

Company Registration Number: 09223515 (England and Wales)

THE WESTBROOK TRUST
(A company limited by guarantee)

Annual report and financial statements
for the year ended 31 August 2018

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THE WESTBROOK TRUST
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**Reference and administrative details
for the year ended 31 August 2018**

Members	Mr David Bragger, Chair Ms Lillian Gould Mr John Jones Mr Richard Gibbons Mrs Jemena Glover
Trustees	Mrs Samantha White ¹ Mrs Jane Heyes ¹ Mr Richard Gibbons, Chair ¹ Lt. Col Adam Foley, Vice Chair Mrs Joanne Alsop (resigned 3 October 2018) Mrs Christine Moses Ms Anette Saunders (appointed 1 October 2017, resigned 8 October 2018)
	¹ Finance and General Purposes Committee
Company registered number	09223515
Company name	The Westbrook Trust
Principal and registered office	Brompton-Westbrook Primary School Kings Bastion Gillingham Kent ME7 5DQ
Company secretary	The Trust has decided not to appoint a Company Secretary at this time
Senior management team	Mrs Jane Heyes, CEO / Executive Head Teacher 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 Oliver Allen, Director of Learning Mr Richard Warnham, Chief Financial Officer Mrs Karen Price, Assistant Head Brompton-Westbrook PS Mr Kevin Presneill, Assistant Head Brompton-Westbrook PS Mr Graham Chantler, Deputy Head Byron PS Mrs Joanne Langthorne, Deputy Head Byron PS Mr Michael Collis, Assistant Head St Margaret's IS Mrs Lucie Pascall, Assistant Head St Margaret's IS Mrs Erin Anderson, Assistant Head St Margaret's IS Mrs Carla Broadaway, Business Manager

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**Reference and administrative details of the academy, its trustees and advisers
for the year ended 31 August 2018**

Advisers (continued)

Independent auditors	Williams Giles Limited Chartered Accountants Statutory Auditor 12 Conqueror Court Sittingbourne ME10 5BH
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Bankers	National Westminster 117 High Street Gillingham Kent ME7 1AG
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Solicitors	Mr Brendan Roodt 67 Lapins Lane West Malling Kent ME19 4LE
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THE WESTBROOK TRUST
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Trustees' report
for the year ended 31 August 2018

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year to 31 August 2018. 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 1,215 plus 112 nursery places. 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 trust is a company limited by guarantee and an exempt charity.

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

The trustees of 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 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 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.

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.

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Trustees' report (continued)
for the year ended 31 August 2018

d. Policies and procedures 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.

e. Pay policy for 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 including 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.

f. 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%	163
1%-50%	1
51%-99%	-
100%	-

Percentage of pay bill spent on facility time £

Total cost of facility time	992
Total pay bill	4,492,656
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	43 %
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g. 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 constitution 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 (executive head teacher), who is also the Trust's Accounting Officer.

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Trustees' report (continued)
for the year ended 31 August 2018

Each school in the Trust has a head teacher. A senior leadership team, business manager and layer of middle management supports the leadership 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. Governors may also undertake individual responsibilities such as safeguarding or curriculum and assessment.

The Trust has a Scheme of Delegation and a Finance Policy in place. Both of 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 (see Finance Policy and Scheme of Delegation). 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. 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 the Business Manager who is supported by finance officers.

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

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.

i. Trustees' indemnities

Subject to the provisions of the Companies Act 2006, the Academy Trust maintains directors' and officers' liability insurance which gives appropriate cover for any liability incurred or legal action brought against them for actual or alleged breach of professional duty in connection with their acting in their capacity as directors of the Academy Trust. This cover is purchased through the Department for Education.

There were no third party indemnity provisions during the year nor are there any existing at the date of this report.

Strategic report

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:

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Trustees' report (continued)
for the year ended 31 August 2018

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.

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 is in line with or above national benchmarks

Strategy: Updated the safeguarding audit, implemented a full-cycle of external reviews e.g. Pupil Premium for each school, created a new School Recovery Plan to be incorporated within the school improvement strategy. Implemented an intensive plan to improve specific areas within a school. Supported Local Governing Bodies to better interpret school data. Implemented new policies for assessment, curriculum, attendance, teaching & learning, quality assurance and able and talented pupils. Prepared a policy on increasing parental engagement and pupil and parent voice.

Objective 2: Ensure that accountability and communication policies are clear and show impact throughout the Trust.

Strategy: Finalised all supporting documents to accompany the Scheme of Delegation. Embedded the code of conduct for governance meetings and created a Trust communications strategy.

Objective 3: The CFO appointment secures greater centralisation of services and improvements in management information.

Strategy: Inducted the new CFO and implemented a central plan to be GDPR compliant by May 2018. We managed the centralisation of some core functions. Developed the Trust's core compliance section. A new risk management approach was adopted. A new finance system was implemented and management information increased and improved.

Objective 4: Strategies to improve staff skills, recruitment and succession planning to provide a consistent pool of good or better teachers across the trust.

Strategy: Develop subject leadership skills, implement the continuing professional development, wellbeing and succession planning policies. Continue with and further develop networking outside the trust. Identify teaching staff who can be deployed as part of an internal school improvement team. Conduct professional development

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Trustees' report (continued)
for the year ended 31 August 2018

meetings with all school leaders to improve succession planning.

c. Achievements and performance

Objective 1: Progress and attainment of pupils is in line with or above national benchmarks

Outcomes: There were 23 key attainment measures across all three schools, all of which were at least in line with the national average and 21 of these were above. In respect of progress there were 6 key measures and again all of these were at least in line with the national average with 5 of these being above.

Objective 2: Ensure that accountability and communication policies are clear and show impact throughout the Trust.

Outcomes: A communications strategy was developed and is ready for implementation.

Objective 3: The CFO appointment secures greater centralisation of services and improvements in management information.

Outcomes: The Trust was successfully GDPR compliant before the deadline of May 2018 and centralisation of some systems were completed as planned. Management information was improved over the course of the year and provided in a timely manner.

Objective 4: Strategies to improve staff skills, recruitment and succession planning to provide a consistent pool of good or better teachers across the trust.

Outcomes: Curriculum subject leaders have an action plan. Director of Learning has a team of school staff to lead activities and be deployed as required to improve teaching and learning across the Trust. Gaps in succession planning have been identified and the school's professional development strategy has been implemented.

d. 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.

Key performance indicators & Going Concern

a. Key performance indicators

Key Performance Indicators for schools in the Trust in 2017-2018.

- 2 schools rated good and 1 school without designation
- 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
- Staff attendance is above 96%
- Staff turnover is less than 5%
- Governor attendance at meetings was above 96%
- 2 of the schools reported in year deficits (before depreciation)
- Audit reports have raised no 'red-rated' issues
- Complaints are at a low level
- Staffing costs at 2 schools are above 80% of government income

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Trustees' report (continued)
for the year ended 31 August 2018

- 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	76%	73%	72%
Phonics screening Yr1	83%	84%	94%
ATTAINMENT			
Reading Yr2	80%	78%	84%
Writing Yr2	75%	71%	79%
Maths Yr2	81%	79%	82%
Reading Yr6	74%	78%	
Writing Yr6	86%	76%	
Maths Yr6	89%	76%	
PROGRESS			
Reading Yr6	-0.4	+1.5	
Writing Yr6	+1.6	+1.1	
Maths Yr6	+1.5	+1.1	
COMBINED SCORES			
Reading, Writing & maths	73%	67%	

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Trustees' report (continued)
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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

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 2018 are £12,626,652. However, no reserves are freely available for general purposes until the reserves target has been achieved.

a. 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.

b. Principal Risks and Uncertainties

The Trust has a Risk Register that is reviewed every 6 months 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
 - New and improved finance management software has been put into operation
 - There are plans to centralise financial procedures with central procurement seen as a good way to save on some core costs.
2. Operational: Difficulty in recruiting pupils
 - Good communication via feeder nursery schools.
 - All schools currently oversubscribed at FS2.
 - BWPS has expansion plan from 45 to 60.
3. Compliance: Potential non-compliance with the General Data Protection Regulations
 - A DPO has been appointed and is considered to be appropriately trained in GDPR

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Trustees' report (continued)
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c. Financial Review

During the reporting period the Trust has incurred an in-year deficit of £171,882, this includes a depreciation figure of £320,899. 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 £12,626,552 as at 31 August 2018. This is an increase on the previous year due to the in year surplus.

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 £1,459,000 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.

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.

Plans for future periods

Priorities for 2018-19

Priority 1: Improve finance and administration procedures through increased standardisation, increased efficiency and continued monitoring of staffing structures.

Actions:

- Production, approval and implementation of a 'Finance Handbook'
- Continued review of the appropriateness of the current Trust staffing structure
- Develop and provide a centralised Trust policy and compliance system
- Improve financial efficiency and identify savings / income generation
- Production and implementation of 'one best way' procedures across the Trust.
- Development and effective sharing of both a risk assessment policy and risk assessment models.

Priority 2: Improve outcomes for staff by: developing positive communications, strengthening policy and procedures for those with protected characteristics and enhancing succession planning opportunities

Actions:

- Implement Communications Policy with stakeholders and update linked policies
- Review policies and documents about protected characteristics
- Complete work from 2018 on succession planning
- Issue and receive feedback from school level questionnaires
- Improve curriculum in respect of careers information
- Review time pressures of policy into practice

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Trustees' report (continued)
for the year ended 31 August 2018

Priority 3: Improve leadership, including governance, at Trust and school level

Actions:

- Create KPIs to monitor the performance of LGBs
- Appoint and induct a new CEO
- Draft, approve and implement terms of reference for the FGP Committee of Trustees
- Share and approve trustee induction plan and add to policy
- Conduct 360 degree review of Chairs of Governors
- Deliver training on 'becoming a chair'

Priority 4: Progress and attainment of pupils improves across the Trust in targeted areas

Actions:

- Review school improvement plans to ensure school to school support and staff training are effectively planned and delivered
- Complete and evaluate outcomes from Education Development Trust peer reviews
- Review home learning policy
- Implement quality assurance and curriculum policies
- Review progress and attainment data for foundation subjects and implement actions

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 document
- 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
- 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

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Trustees' report (continued)
for the year ended 31 August 2018

Funds held as custodian trustee on behalf of others

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

Disclosure of information to auditors

In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustees have taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

Auditors

The auditors, Williams Giles Limited, have indicated their willingness to continue in office. The Designated Trustees will propose a motion re-appointing the auditors at a meeting of the Trustees.

The Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 3 December 2018 and signed on its behalf by:



Mr Richard Gibbons
Chair of Trustees



Mrs Jane Heyes
Trustee

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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 / Executive Head Teacher, 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.

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 5 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
Mrs Samantha White	5	5
Mrs Jane Heyes	5	5
Mr Richard Gibbons, Chair	5	5
Lt. Col Adam Foley, Vice Chair	4	5
Mrs Joanne Alsop	0	5
Mrs Christine Moses	1	5
Ms Anette Saunders	3	5

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 helped to create a communications policy, reviewed condition surveys for each of the school's premises, supported the CFO with the preparation of the new risk register and worked with the CEO to improve succession planning.

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

- Attendance at meetings is 66%
- A new trustee needs to be appointed

Trustees have received strong data on the performance of the schools and information about the progress of improvement plans.

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Governance Statement (continued)

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 is also aware of the National College for Teaching and Leadership materials that can be used for an external review of governance but such a review was not conducted in the year covering this report. The Trust has developed and uses its own materials for governor and trustee appraisal. The outcomes of the activities outlined above have been used to create a Trust Improvement Plan.

The areas identified for further development are as follows:

- Implement a communications policy and receive feedback from stakeholders
- Create a set of KPI's for financial monitoring purposes
- Create KPI's to monitor the performance of Trustees and local Governing Bodies
- Create a Terms of Reference for the Finance and General Purposes Committee
- Improve induction procedures specifically for Trustees
- Encourage Governors and Trustees to attend training on becoming a chair
- Conduct a 360-degree review of the chair of trustees
- Appoint an additional trustee

The Finance and General Purposes 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.

Key tasks undertaken during the reporting period were:

- Scrutiny of audit reports
- Budget approval, monitoring and forecasting
- Risk management
- Overseeing induction of and setting tasks for the Chief Financial Officer
- Monitoring Accounting Officer checks
- Bidding to the MAT Development & Improvement Fund
- Appointment of auditors
- Scrutinised policies prior to Trustee approval

Attendance at meetings in the year was as follows:

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

Review of Value for Money

As Accounting Officer, the Chief Executive / Executive Head Teacher 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 deploy staff to other schools to bring in additional funds to the trust to set off against employment costs;
2. Carrying out regular checks on the Trust budget and that of the schools to ensure value for money;

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Governance Statement (continued)

3. Inducting and supporting a Chief Financial Officer to improve financial reporting and monitoring;
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

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy 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 2017 to 31 August 2018 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 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The Risk and Control Framework

The academy'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 general purposes 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 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
- The school journey

On a quarterly basis, the auditor reports to the board of trustees through the finance and general purposes 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

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Governance Statement (continued)

identified during the year.

Review of Effectiveness

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

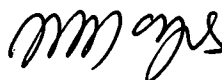
- the work of the internal auditor;
- the work of the external auditors;
- the work of the executive managers within the academy who have responsibility for the development and maintenance of the internal control framework.

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 address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 3 December 2018 and signed on their behalf, by:



Mr Richard Gibbons
Chair of Trustees



Mrs Jane Heyes
Accounting Officer

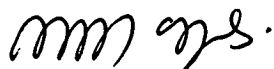
THE WESTBROOK TRUST
(A company limited by guarantee)

Statement on Regularity, Propriety and Compliance

As Accounting Officer of The Westbrook Trust I have considered my responsibility to notify the academy trust 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 trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2017.

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.



Mrs Jane Heyes
Accounting Officer

THE WESTBROOK TRUST
(A company limited by guarantee)

Statement of Trustees' responsibilities
for the year ended 31 August 2018

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 Annual Accounts Direction issued 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:

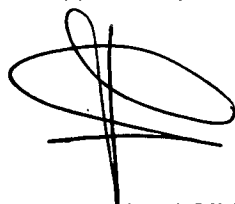
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting 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 3 December 2018 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 2018 which comprise the Statement of financial activities incorporating income and expenditure account, 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 2017 to 2018 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 2018 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 2017 to 2018 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

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. 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.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities, 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.

THE WESTBROOK TRUST
(A company limited by guarantee)

Independent auditors' report on the financial statements to the members of The Westbrook Trust

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 Limited

Chartered Accountants
Statutory Auditor

12 Conqueror Court
Sittingbourne
ME10 5BH

Date: 18 December 2018

THE WESTBROOK TRUST
(A company limited by guarantee)

**Independent reporting accountants' assurance report on regularity to The Westbrook Trust and the
Education & Skills Funding Agency**

In accordance with the terms of our engagement letter dated 21 March 2016 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, 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 2017 to 31 August 2018 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 the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The Westbrook Trust and the 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 2017, 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 2017 to 2018. 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 2017 to 31 August 2018 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2017 to 2018 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- 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.

THE WESTBROOK TRUST
(A company limited by guarantee)

**Independent reporting accountants' assurance report on regularity to The Westbrook Trust and the
Education & Skills Funding Agency (continued)**

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2017 to 31 August 2018 have 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 Limited

Chartered Accountants
Statutory Auditor

12 Conqueror Court
Sittingbourne
ME10 5BH

Date: 18 December 2018

THE WESTBROOK TRUST
(A company limited by guarantee)

**Statement of financial activities incorporating income and expenditure account
for the year ended 31 August 2018**

		Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed assets funds 2018 £	Total funds 2018 £	Total funds 2017 £
	Note					
Income from:						
Donations and capital grants	2	1,887	24,201	521,568	547,656	7,518,144
Charitable activities	3	-	5,176,601	-	5,176,601	4,596,574
Other trading activities	4	187,562	66,585	-	254,147	304,681
Total income		189,449	5,267,387	521,568	5,978,404	12,419,399
Expenditure on:						
Raising funds	5	47,140	-	-	47,140	49,884
Charitable activities		119,416	5,662,831	320,899	6,103,146	5,143,568
Total expenditure	6	166,556	5,662,831	320,899	6,150,286	5,193,452
Net income / (expenditure) before other recognised gains and losses						
		22,893	(395,444)	200,669	(171,882)	7,225,947
Actuarial gains on defined benefit pension schemes	23	-	817,000	-	817,000	544,000
Net movement in funds		22,893	421,556	200,669	645,118	7,769,947
Reconciliation of funds:						
Total funds brought forward		418,577	(1,704,180)	13,267,037	11,981,434	4,211,487
Total funds carried forward		441,470	(1,282,624)	13,467,706	12,626,552	11,981,434

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

Balance sheet
as at 31 August 2018

	Note	£	2018 £	2017 £
Fixed assets				
Tangible assets	15		13,015,239	13,257,311
Current assets				
Debtors	16	105,291	271,942	
Cash at bank and in hand		1,347,901	625,842	
		<u>1,453,192</u>	<u>897,784</u>	
Creditors: amounts falling due within one year	17	(382,879)	(181,661)	
Net current assets			<u>1,070,313</u>	<u>716,123</u>
Total assets less current liabilities			<u>14,085,552</u>	<u>13,973,434</u>
Defined benefit pension scheme liability	23	(1,459,000)		(1,992,000)
Net assets including pension scheme liabilities			<u><u>12,626,552</u></u>	<u><u>11,981,434</u></u>
Funds of the academy				
Restricted income funds:				
Restricted income funds	18	176,376	287,820	
Restricted fixed assets funds	18	13,467,706	13,267,037	
Restricted income funds excluding pension liability		<u>13,644,082</u>	<u>13,554,857</u>	
Pension reserve		<u>(1,459,000)</u>	<u>(1,992,000)</u>	
Total restricted income funds		<u>12,185,082</u>	<u>11,562,857</u>	
Unrestricted income funds	18	441,470	418,577	
Total funds			<u><u>12,626,552</u></u>	<u><u>11,981,434</u></u>

The financial statements on pages 24 to 48 were approved by the Trustees, and authorised for issue, on 3 December 2018 and are signed on their behalf, by:



Richard Gibbons
Chair of Trustees

THE WESTBROOK TRUST
(A company limited by guarantee)

**Statement of cash flows
for the year ended 31 August 2018**

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash provided by operating activities	20	<u>800,886</u>	<u>264,622</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		<u>(78,827)</u>	<u>(17,980)</u>
Net cash used in investing activities		<u>(78,827)</u>	<u>(17,980)</u>
Change in cash and cash equivalents in the year		722,059	246,642
Cash and cash equivalents brought forward		<u>625,842</u>	<u>379,200</u>
Cash and cash equivalents carried forward	21	<u><u>1,347,901</u></u>	<u><u>625,842</u></u>

THE WESTBROOK TRUST
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 August 2018

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 trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The Westbrook Trust constitutes a public benefit entity as defined by 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 trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

THE WESTBROOK TRUST
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 August 2018

1. Accounting policies (continued)

1.3 Income

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

Grants are included in the Statement of financial activities incorporating income and expenditure account on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the Balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of financial activities incorporating income and expenditure account in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

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

Sponsorship income provided to the academy which amounts to a donation is recognised in the Statement of financial activities incorporating income and expenditure account in the period in which it is receivable, where receipt is probable and it is measurable.

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

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

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 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.

Expenditure on charitable activities are costs incurred on the academy's educational operations, including support costs and those costs relating to the governance of the academy appointed to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

THE WESTBROOK TRUST
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 August 2018

1. Accounting policies (continued)

1.5 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised 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 incorporating income and expenditure account 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 incorporating income and expenditure account. 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 Kent County 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 risks 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 EFA.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold property	-	2% Straight Line
Furniture and fixtures	-	10% Straight Line
Computer equipment	-	33% Straight Line

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

1.6 Operating leases

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

1.7 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.

THE WESTBROOK TRUST
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 August 2018

1. Accounting policies (continued)

1.9 Liabilities and provisions

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

1.10 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 basis are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs 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 instruments.

1.11 Taxation

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

1.12 Pensions

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

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. As stated in note 23, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

THE WESTBROOK TRUST
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 August 2018

1. Accounting policies (continued)

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

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

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 funders where the asset acquired or created is held for a specific purpose.

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

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

1.14 Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 23, 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 2018. 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.

THE WESTBROOK TRUST
(A company limited by guarantee)

**Notes to the financial statements
for the year ended 31 August 2018**

2. Income from donations and capital grants

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed assets funds 2018 £	Total funds 2018 £	Total funds 2017 £
Donations	1,887	-	-	1,887	24,315
Donations on conversion	-	-	-	-	7,484,103
Capital grants	-	-	521,568	521,568	-
Government grants	-	-	-	-	9,726
Similar incoming resources	-	24,201	-	24,201	-
	<u>1,887</u>	<u>24,201</u>	<u>521,568</u>	<u>547,656</u>	<u>7,518,144</u>
<i>Total 2017</i>	<u>138,929</u>	<u>(394,000)</u>	<u>7,773,215</u>	<u>7,518,144</u>	

3. Funding for Academy's educational operations

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	4,172,344	4,172,344	3,600,032
Universal infant free school meals	-	221,967	221,967	168,809
Other DfE/EFA grants	-	321,381	321,381	269,930
Growth funding	-	55,000	55,000	110,000
Pupil premium	-	329,374	329,374	340,329
	<u>-</u>	<u>5,100,066</u>	<u>5,100,066</u>	<u>4,489,100</u>
Other government grants				
Other government grants	-	72,110	72,110	67,034
	<u>-</u>	<u>72,110</u>	<u>72,110</u>	<u>67,034</u>
Other funding				
Other grants	-	4,425	4,425	40,440
	<u>-</u>	<u>4,425</u>	<u>4,425</u>	<u>40,440</u>
	<u>-</u>	<u>5,176,601</u>	<u>5,176,601</u>	<u>4,596,574</u>
<i>Total 2017</i>	<u>-</u>	<u>4,596,574</u>	<u>4,596,574</u>	

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**Notes to the financial statements
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4. Activities for Generating Funds

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Hire of facilities	25,714	-	25,714	31,195
Catering income	-	23,463	23,463	19,708
School trip income	41,595	-	41,595	36,487
Other income	120,253	43,122	163,375	217,291
	<u>187,562</u>	<u>66,585</u>	<u>254,147</u>	<u>304,681</u>
<i>Total 2017</i>	<u>132,703</u>	<u>171,978</u>	<u>304,681</u>	

5. Costs of raising funds

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
School trip expenditure	47,140	-	47,140	28,381
Other expenditure	-	-	-	21,503
	<u>47,140</u>	<u>-</u>	<u>47,140</u>	<u>49,884</u>
<i>Total 2017</i>	<u>49,884</u>	<u>-</u>	<u>49,884</u>	

6. Expenditure

	Staff costs 2018 £	Premises 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Expenditure on raising voluntary income					
Direct costs	-	-	47,140	47,140	49,884
Support costs	-	-	-	-	-
Activities:					
Direct costs	3,820,058	-	169,739	3,989,797	3,465,562
Support costs	936,562	384,999	791,788	2,113,349	1,678,006
	<u>4,756,620</u>	<u>384,999</u>	<u>1,008,667</u>	<u>6,150,286</u>	<u>5,193,452</u>
<i>Total 2017</i>	<u>3,971,666</u>	<u>450,852</u>	<u>770,934</u>	<u>5,193,452</u>	

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**Notes to the financial statements
for the year ended 31 August 2018**

7. Analysis of expenditure by activities

	Activities undertaken directly 2018 £	Support costs 2018 £	Total 2018 £	Total 2017 £
Direct costs	3,989,797	2,113,349	6,103,146	5,143,568
<i>Total 2017</i>	<u>3,465,562</u>	<u>1,678,006</u>	<u>5,143,568</u>	

Analysis of direct costs

	Activities £	Total 2018 £	Total 2017 £
Educational supplies	110,677	110,677	72,623
Staff development	38,669	38,669	30,396
Educational consultancy	70,817	70,817	50,184
Other direct costs	5,304	5,304	13,804
Agency supply	22,358	22,358	37,425
Wages and salaries	2,962,330	2,962,330	2,748,631
National insurance	274,028	274,028	188,597
Pension cost	505,614	505,614	323,902
	<u>3,989,797</u>	<u>3,989,797</u>	<u>3,465,562</u>
<i>At 31 August 2017</i>	<u>3,465,562</u>	<u>3,465,562</u>	

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**Notes to the financial statements
for the year ended 31 August 2018**

7. Analysis of expenditure by activities (continued)

Analysis of support costs

	Activities £	Total 2018 £	Total 2017 £
LGPS Costs	39,000	39,000	45,000
Staff costs	1,014,648	1,014,648	673,111
Depreciation	320,899	320,899	332,573
Maintenance of premises and equipment	101,586	101,586	181,776
Cleaning	58,965	58,965	34,442
Rent & rates	45,290	45,290	18,221
Light & heat	56,709	56,709	34,364
Insurance	32,162	32,162	67,101
Catering	193,589	193,589	156,677
Computer costs	88,756	88,756	24,834
Other support costs	43,502	43,502	23,306
Professional fees	118,243	118,243	98,409
Subtotal	<u>2,113,349</u>	<u>2,113,349</u>	<u>1,689,814</u>
Other	-	-	(11,808)
	<u>2,113,349</u>	<u>2,113,349</u>	<u>1,678,006</u>
At 31 August 2017	<u>1,678,006</u>	<u>1,678,006</u>	

During the year ended 31 August 2018, the academy incurred the following Governance costs: £118,243 (2017- £98,409) included within the table above in respect of Educational operations.

8. Net income/(expenditure)

This is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets: - owned by the charity	<u>320,899</u>	<u>332,573</u>

9. Auditors' remuneration

	2018 £	2017 £
Fees payable to the academy's auditor for the audit of the academy's annual accounts	8,900	8,700
Fees payable to the academy's auditor in respect of:		
Audit-related assurance services	1,300	1,300
Internal audit services	3,750	3,750
All other non-audit services not included above	<u>3,490</u>	<u>3,490</u>

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**Notes to the financial statements
for the year ended 31 August 2018**

10. Staff costs

a. Staff costs

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	3,583,182	3,068,455
Social security costs	315,022	247,081
Operating costs of defined benefit pension schemes	858,416	618,705
	<u>4,756,620</u>	<u>3,934,241</u>
Agency staff costs	-	37,425
	<u><u>4,756,620</u></u>	<u><u>3,971,666</u></u>

b. Staff numbers

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

	2018 No.	2017 No.
Teachers	59	54
Admin and Support	95	91
Management	16	7
	<u>170</u>	<u>152</u>

c. Higher paid staff

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

	2018 No.	2017 No.
In the band £60,001 - £70,000	1	0
In the band £70,001 - £80,000	2	3

The above employees participated in the Teachers Pension Scheme. Employer pension contributions amounted to £35,424 for the above employees.

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 £834,389 (2017 - £651,927).

THE WESTBROOK TRUST
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**Notes to the financial statements
for the year ended 31 August 2018**

11. Central services

The Trust provided a number of central services 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 and Growth funding.

	2018 £	2017 £
Brompton Westbrook Primary School	99,086	70,351
Byron Primary School	99,274	102,438
St Margaret's Infant School	57,555	23,512
	<hr/>	<hr/>
Total	255,915	196,301
	<hr/>	<hr/>

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 other staff members under their contracts of employment, and not in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows:

		2018 £	2017 £
Mrs Jane Heyes	Remuneration	45,000-50,000	75,000-80,000
	Pension contributions paid	5,000-10,000	10,000-15,000

During the year ended 31 August 2018, expenses totalling £50 (2017 - £NIL) were reimbursed to 1 Member (2017 - NIL).

During the year ended 31 August 2018, expenses totalling £30 (2017 - £NIL) were reimbursed to 1 Trustee (2017 - NIL).

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.

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**Notes to the financial statements
for the year ended 31 August 2018**

14. Net pension interest

	2018 £	2017 £
Interest income on pension scheme assets	55,000	39,000
Interest on pension scheme liabilities	(94,000)	(84,000)
	<u>(39,000)</u>	<u>(45,000)</u>

15. Tangible fixed assets

	Freehold property £	Leasehold property £	Furniture and fixtures £	Computer equipment £	Total £
Cost					
At 1 September 2017	3,387,776	10,066,000	198,496	130,944	13,783,216
Additions	6,472	20,711	40,962	10,682	78,827
At 31 August 2018	<u>3,394,248</u>	<u>10,086,711</u>	<u>239,458</u>	<u>141,626</u>	<u>13,862,043</u>
Depreciation					
At 1 September 2017	112,756	295,850	31,235	86,064	525,905
Charge for the year	67,785	201,320	22,715	29,079	320,899
At 31 August 2018	<u>180,541</u>	<u>497,170</u>	<u>53,950</u>	<u>115,143</u>	<u>846,804</u>
Net book value					
At 31 August 2018	<u>3,213,707</u>	<u>9,589,541</u>	<u>185,508</u>	<u>26,483</u>	<u>13,015,239</u>
At 31 August 2017	<u>3,275,020</u>	<u>9,770,150</u>	<u>167,261</u>	<u>44,880</u>	<u>13,257,311</u>

16. Debtors

	2018 £	2017 £
Trade debtors	16,007	17,824
VAT recoverable	15,388	22,681
Other debtors	-	108,553
Prepayments and accrued income	73,896	122,884
	<u>105,291</u>	<u>271,942</u>

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**Notes to the financial statements
for the year ended 31 August 2018**

17. Creditors: Amounts falling due within one year

	2018 £	2017 £
Trade creditors	158,038	9,662
Other taxation and social security	74,323	-
Other creditors	-	17,401
Accruals and deferred income	150,518	154,598
	<u>382,879</u>	<u>181,661</u>
	2018 £	2017 £
Deferred income		
Deferred income at 1 September 2017	144,050	71,506
Resources deferred during the year	129,499	144,050
Amounts released from previous years	(144,050)	(71,506)
	<u>129,499</u>	<u>144,050</u>

Income has been deferred in respect of 2018/19 Universal Infant Free School Meals grants received in for 2017/18.

18. Statement of funds

	Balance at 1 September 2017 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds					
General Funds - all funds	418,577	189,449	(166,556)	-	441,470
Restricted funds					
General annual grant	287,820	3,824,396	(3,935,840)	-	176,376
Other DfE/EFA grants	-	321,381	(321,381)	-	-
Pupil premium	-	701,524	(701,524)	-	-
Universal Infant 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>

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**Notes to the financial statements
for the year ended 31 August 2018**

18. Statement of funds (continued)

Restricted fixed 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 of funds	<u>11,981,434</u>	<u>5,978,404</u>	<u>(6,150,286)</u>	<u>817,000</u>	<u>12,626,552</u>

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.

Analysis of academies by fund balance

Fund balances at 31 August 2018 were allocated as follows:

	Total 2018 £	<i>Total 2017 £</i>
Brompton Westbrook Primary School	486,858	527,504
Byron Primary School	27,912	36,106
St Margarets Infant School	76,481	86,700
Trust	26,595	56,087
Total before fixed asset fund and pension reserve	<u>617,846</u>	<u>706,397</u>
Restricted fixed asset fund	13,467,706	13,267,037
Pension reserve	(1,459,000)	(1,992,000)
Total	<u>12,626,552</u>	<u>11,981,434</u>

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Notes to the financial statements
for the year ended 31 August 2018

18. Statement of funds (continued)

Analysis of academies by cost

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 depreciat- ion £	Total 2018 £	Total 2017 £
Brompton Westbrook Primary School	1,375,983	215,155	44,691	346,908	1,982,737	1,569,799
Byron Primary School	1,548,536	184,755	38,866	294,201	2,066,358	2,184,901
St Margaret's Infant School	817,453	139,648	18,900	249,299	1,225,300	546,342
Trust	182,157	292,933	8,220	32,682	515,992	559,837
	<u>3,924,129</u>	<u>832,491</u>	<u>110,677</u>	<u>923,090</u>	<u>5,790,387</u>	<u>4,860,879</u>

Statement of funds - prior year

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
General Funds - all funds	197,022	271,632	(50,077)	-	-	418,577
Restricted funds						
General annual grant	140,050	3,600,032	(3,434,282)	(17,980)	-	287,820
Other DfE/EFA grants	-	269,930	(269,930)	-	-	-
Pupil premium	-	340,329	(340,329)	-	-	-
Universal Infant Free School Meals	-	168,809	(168,809)	-	-	-
Other government grants	-	67,034	(67,034)	-	-	-
Other grants	-	40,440	(40,440)	-	-	-
Other generated income	-	171,978	(171,978)	-	-	-
Growth funding	-	110,000	(110,000)	-	-	-
Pension reserve	(1,934,000)	(394,000)	(208,000)	-	544,000	(1,992,000)
	<u>(1,793,950)</u>	<u>4,374,552</u>	<u>(4,810,802)</u>	<u>(17,980)</u>	<u>544,000</u>	<u>(1,704,180)</u>

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Notes to the financial statements
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18. Statement of funds (continued)

Restricted fixed funds

Assets held for depreciation	5,808,415	-	(332,573)	17,980	-	5,493,822
Capital grants	-	9,726	-	-	-	9,726
Assets on conversion	-	7,763,489	-	-	-	7,763,489
	<u>5,808,415</u>	<u>7,773,215</u>	<u>(332,573)</u>	<u>17,980</u>	<u>-</u>	<u>13,267,037</u>
Total restricted funds	<u>4,014,465</u>	<u>12,147,767</u>	<u>(5,143,375)</u>	<u>-</u>	<u>544,000</u>	<u>11,562,857</u>
Total of funds	<u>4,211,487</u>	<u>12,419,399</u>	<u>(5,193,452)</u>	<u>-</u>	<u>544,000</u>	<u>11,981,434</u>

A current year 12 months and prior year 12 months combined position is as follows:

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds						
General Funds - all funds	197,022	271,632	(50,077)	-	-	418,577
	-	189,449	(166,556)	-	-	22,893
Restricted funds						
General annual grant	140,050	7,424,428	(7,370,122)	(17,980)	-	176,376
Other DfE/EFA grants	-	591,311	(591,311)	-	-	-
Pupil premium	-	1,041,853	(1,041,853)	-	-	-
Universal Infant Free School Meals	-	390,776	(390,776)	-	-	-
Other government grants	-	139,143	(139,143)	-	-	-
Other grants	-	44,865	(44,865)	-	-	-
Other generated income	-	238,563	(238,563)	-	-	-
Growth funding	-	165,000	(165,000)	-	-	-
Pension reserve	(1,934,000)	(394,000)	(492,000)	-	1,361,000	(1,459,000)
	<u>(1,793,950)</u>	<u>9,641,939</u>	<u>(10,473,633)</u>	<u>(17,980)</u>	<u>1,361,000</u>	<u>(1,282,624)</u>

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**Notes to the financial statements
for the year ended 31 August 2018**

18. Statement of funds (continued)

Restricted fixed funds

Assets held for depreciation	5,808,415	-	(571,169)	17,980	-	5,255,226
Capital grants	-	531,294	(82,303)	-	-	448,991
Assets on conversion	-	7,763,489	-	-	-	7,763,489
	<u>5,808,415</u>	<u>8,294,783</u>	<u>(653,472)</u>	<u>17,980</u>	<u>-</u>	<u>13,467,706</u>
	<u>4,014,465</u>	<u>17,936,722</u>	<u>(11,127,105)</u>	<u>-</u>	<u>1,361,000</u>	<u>12,185,082</u>
Total of funds	<u>4,211,487</u>	<u>18,397,803</u>	<u>(11,343,738)</u>	<u>-</u>	<u>1,361,000</u>	<u>12,626,552</u>

19. Analysis of net assets between funds

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed assets 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)
	<u>441,470</u>	<u>(1,282,624)</u>	<u>13,467,706</u>	<u>12,626,552</u>

Analysis of net assets between funds - prior year

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed assets funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	13,257,311	13,257,311
Current assets	600,240	287,820	9,726	897,786
Creditors due within one year	(181,663)	-	-	(181,663)
Provisions for liabilities and charges	-	(1,992,000)	-	(1,992,000)
	<u>418,577</u>	<u>(1,704,180)</u>	<u>13,267,037</u>	<u>11,981,434</u>

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**Notes to the financial statements
for the year ended 31 August 2018**

20. Reconciliation of net movement in funds to net cash flow from operating activities

	2018 £	2017 £
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(171,882)	7,225,947
Adjustment for:		
Depreciation charges	320,899	332,573
Decrease/(increase) in debtors	166,651	(179,424)
Increase in creditors	201,218	47,015
Defined benefit pension scheme obligation inherited	-	394,000
Defined benefit pension scheme cost less contributions payable	284,000	208,000
Transfer of assets and liabilities from local authority on conversion	-	(7,763,489)
Net cash provided by operating activities	800,886	264,622

21. Analysis of cash and cash equivalents

	2018 £	2017 £
Cash in hand	1,347,901	625,842
Total	1,347,901	625,842

22. 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 EFA.

Should the funding agreement be terminated for any reason, the Academy shall repay to the EFA 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 EFA.

23. Pension commitments

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

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

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

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007,

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Notes to the financial statements
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23. Pension commitments (continued)

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 April 2019.

The employer's pension costs paid to TPS in the period amounted to £382,852 (2017 - £339,871).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £285,000 (2017 - £221,000), of which employer's contributions totalled £221,000 (2017 - £172,000) and employees' contributions totalled £64,000 (2017 - £49,000). The agreed contribution rates for future years are 20% for employers and var% 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.

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**Notes to the financial statements
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23. Pension commitments (continued)

Principal actuarial assumptions:

	2018	2017
Discount rate for scheme liabilities	2.65 %	2.60 %
Rate of increase in salaries	3.80 %	4.20 %
Rate of increase for pensions in payment / inflation	2.30 %	2.70 %
Inflation assumption (CPI)	2.30 %	2.70 %
Commutation of pensions to lump sums	50.00 %	50.00 %
RPI increases	3.30 %	3.60 %

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

	2018	2017
Retiring today		
Males	23.1	23
Females	25.2	25.1
Retiring in 20 years		
Males	25.3	25.2
Females	27.5	27.4

	At 31 August 2018 £	At 31 August 2017 £
Sensitivity analysis		
Discount rate +0.1%	3,700,000	3,534,000
Discount rate -0.1%	3,868,000	3,694,000
Mortality assumption - 1 year increase	3,907,000	3,728,000
Mortality assumption - 1 year decrease	3,663,000	3,501,000
CPI rate +0.1%	3,794,000	3,677,000
CPI rate -0.1%	3,772,000	3,551,000

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

	Fair value at 31 August 2018 £	Fair value at 31 August 2017 £
Equities	1,585,000	1,419,000
Gilts	18,000	14,000
Other Bonds	206,000	194,000
Property	287,000	247,000
Cash and other liquid assets	71,000	64,000
Absolute return fund	157,000	77,000
Total market value of assets	2,324,000	2,015,000

The actual return on scheme assets was £93,000 (2017 - £290,000).

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Notes to the financial statements
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23. Pension commitments (continued)

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

	2018 £	2017 £
Current service cost	(465,000)	(335,000)
Interest income	55,000	39,000
Interest cost	(94,000)	(84,000)
Admin expenses	(1,000)	-
	<u>(505,000)</u>	<u>(380,000)</u>
Actual return on scheme assets	<u>93,000</u>	<u>290,000</u>

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

	2018 £	2017 £
Opening defined benefit obligation	3,684,000	3,465,000
Current service cost	465,000	335,000
Interest cost	94,000	84,000
Employee contributions	64,000	49,000
Actuarial gains	(779,000)	(691,000)
Estimated benefits paid net of transfers in	(68,000)	-
Adjustment to brought forward	323,000	-
Liabilities acquired on conversion	-	442,000
	<u>3,783,000</u>	<u>3,684,000</u>

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

	2018 £	2017 £
Opening fair value of scheme assets	1,561,000	1,487,000
Interest on assets	55,000	-
Actuarial losses/(gains)	38,000	(147,000)
Employer contributions	220,000	172,000
Employee contributions	64,000	49,000
Estimated benefits paid plus unfunded net transfers in	(68,000)	-
Adjustment to brought forward	454,000	-
	<u>2,324,000</u>	<u>1,561,000</u>

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24. Operating lease commitments

At 31 August 2018 the total of the Academy trust's future minimum lease payments under non-cancellable operating leases was:

	2018 £	2017 £
Amounts payable:		
Within 1 year	3,166	2,339
Between 1 and 5 years	3,615	228
Total	<u>6,781</u>	<u>2,567</u>

25. 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.

26. Related party transactions

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 12.