,472,354	1,347,901
		<u>1,637,452</u>	<u>1,453,192</u>
Creditors: amounts falling due within one year	17	(527,329)	(382,879)
Net current assets		<u>1,110,123</u>	<u>1,070,313</u>
Total assets less current liabilities		<u>14,416,381</u>	<u>14,085,552</u>
Net assets excluding pension liability		<u>14,416,381</u>	<u>14,085,552</u>
Defined benefit pension scheme liability	24	(2,096,000)	(1,459,000)
Total net assets		<u><u>12,320,381</u></u>	<u><u>12,626,552</u></u>

THE WESTBROOK TRUST
(A company limited by guarantee)

Balance Sheet (continued)
As at 31 August 2019

	Note	2019 £	2018 £
Funds of the Academy			
Restricted funds:			
Fixed asset funds	18	13,798,706	13,467,706
Restricted income funds	18	163,206	176,376
		<hr/>	<hr/>
Restricted funds excluding pension asset	18	13,961,912	13,644,082
Pension reserve	18	(2,096,000)	(1,459,000)
		<hr/>	<hr/>
Total restricted funds	18	11,865,912	12,185,082
Unrestricted income funds	18	454,469	441,470
		<hr/>	<hr/>
Total funds		12,320,381	12,626,552
		<hr/> <hr/>	<hr/> <hr/>

The financial statements have been prepared in accordance with the provisions applicable to entities subject to the small companies regime.

The financial statements on pages 27 to 57 were approved by the Trustees, and authorised for issue on 16 December 2019 and are signed on their behalf, by:



Mr Richard Gibbons
Chair of Trustees

The notes on pages 31 to 57 form part of these financial statements.

THE WESTBROOK TRUST
(A company limited by guarantee)

Statement of Cash Flows
For the year ended 31 August 2019

	Note	2019 £	2018 £
Cash flows from operating activities			
Net cash provided by operating activities	20	741,939	<i>800,886</i>
Cash flows from investing activities	21	(617,486)	<i>(78,827)</i>
Change in cash and cash equivalents in the year		124,453	<i>722,059</i>
Cash and cash equivalents at the beginning of the year		1,347,901	<i>625,842</i>
Cash and cash equivalents at the end of the year	22	<u>1,472,354</u>	<u><i>1,347,901</i></u>

The notes on pages 31 to 57 form part of these financial statements

THE WESTBROOK TRUST
(A company limited by guarantee)

Notes to the Financial Statements
For the year ended 31 August 2019

1. Accounting policies

The Westbrook Trust is a charitable company limited by guarantee and an exempt charity incorporated in England and Wales. The registered office is Brompton-Westbrook Primary School, Kings Bastion, Gillingham, Kent, ME7 5DQ. The principal activity of the academy trust is to provide a primary 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 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006. The accounts are presented in sterling and are rounded to the nearest pound.

The Westbrook Trust meets the definition of a public benefit entity under FRS 102.

1.2 Going concern

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Academy has adequate resources to continue in operational existence for the foreseeable future and 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.

THE WESTBROOK TRUST
(A company limited by guarantee)

Notes to the Financial Statements
For the year ended 31 August 2019

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.

THE WESTBROOK TRUST
(A company limited by guarantee)

Notes to the Financial Statements
For the year ended 31 August 2019

1. Accounting policies (continued)

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.

- **Expenditure on raising funds**

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Taxation

The Academy is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

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

THE WESTBROOK TRUST
(A company limited by guarantee)

Notes to the Financial Statements
For the year ended 31 August 2019

1. Accounting policies (continued)

1.6 Tangible fixed assets

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance sheet at cost and depreciated over their expected useful economic life. 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.

The land and buildings from which the multi-academy trust operates are leased from Medway Council for a period of 125 years. Rentals payable in respect of this lease are one peppercorn per annum. Under the terms of the lease the risk and rewards of ownership of the buildings have been substantially transferred to the multi academy trust and accordingly to reflect its use, the value of the property has been included in fixed assets with an appropriate credit to voluntary income within the Statement of Financial Activities. The values for these transfers have been taken from the valuations provided by the ESFA.

Depreciation is provided on all tangible fixed assets other than freehold land and assets under construction, 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:

Long-term leasehold property	-	2%
Furniture and fittings	-	10%
Computer equipment	-	33%

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 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.

1.8 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.

1.9 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.

THE WESTBROOK TRUST
(A company limited by guarantee)

Notes to the Financial Statements
For the year ended 31 August 2019

1. Accounting policies (continued)

1.10 Provisions

Provisions are recognised when the Academy 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 interest payable and similar charges.

1.11 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. Amounts due to the Academy's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial 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. Amounts due to the Academy's wholly owned subsidiary are held at face value less any impairment.

THE WESTBROOK TRUST
(A company limited by guarantee)

Notes to the Financial Statements
For the year ended 31 August 2019

1. Accounting policies (continued)

1.12 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.

1.13 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 Trustees.

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.

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

Useful economic lives of tangible fixed assets

The annual depreciation charge for tangible fixed assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 13 for the carrying amount of the property, plant and equipment policy and 1.6 for the useful economic lives for each class of asset.

Multi-employer defined benefit pension scheme

Certain employees participate in a multi-employer defined benefit pension scheme with other Academy Trusts in the region. In the judgement 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 23 for further details.

3. Income from donations and capital grants

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Donations	8,781	-	-	8,781
Government grants	-	-	804,123	804,123
Similar incoming resources	-	68,398	-	68,398
	<u>8,781</u>	<u>68,398</u>	<u>804,123</u>	<u>881,302</u>

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3. Income from donations and capital grants (continued)

	<i>Unrestricted funds 2018 £</i>	<i>Restricted funds 2018 £</i>	<i>Restricted fixed asset funds 2018 £</i>	<i>Total funds 2018 £</i>
Donations	1,887	-	-	1,887
Government grants	-	-	521,568	521,568
Similar incoming resources	-	24,201	-	24,201
	<u>1,887</u>	<u>24,201</u>	<u>521,568</u>	<u>547,656</u>

4. Funding for the Academy's educational operations

	<i>Restricted funds 2019 £</i>	<i>Total funds 2019 £</i>	<i>Total funds 2018 £</i>
DfE/ESFA grants			
General Annual Grant (GAG)	4,326,015	4,326,015	4,172,344
Start up grants	227,062	227,062	221,967
Other DfE/EFA grants	309,463	309,463	321,381
Growth Fund	55,000	55,000	55,000
Pupil premium	356,430	356,430	329,374
	<u>5,273,970</u>	<u>5,273,970</u>	<u>5,100,066</u>
Other government grants			
Other Government Grants	54,135	54,135	72,110
	<u>54,135</u>	<u>54,135</u>	<u>72,110</u>
Other funding			
Other grants	5,416	5,416	4,425
	<u>5,416</u>	<u>5,416</u>	<u>4,425</u>
	<u><u>5,333,521</u></u>	<u><u>5,333,521</u></u>	<u><u>5,176,601</u></u>

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5. Income from other trading activities

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £
Hire of Facilities	20,007	-	20,007
Catering income	-	27,118	27,118
School trip income	40,790	-	40,790
Other income	101,379	31,007	132,386
	<u>162,176</u>	<u>58,125</u>	<u>220,301</u>

	<i>Unrestricted funds 2018 £</i>	<i>Restricted funds 2018 £</i>	<i>Total funds 2018 £</i>
Hire of Facilities	25,714	-	25,714
Catering income	-	23,463	23,463
School trip income	41,595	-	41,595
Other income	120,253	43,122	163,375
	<u>187,562</u>	<u>66,585</u>	<u>254,147</u>

6. Expenditure

	Staff Costs 2019 £	Premises 2019 £	Other 2019 £	Total 2019 £
Expenditure on raising voluntary income:				
Direct costs	-	-	53,483	53,483
Educational Operations:				
Direct costs	3,975,395	-	214,392	4,189,787
Allocated support costs	902,200	695,440	550,385	2,148,025
	<u>4,877,595</u>	<u>695,440</u>	<u>818,260</u>	<u>6,391,295</u>

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	<i>Staff Costs</i> <i>2018</i> £	<i>Premises</i> <i>2018</i> £	<i>Other</i> <i>2018</i> £	<i>Total</i> <i>2018</i> £
Expenditure on raising voluntary income:				
Direct costs	-	-	47,140	47,140
Educational Operations:				
Direct costs	3,820,058	-	169,739	3,989,797
Allocated support costs	936,562	384,999	791,788	2,113,349
	<u>4,756,620</u>	<u>384,999</u>	<u>1,008,667</u>	<u>6,150,286</u>

7. Analysis of expenditure by activities

	Activities undertaken directly 2019 £	Support costs 2019 £	Total funds 2019 £
Provision of Education	<u>4,189,787</u>	<u>2,148,025</u>	<u>6,337,812</u>

	<i>Activities undertaken directly 2018 £</i>	<i>Support costs 2018 £</i>	<i>Total funds 2018 £</i>
Provision of Education	<u>3,989,797</u>	<u>2,113,349</u>	<u>6,103,146</u>

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7. Analysis of expenditure by activities (continued)

Analysis of direct costs

	Educational Operations 2019 £	Total funds 2019 £	<i>Total funds 2018 £</i>
Staff costs	3,975,395	3,975,395	3,741,972
Educational supplies	89,553	89,553	110,677
Staff development	34,835	34,835	38,669
Educational consultancy	64,296	64,296	70,817
Other direct costs	3,976	3,976	5,304
Agency supply	21,732	21,732	22,358
	<u>4,189,787</u>	<u>4,189,787</u>	<u>3,989,797</u>

Analysis of support costs

	Educational Operations 2019 £	Total funds 2019 £	<i>Total funds 2018 £</i>
LGPS cost	36,000	36,000	39,000
Staff costs	902,200	902,200	1,014,648
Depreciation	327,052	327,052	320,899
Maintenance of premises and equipment	221,056	221,056	101,586
Cleaning	66,415	66,415	58,965
Rent & rates	61,337	61,337	45,290
Light & heat	69,779	69,779	56,709
Insurance	45,309	45,309	32,162
Catering	177,884	177,884	193,589
Computer costs	86,451	86,451	88,756
Other support costs	47,862	47,862	43,502
Loss on disposal of fixed assets	1,032	1,032	-
Governance costs	105,648	105,648	118,243
Total 2019	<u>2,148,025</u>	<u>2,148,025</u>	<u>2,113,349</u>

During the year ended 31 August 2019, the academy incurred the following Governance costs:
£105,648 (2018 - £118,243) included within the table above in respect of Educational operations.

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8. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2019 £	2018 £
Depreciation of tangible fixed assets: - owned by the charity	327,637	320,899

9. Auditors' remuneration

	2019 £	2018 £
Fees payable to the Academy's auditor for the audit of the Academy's annual accounts	9,000	8,900
Fees payable to the Academy's auditor in respect of:		
Audit-related assurance services	1,200	1,300
Internal audit services	1,500	3,750
All other non-audit services not included above	3,446	3,490

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10. Staff costs

a. Staff costs

Staff costs during the year were as follows:

	2019	2018
	£	£
Wages and salaries	3,678,006	3,583,182
Social security costs	324,296	315,022
Pension costs	875,293	858,416
	<u>4,877,595</u>	<u>4,756,620</u>

b. Staff numbers

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

	2019	2018
	No.	No.
Teachers	59	59
Admin and Support	91	95
Management	13	16
	<u>163</u>	<u>170</u>

c. Higher paid staff

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

	2019	2018
	No.	No.
In the band £60,001 - £70,000	3	1
In the band £70,001 - £80,000	2	2

d. Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the academy trust was £476,950 (2018 - £467,236).

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11. Central Services

The Trust provide a number of central service to its academies during the year, the charges for which were based on the following:

Charges were calculated at 5% of the General Annual Grant, Pupil Premium, Early Years funding, Teachers Pay Grant and Growth Funding.

	2019 £	2018 £
Brompton-Westbrook Primary School	89,623	99,086
Byron Primary School	100,739	99,274
St Margaret's Infant School	57,515	57,555
	<u>247,877</u>	<u>255,915</u>

12. Trustees' remuneration and expenses

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

	2019 £	2018 £
Mrs Jane Heyes (resigned 1 September 2019) Remuneration	45,000 - 50,000	45,000 - 50,000
Pension contributions paid	0 - 5,000	0 - 5,000
Other benefits	0 - 5,000	0 - 5,000

During the year ended 31 August 2019, expenses totalling £51 (2018 - £50) were reimbursed to 1 Member (2018 - 1).

During the year ended 31 August 2019, expenses totalling £nil (2018 - £30) were reimbursed to nil Trustees (2018 - 1).

13. Trustees' and Officers' insurance

In accordance with normal commercial practice, the Academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £2,000,000 on any one claim. The cost of this insurance is included in the total insurance cost.

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14. Net pension interest

	2019 £	2018 £
Interest income on pension scheme assets	64,000	55,000
Interest on pension scheme liabilities	(100,000)	(94,000)
	<u>(36,000)</u>	<u>(39,000)</u>

15. Tangible fixed assets

	Long-term leasehold property £	Furniture and equipment £	Computer equipment £	Total £
Cost or valuation				
At 1 September 2018	13,480,959	239,458	141,626	13,862,043
Additions	495,083	75,846	48,175	619,104
Disposals	-	(1,618)	-	(1,618)
At 31 August 2019	<u>13,976,042</u>	<u>313,686</u>	<u>189,801</u>	<u>14,479,529</u>
Depreciation				
At 1 September 2018	677,711	53,950	115,143	846,804
Charge for the year	274,033	25,815	27,204	327,052
On disposals	-	(585)	-	(585)
At 31 August 2019	<u>951,744</u>	<u>79,180</u>	<u>142,347</u>	<u>1,173,271</u>
Net book value				
At 31 August 2019	<u>13,024,298</u>	<u>234,506</u>	<u>47,454</u>	<u>13,306,258</u>
At 31 August 2018	<u>12,803,248</u>	<u>185,508</u>	<u>26,483</u>	<u>13,015,239</u>

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16. Debtors

	2019 £	2018 £
Due within one year		
Trade debtors	19,092	16,007
VAT recoverable	72,904	15,388
Prepayments and accrued income	73,102	73,896
	<u>165,098</u>	<u>105,291</u>

17. Creditors: Amounts falling due within one year

	2019 £	2018 £
Trade creditors	279,882	158,038
Other taxation and social security	78,784	74,323
Accruals and deferred income	168,663	150,518
	<u>527,329</u>	<u>382,879</u>

	2019 £	2018 £
Deferred income		
Deferred income at 1 September 2018	129,499	144,050
Resources deferred during the year	137,769	129,499
Amounts released from previous periods	(129,499)	(144,050)
Deferred income at 31 August 2019	<u>137,769</u>	<u>129,499</u>

Income has been deferred in respect of 2019/20 Universal Infant Free School Meals grants and Early Years Funding received during 2018/19.

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18. Statement of funds

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Unrestricted funds						
Unrestricted	<u>441,470</u>	<u>170,957</u>	<u>(157,958)</u>	<u>-</u>	<u>-</u>	<u>454,469</u>
Restricted general funds						
General annual grant	176,376	4,326,015	(4,485,256)	146,071	-	163,206
Other DfE/ESFA grants	-	309,463	(309,463)	-	-	-
Pupil premium	-	356,430	(356,430)	-	-	-
Start up grants	-	227,062	(227,062)	-	-	-
Other government grants	-	54,135	(54,135)	-	-	-
Other grants	-	5,416	(5,416)	-	-	-
Other generated income	-	58,125	(58,125)	-	-	-
Growth funding	-	55,000	(55,000)	-	-	-
Donations	-	68,398	(68,398)	-	-	-
Pension reserve	(1,459,000)	-	(287,000)	-	(350,000)	(2,096,000)
	<u>(1,282,624)</u>	<u>5,460,044</u>	<u>(5,906,285)</u>	<u>146,071</u>	<u>(350,000)</u>	<u>(1,932,794)</u>
Restricted fixed asset funds						
Assets held for depreciation	5,255,226	-	(327,052)	617,486	-	5,545,660
Capital grants	448,991	804,123	-	(763,557)	-	489,557
Assets on conversion	7,763,489	-	-	-	-	7,763,489
	<u>13,467,706</u>	<u>804,123</u>	<u>(327,052)</u>	<u>(146,071)</u>	<u>-</u>	<u>13,798,706</u>
Total Restricted funds	<u>12,185,082</u>	<u>6,264,167</u>	<u>(6,233,337)</u>	<u>-</u>	<u>(350,000)</u>	<u>11,865,912</u>

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18. Statement of funds (continued)

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Total funds	12,626,552	6,435,124	(6,391,295)	-	(350,000)	12,320,381

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

Unrestricted funds are applied to the general work of the academy to support activities inside and outside the curriculum.

Restricted funds are applied specifically in accordance with the rules of each grant and support the education provision delivered by the academy.

Restricted fixed asset funds are applied to the maintenance and improvement of all the academy's fixed assets.

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 2019.

Total funds analysis by academy

Fund balances at 31 August 2019 were allocated as follows:

	2019 £	2018 £
Brompton Westbrook Primary School	370,716	420,042
Byron Primary School	81,467	27,911
St Margarets Infant School	81,844	81,281
Trust	83,648	88,612
Total before fixed asset funds and pension reserve	617,675	617,846
Restricted fixed asset fund	13,798,706	13,467,706
Pension reserve	(2,096,000)	(1,459,000)
Total	12,320,381	12,626,552

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18. Statement of funds (continued)

Total cost analysis by academy

Expenditure incurred by each academy during the year was as follows:

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2019 £
Brompton Westbrook Primary School	1,423,771	240,627	33,700	322,775	2,020,873
Byron Primary School	1,621,949	173,064	29,473	298,348	2,122,834
St Margarets Infant School	803,801	139,697	21,645	391,794	1,356,937
Trust	125,874	384,812	4,735	48,178	563,599
Academy	3,975,395	938,200	89,553	1,061,095	6,064,243

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18. Statement of funds (continued)

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

	<i>Balance at 1 September 2017 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2018 £</i>
Unrestricted funds					
General Funds - all funds	418,577	189,449	(166,556)	-	441,470
	<u>418,577</u>	<u>189,449</u>	<u>(166,556)</u>	<u>-</u>	<u>441,470</u>
Restricted general funds					
General annual grant	287,820	3,824,396	(3,935,840)	-	176,376
Other DfE/ESFA grants	-	321,381	(321,381)	-	-
Pupil premium	-	701,524	(701,524)	-	-
Universal free school meals	-	221,967	(221,967)	-	-
Other government grants	-	72,109	(72,109)	-	-
Other grants	-	4,425	(4,425)	-	-
Other generated income	-	66,585	(66,585)	-	-
Growth funding	-	55,000	(55,000)	-	-
Pension reserve	(1,992,000)	-	(284,000)	817,000	(1,459,000)
	<u>(1,704,180)</u>	<u>5,267,387</u>	<u>(5,662,831)</u>	<u>817,000</u>	<u>(1,282,624)</u>
Restricted fixed asset funds					
Assets held for depreciation	5,493,822	-	(238,596)	-	5,255,226
Capital grants	9,726	521,568	(82,303)	-	448,991
Assets on conversion	7,763,489	-	-	-	7,763,489
	<u>13,267,037</u>	<u>521,568</u>	<u>(320,899)</u>	<u>-</u>	<u>13,467,706</u>
Total Restricted funds	<u>11,562,857</u>	<u>5,788,955</u>	<u>(5,983,730)</u>	<u>817,000</u>	<u>12,185,082</u>
Total funds	<u><u>11,981,434</u></u>	<u><u>5,978,404</u></u>	<u><u>(6,150,286)</u></u>	<u><u>817,000</u></u>	<u><u>12,626,552</u></u>

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19. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	585	-	13,305,673	13,306,258
Current assets	981,213	163,206	493,033	1,637,452
Creditors due within one year	(527,329)	-	-	(527,329)
Provisions for liabilities and charges	-	(2,096,000)	-	(2,096,000)
Total	454,469	(1,932,794)	13,798,706	12,320,381

Analysis of net assets between funds - prior year

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	13,015,239	13,015,239
Current assets	824,349	176,376	452,467	1,453,192
Creditors due within one year	(382,879)	-	-	(382,879)
Provisions for liabilities and charges	-	(1,459,000)	-	(1,459,000)
Total	441,470	(1,282,624)	13,467,706	12,626,552

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

	2019 £	2018 £
Net income/(expenditure) for the year (as per Statement of financial activities)	43,829	(171,882)
Adjustments for:		
Depreciation charges	327,052	320,899
Decrease/(increase) in debtors	(59,807)	166,651
Increase in creditors	144,452	201,218
Defined benefit pension scheme cost less contributions payable	287,000	284,000
Profit on disposal of fixed assets	(587)	-
Net cash provided by operating activities	741,939	800,886

21. Cash flows from investing activities

	2019 £	2018 £
Purchase of tangible fixed assets	(617,486)	(78,827)
Net cash used in investing activities	(617,486)	(78,827)

22. Analysis of cash and cash equivalents

	2019 £	2018 £
Cash in hand	1,472,354	1,347,901
Total cash and cash equivalents	1,472,354	1,347,901

23. Contingent liabilities

During the period of the funding agreement, should any asset for which a capital grant was received be sold or otherwise disposed of, in the event of the Academy not reinvesting the proceeds, it will be required to pay the grant related proportion of the proceeds to the ESFA.

Should the funding agreement be terminated for any reason, the Academy shall repay the ESFA the current value of the academy's land and buildings and other assets, to the extent that such assets were funded by sums received from the ESFA.

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24. Pension commitments

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

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 and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

Valuation of the Teachers' Pension Scheme

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

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

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 September 2019.

The employer's pension costs paid to TPS in the year amounted to £391,486 (2018 - £382,852).

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

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The Academy 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.

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24. Pension commitments (continued)

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 2019 was £288,000 (2018 - £285,000), of which employer's contributions totalled £223,000 (2018 - £221,000) and employees' contributions totalled £ 65,000 (2018 - £64,000). The agreed contribution rates for future years are 20 per cent for employers and var 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

	2019	2018
	%	%
Rate of increase in salaries	3.7	3.8
Rate of increase for pensions in payment/inflation	2.2	2.3
Discount rate for scheme liabilities	1.85	2.65
Inflation assumption (CPI)	2.2	2.3
Commutation of pensions to lump sums	50	50
RPI increases	3.2	3.3

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

	2019	2018
	Years	Years
<i>Retiring today</i>		
Males	22.1	23.1
Females	24.0	25.2
<i>Retiring in 20 years</i>		
Males	23.7	25.3
Females	25.8	27.5

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24. Pension commitments (continued)

Sensitivity analysis

	2019	2018
	£000	£000
Discount rate +0.1%	4,631,000	3,700,000
Discount rate -0.1%	4,842,000	3,868,000
Mortality assumption - 1 year increase	4,907,000	3,907,000
Mortality assumption - 1 year decrease	4,569,000	3,663,000
CPI rate +0.1%	4,748,000	3,794,000
CPI rate -0.1%	4,722,000	3,772,000

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

	At 31	At 31 August
	August 2019	2018
	£	£
Equities	1,801,000	1,585,000
Gilts	19,000	18,000
Other bonds	238,000	206,000
Property	308,000	287,000
Cash and other liquid assets	71,000	71,000
Absolute return fund	205,000	157,000
Total market value of assets	2,642,000	2,324,000

The actual return on scheme assets was £109,000 (2018 - £93,000).

The amounts recognised in the Statement of Financial Activities are as follows:

	2019	2018
	£	£
Current service cost	(470,000)	(465,000)
Interest income	64,000	55,000
Interest cost	(100,000)	(94,000)
Administrative expenses	(1,000)	(1,000)
Total amount recognised in the Statement of Financial Activities	(507,000)	(505,000)

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For the year ended 31 August 2019

24. Pension commitments (continued)

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

	2019 £	2018 £
At 1 September	3,783,000	3,684,000
Past service costs, including curtailments	51,000	-
Current service cost	419,000	465,000
Interest cost	100,000	94,000
Employee contributions	65,000	64,000
Actuarial losses/(gains)	395,000	(779,000)
Benefits paid net of transfers in	(78,000)	(68,000)
Adjustment to brought forward	-	323,000
At 31 August	4,735,000	3,783,000

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

	2019 £	2018 £
At 1 September	2,324,000	1,561,000
Interest income	64,000	55,000
Actuarial gains	45,000	38,000
Employer contributions	219,000	220,000
Employee contributions	65,000	64,000
Estimated benefits paid plus unfunded net transfers in	(78,000)	(68,000)
Adjustment to brought forward	-	454,000
At 31 August	2,639,000	2,324,000

25. Operating lease commitments

	2019 £	2018 £
Amounts payable:		
Within 1 year	845	3,166
Between 1 and 5 years	2,750	3,615
	3,595	6,781

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26. Members' liability

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

27. Related party transactions

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which Trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and with the trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

No related party transactions were entered into during the year, other than certain trustees' remuneration and expenses already disclosed in note 12.