

Company Registration Number: 7560177 (England & Wales)

WEST PARK SCHOOL
(A Company Limited by Guarantee)

GOVERNORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

WEST PARK SCHOOL
(A Company Limited by Guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY TRUST, ITS GOVERNORS AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2019

Members	Mr N Taylor Mr J Maclaine Mrs S Ratcliffe Mr A Fooks
Governors	Mr W Diggins (resigned 2 October 2018) Mr A Fooks Mrs P Jennings Mr J Maclaine Mrs R Smith Mrs S Ratcliffe Mr B Paradise, Staff Trustee (resigned 31 August 2019) Mr I Pendry Mr N Taylor Mr M Johnson Mr K Lane, Staff Trustee Mr S McGregor, Head Teacher and Accounting Officer (appointed 1 September 2018) Mr R Jennings (appointed 13 December 2018) Mr C Griffin (appointed 14 March 2019) Mr D Birks (appointed 3 October 2019)
Company registered number	7560177
Company name	West Park School
Principal and registered office	West Road Spondon Derbyshire DE21 7BT
Company secretary	Mr R Mousley

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY TRUST, ITS GOVERNORS AND ADVISERS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Senior management team

Mr S McGregor, Head (appointed 1st September 2018)
Mr N Allsop, Deputy Head (appointed 1st July 2019 from Assistant Head)
Mr D Sanderson, Deputy Head (appointed 1st July 2019 from Assistant Head)
Mr R Mousley, Bursar
Mrs S Mangan, Assistant Head
Mrs N Wilson, Assistant Head
Miss J Clamp, Assistant Head (appointed 1st July 2019)
Mrs F Hawkins, Assistant Head

Independent auditor

Mazars LLP
Chartered Accountants
Park View House
58 The Ropewalk
Nottingham
NG1 5DW

Bankers

The Royal Bank of Scotland
41 Cornmarket
Derby
DE2 2DG

Solicitors

Geldards
Number One Pride Place
Pride Park
Derby
DE24 8QR

WEST PARK SCHOOL
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GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2019

The Governors present their annual report together with the financial statements and auditor's reports of the charitable company for the period 1st September 2018 to 31st August 2019. The annual report serves the purposes of both a Governors' report and a directors' report under company law.

The trust operates an academy for pupils aged 11 to 16 serving a catchment area in Spondon, Ockbrook, Borrowash and parts of Chaddesden. Pupil numbers are buoyant and the trust had a roll of 1,317 in the school census in May 2019. The intake for Year 7 in September 2019 stands at 305.

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

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

b. Members' liability

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

c. Trustees' indemnities

The Governors have liability insurance with Zurich Insurance plc effective date 1st September 2018 and with a retroactive date of 1st April 2004. There is a limit of indemnity of £2,000,000.

d. Method of recruitment and appointment or election of Governors

The Governors are directors of the company for the purposes of the Companies Act 2006 and Governors for the purpose of charity legislation. The management of the Academy is the responsibility of the Governors who are elected and co-opted under the terms of the Trust deed.

The members may appoint up to 4 Governors. The term of office for any Governor will be 4 years, except that this time limit does not apply to the Head. The members may appoint Staff Governors through such process as they may determine, provided that the total number of Governors (including the Head) who are employees of the Academy Trust does not exceed one third of the total number of Governors. A Staff Governor shall only hold office for so long as he continues to be employed as a teacher or member of support staff as the case may be. Subject to remaining eligible to be a particular type of Governor, any Governor can be re appointed or re elected. The Governors shall make all necessary arrangements for, and determine all other matters relating to, an election of Parent Governors, including any question of whether a person is a parent of a registered pupil at the school.

The Governors who were in office during the year ended 31st August 2019 are listed on page 1.

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Structure, governance and management (continued)

e. Policies and procedures adopted for the induction and training of Governors

The training and induction provided for new Governors will depend on their existing experience. As there are normally only two or three new Governors a year, induction tends to be done informally and is tailored specifically to the individual. The academy subscribes to the LA Governor Support Network which provides a comprehensive range of Governor training including induction. Where necessary, induction will provide training on charity, educational, legal, and financial matters, including safeguarding training. All new Governors will be given a tour of the school and the chance to meet with staff and pupils.

f. Organisational structure

The Governors are responsible for setting general policy, adopting an annual plan and budget, monitoring the academy (by the use of budgets) and making major decisions about the strategic direction of the academy, capital expenditure and the appointment of the Head. The Head is the Accounting Officer.

During the period under review the Governors held 4 meetings. All Governors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Governors.

For the year 2018/2019 the Leadership Group started with the Head, five Assistant Heads and the Bursar. Following an intensive interview process including Governors, two Assistant Heads were promoted to Deputy Head and an additional Assistant Head was appointed on 1 July 2019. These leaders manage and control the academy at an executive level implementing the policies laid down by the Governors and reporting back to them. The Leadership Group is responsible for the authorisation of spending within agreed budgets and the appointment of staff. Some spending control is devolved to Heads of Departments.

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

The arrangements for setting pay and remuneration of key management personnel are set out in the Pay Policy. The Head's Performance and Pay Review Committee oversees performance and pay review for the Leadership Group and Senior Associate Staff. In determining Leadership Group and Senior Associate Staff pay, this committee is referred to as the Leadership Pay Committee. The Leadership Pay Committee delegates to the Head, the review of performance of the Leadership Group and Senior Associate Staff. The Leadership Pay Committee will receive a report of the review at the time they are reviewing the Head's performance. The Head will make recommendations to the Leadership Pay Committee regarding the assessment of salaries of the Leadership Group and Senior Associate Staff. All other aspects of teachers and associate staff pay will be in the remit of the Finance, Resources and General Purposes Committee which is referred to as the 'Pay Committee' when carrying out this function. The main parameters used for setting key management personnel salaries are national teacher pay and conditions guidance, job responsibilities and experience.

Judgements about performance are made on the basis of 'sustained high quality of performance' in relation to the totality of a Leadership Group member's responsibilities. The discussion of progress made towards the objectives will provide a clear focus for the review meeting.

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Structure, governance and management (continued)

h. Trade union facility time

Under the provisions of the Trade Union (Facility Time Publication Requirements) regulations 2017, where an academy trust has more than 49 full time equivalent employees throughout any 7 months within the reporting period, it must include information included in Schedule 2 of the Regulations. The information to be published consists of four tables covering:

Relevant union officials

Number of employees who were relevant union officials during the year 0

Full-time equivalent employee number 0

Percentage of time spent on facility time 0%

Percentage of pay bill spent on facility time 0%

Paid trade union activities 0

i. Related parties and other connected charities and organisations

As West Park School we are a member of the Opportunities Area Strategic Group. The Opportunity Area is a Government sponsored initiative to encourage Derby Secondary Schools and the LA, to provide mutually beneficial support. This arrangement continues. As an Academy, West Park has no relationships within the Opportunity Area which impact on operating policies.

Objectives and activities

a. Objects and aims

In accordance with the articles of association, the charitable company has entered into a funding agreement with the Secretary of State. The funding agreements specify, amongst other things, the basis for admitting pupils to the academy, the catchment area from which the pupils are drawn, and that the curriculum should be broad and balanced.

The principal object and aim of the trust is the operation of West Park School to provide education for pupils of different abilities between the ages of 11 and 16.

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Objectives and activities (continued)

b. Objectives, strategies and activities

The main objectives of the academy during the year ended 31st August 2019 are summarised below:

- to ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care;
- to raise the standard of educational achievement of all pupils;
- to improve the effectiveness of the academy by keeping the curriculum and organisational structure under continual review;
- to provide value for money for the funds expended;
- to comply with all appropriate statutory and curriculum requirements;
- to maintain close links with industry and commerce; and
- to conduct the academy's business in accordance with the highest standards of integrity, probity and openness.

The academy's main strategy is encompassed in its vision statement 'A caring school where we put pupils and their achievement first'. This is delivered through four areas of activity:

- Provide high quality teaching for all pupils. Teachers setting and maintaining high standards.
- Provide high quality learning for all pupils. Pupils experiencing improvement and success.
- Secure the right to learn and teach without disruption and provide the highest standards in personal care and individual development. A caring and disciplined environment.
- Prepare pupils for an advanced technological society. Extensive use of ICT.

Achievement, Confidence and Responsibility will drive the ethos and culture of the school.

c. Public benefit

West Park School is a non selective, non fee paying secondary school and as such operates entirely for the public benefit. The academy's Governors have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission in exercising their powers or duties. In addition to striving for and achieving the highest of educational standards and attainment for all its pupils, it also engages in partnership working with other local secondary schools, especially with regard to effective operation of inclusion measures and systems. The school works in partnership with its local primary schools providing specialist lessons in mathematics, music, science and technology and running after school reading activities.

West Park has close links with local industry and works hard to promote opportunities linking to the work place and future destinations.

The school lets out its facilities to local sports clubs and groups on evenings and weekends. We encourage equality and diversity a disability basketball organisation uses our Sports Hall on Mondays and the Nottingham and Derby Greek community operate a Greek School on Saturdays at West Park.

The school actively engages in charity work through a range of themed activities and days throughout the year.

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Achievements and performance

a. Key performance indicators

Examination results

Attendance

Admissions

Destinations

Exclusions

The academy is now in its eighth year of operation. Total pupils at the end of the academic year 2018 – 2019 numbered as follows against a PAN 250 in Years 9 to 11 and 260 in Years 7 and 8. Governors have agreed to increase the PAN for Year 7 in 2019 to 290.

Year 7	297
Year 8	262
Year 9	261
Year 10	249
Year 11	248

Examination results for 2019 were very strong. 50% of pupils achieved GCSE 9 – 5 passes in English and mathematics. 20% of pupils achieved 9 – 5 in the baccalaureate suite of subjects. The Progress 8 score of +0.10 is above national average.

- 73% grades 9-4 in English and mathematics (National 2018 64%)
- 50% grades 9-5 in English and mathematics (national 2018 43%)
- Attainment 8 score was 40.1 for disadvantaged pupils and 52.8 for all other pupils (National 46.5)
- Progress 8 score was -0.47% for disadvantaged pupils and +0.27 for all other pupils (National 0)
- 41% grades 9-4 English Baccalaureate (National 24%)
- 99% of pupils remained in education, training or employment post 16 (Derby City 96%)
- There were 546 applications for 290 places in Year 7
- Attendance was 94.5% (94.4% 2018)
- 33 Fixed term exclusions and 3 permanent (26 Fixed term and 2 permanent 2018)

To ensure that standards are continually raised the academy closely evaluates its performance in all outcomes. We will continue with the main elements of the Ofsted Self Evaluation Form which is the distillation of a self-evaluation process now deeply embedded in all aspects of school life.

West Park provides remarkable value for money. We use all available resources to rigorously promote and sustain a culture of high expectation, rapid progress and outstanding achievement for all pupils. All members of staff, and all pupils, believe everyone can, and will fulfil their potential. High profile assemblies, screen messages and newsletters embed this ambition. A strategic focus on the use of pupil premium funding will raise achievement for those pupils identified as disadvantaged.

b. Going concern

After making appropriate enquiries, the board of Governors has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason 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.

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Strategic report (continued)

Financial review

The majority of the academy's income is obtained from the Education & Skills Funding Agency (ESFA) in the form of recurrent grants, which are restricted for particular purposes. The majority of expenditure is on staffing costs. Although high in percentage terms of grant income, staffing costs are well controlled with the minimum number of teachers employed to keep the school operationally viable. The grants received from the ESFA during the financial accounting period of the academy ending on 31 August 2019 and the associated expenditure are shown as restricted funds in the statement of financial activities.

Land, buildings and other assets were transferred to the academy on conversion. At 31 August 2019, land and buildings were valued at £12,407,532. The assets are used exclusively for providing education and associated support services to the pupils of the academy.

For the year ended 31 August 2019, the academy has had a net decrease in funds before actuarial movements of £532,288 (2018: £425,592 increase) primarily due to large capital grants receivable in 2017/18.

The balance sheet as at 31 August 2019 has a positive position with net assets amounting to £9,730,844 (2018: £11,503,132).

The school has been requested by the Local Authority (LA) to expand pupil numbers by a total of 150, commencing with 30 in Year 7 from September 2019 to accommodate rising pupil numbers in the area. The LA has delegated to the school £1.6 million of Basic Need Funding to support the expansion. The school will contribute almost £150,000 from its own resources in order to have a building that best serves the needs of the school. The new block with six additional classrooms, reception area, medical room, meeting room, faculty room and toilets was operational for the start of the new school year

a. Reserves policy

The Governors review the level of reserves annually. The policy of the academy is to carry a prudent level of resources designed to meet the long term cyclical needs of renewal and any other unforeseen contingencies plus a contribution towards future capital projects.

The Governors have determined that the appropriate level of free reserves should be equivalent to four to six weeks of expenditure plus sufficient reserves to make a contribution towards future capital expenditure.

The Governors agreed to contribute just under £150,000 towards a new classroom block to ensure that the school had a new building fit for purpose which meets the school needs. Governors wish to accumulate sufficient funds as a possible contribution towards conversion of existing classrooms to Science and ICT facilities.

The current level of free reserves (total funds less the amount held in fixed assets and restricted pension fund is £605,279 (2018: £647,947). which is above the desired reserves. The academy held fund balances at 31 August 2019 of £9,730,844 (2018: £11,503,132) comprising £12,520,565 (2018: 12,705,185) of restricted fixed asset funds, £266,029 (2018: £324,918) of restricted general funds, £339,250 (2018: £323,029) of unrestricted general funds and a pension reserve deficit of £3,395,000 (2018: £1,850,000).

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Strategic report (continued)

Financial review (continued)

b. Investment policy and performance

Due to the nature of the funding cycle, the academy may at times hold large cash balances which may not be required for immediate use. The Governors have authorised the opening of additional short term bank investment accounts to take advantage of higher interest rates. No other form of investment is authorised.

c. Principal risks and uncertainties

The major risks to which the trust is exposed, as identified by the Governors, have been reviewed, and systems and procedures have been established to mitigate those risks.

The academy's exposure to financial risk is largely bank balances, cash and trade creditors, with limited trade debtors.

The academy has inherited the Local Government defined benefit pension scheme deficit for associate staff which has increased as advised by Hymans Robertson, the pension actuarial experts.

Other significant risks for the academy during the next few years are:

1. Significant increases or decreases of pupil numbers within year groups and in the academy's normal area causes fluctuations in funding and causes difficulty with teaching staff numbers. The planned capacity is set at 1300.
2. Change in government policy – with a change in government or change in government policy, the funding of the school may in the future reduce funding. This is mitigated by building a prudent level of reserves which may be used in times when funding has been tightened.
3. Operating the School within the budget – there is always a risk of operating above budget constraints. A strong Finance Committee and effective internal reporting minimises this risk.

We are aware that the uncertainty currently surrounding Brexit could potentially impact our operations, service users and suppliers. We are reviewing and monitoring the impact of this on an ongoing basis.

Fundraising

Funding for the operation and activities of the school is provided in the main by Government or other grants. There are minimal fundraising activities carried out and are minor in nature and carried out within the school community to raise funds for an activity within the school or for a national day, for example, a Non-uniform day to raise funds for Comic Relief or Year 11 organising a car wash to help fund the Leavers Prom.

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

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Plans for future periods

Future developments

West Park remains popular with parents, carers and pupils. Admissions to the school are high with oversubscription for places in Year 7 with 546 applications for 290 places for Year 7 admissions in 2019/2020. Waiting lists are maintained for all year groups. The school heard 32 appeals for places in Year 7 for September 2019. The school has admitted 305 pupils into the current Year 7.

The key strategic activities for 2019/2020 are:

- Maintain the drive for continuous improvement by improving the quality of learning leading to high levels of pupil attainment and achievement at all levels and for all groups of pupils.
- Continue to focus on improvements in teaching and learning so that all teaching is at least good and much of it outstanding.
- To further raise attainment at Key stage 4, with a focus on improving the performance of disadvantaged pupils.
- To ensure that the school operates within its budget, and in the light of increasing financial constraints, plan judiciously to secure the most effective use of resources so that educational standards continue to improve while maintaining a strong financial position. This will entail aiming to maintain a surplus to insure the School against future financial pressure.
- Develop the leadership capacity across the school and actively recruit to meet the needs of a growing school.
- Continue to develop plans to improve the school facilities to accommodate the growing school roll.

Funds held as custodian on behalf of others

There are no funds held as custodian trustee on behalf of others.

Disclosure of information to auditor

Insofar as the Governors are aware:

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

Auditor

The auditor, Mazars LLP, has indicated his willingness to continue in office. The designated Governors will propose a motion reappointing the auditor at a meeting of the Governors.

The Governors' Report was approved by order of the board of Governors, as the company directors, on 5 December 2019 and signed on its behalf by:



Mrs S Ratcliffe
Chair of Governors

WEST PARK SCHOOL
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GOVERNANCE STATEMENT

Scope of responsibility

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

The board of Governors has delegated the day-to-day responsibility to the Head, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between West Park School and the Secretary of State for Education. They are also responsible for reporting to the board of governors any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Governors' Report and in the Governors' Responsibilities Statement and in the Statement of Governors' Responsibilities. The board of Governors has formally met 4 times during the year.

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

Governor	Meetings attended	Out of a possible
Mr A Fooks	4	4
Mrs P Jennings	4	4
Mr J Maclaine	4	4
Mrs R Smith	3	4
Mrs S Ratcliffe	4	4
Mr B Paradise, Staff Trustee	3	4
Mr I Pendry	2	4
Mr N Taylor	4	4
Mr M Johnson	0	4
Mr K Lane, Staff Trustee	2	4
Mr S McGregor, Head Teacher and Accounting Officer	4	4
Mr R Jennings	3	3
Mr C Griffin	1	2
Mr D Birks	0	0

Full details are shown in the Reference and Administrative Section on page 1.

The School continues to actively encourage the appointment of Governors with essential skills. The academy subscribes to the Governor Support and Improvement package provided by the Local Authority (LA). Governors have access to training and information from this package and also membership of the National Governors Association and Governorhub.

An independent (and not employed by the school in any other capacity) Clerk to Governors was appointed in January 2019 and accessed training through the LA package.

The academy is a small single academy trust which held four meetings of the full board during the year. The board is comprised of local members who are regularly in attendance at the school for other meetings and events. Monthly financial management reports are reviewed by the Chair of Governors and made available to all Governors through Governorhub. The board considers that it maintains effective oversight of funds with this model.

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GOVERNANCE STATEMENT (CONTINUED)

A new Headteacher has completed his first year and the plan is for the school to maintain the drive for continuous improvement. The aim is to do this by continuing to produce outstanding outcomes for children through a distinctive, aspirational achievement culture. The key objective is to retain and train staff with the ethos to support such a culture.

The committee structure has been reviewed and reduced to 2 main committees, Finance, Resources and General Purposes and Curriculum, Standards and Pupil Care, in order to maximise efficiency.

The Finance, Resources and General Purposes Committee is a sub committee of the main Governing Body. Its purpose is to advise the Governing Body on financial strategy and policy within the resources available, and to approve budget estimates and receive reports and monitor income and expenditure against budget estimates. The Finance, Resources and General Purposes Committee also acts as the Audit Committee for the Academy.

Attendance at meetings in the year was as follows:

Governor	Meetings attended	Out of a possible
Mrs S Ratcliffe	3	3
Mr A Fooks	3	3
Mr K Lane	2	3
Mr J Maclaine	3	3
Mr B Paradise	2	3
Mr N Taylor	3	3
Mr S McGregor, Head Teacher	3	3

Review of value for money

As accounting officer, the Head has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The Accounting Officer considers how the academy trust's use of its resources has provided good value for money during each academic year, and reports to the board of Governors where value for money can be improved, including the use of benchmarking data where available.

Financial data consistently shows West Park to be among the lowest funded schools on a per pupil basis. This contrasts sharply with GCSE outcome performance data which places West Park near the top of secondary schools in the LA and wider area. The DfE published data in 2019 regarding schools' efficiency in relation to their statistical neighbours. The efficiency metric is a measure of how much (value added) progress pupils in a school make relative to the income per pupil used to achieve that progress. West Park is in decile 1 in its set of efficiency neighbours.

The most recent DfE financial benchmarking consistently shows West Park favourably placed for expenditure on resources against income in comparison with local secondary schools and statistical neighbours

The Accounting Officer for the academy trust has delivered improved value for money during the year by continuing a programme to replace inefficient light fittings with LED light fittings too reduce electricity consumption and save money. The school has reduced its electrical consumption in kwh by 36% since 2008. 26% of all electricity consumed in the period under review was produced by the school's own renewable sources.

GOVERNANCE STATEMENT (CONTINUED)

Review of value for money (continued)

The Accounting Officer continues to look at ways of reducing costs in all areas. The Finance, Resources and General Purposes Committee keeps expenditure items under review and receives regular reports. This year curriculum and staffing numbers and structure have been reviewed against a backdrop of increasing pupil numbers and rising costs. For building and refurbishment projects, a comprehensive quotation and competitive tendering process is followed to ensure best value. Different options have been considered before making purchases including an assessment of the costs and benefits of the alternatives over the longer term.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in West Park School for the year period 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The board of Governors 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 Governing Body 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 period 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of Governors.

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GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of Governors
- regular reviews by the Finance 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 Governors has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Governors have appointed Mazars LLP, the external auditor, to perform additional checks.

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

- testing of payroll systems
- testing of purchase systems
- testing of control account, petty cash and bank reconciliations

On a termly basis, the reviewer reports to the board of Governors on the operation of the systems of control and on the discharge of the Governors' financial responsibilities.

The reviewer has delivered their schedule of work.

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GOVERNANCE STATEMENT (CONTINUED)

Review of effectiveness

As accounting officer, the Head 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 reviewer;
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the finance, resources and general purposes committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

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



Mrs S Ratcliffe
Chair of Trustees

Date: 5 December 2019



Mr S McGregor
Accounting Officer

Date: 5 December 2019

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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of West Park School I have considered my responsibility to notify the Academy Trust board of Governors 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 2018.

I confirm that I and the Academy Trust board of Governors are able to identify any material irregular or improper use of all 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 2018.

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



Mr S McGregor
Accounting Officer

Date: 5 December 2019

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STATEMENT OF GOVERNORS' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2019

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

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

Approved by order of the members of the board of Governors and signed on its behalf by:



Mrs S Ratcliffe
Chair of Trustees

Date: 5 December 2019

WEST PARK SCHOOL
(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF WEST PARK SCHOOL

Opinion

We have audited the financial statements of West Park School (the 'academy trust') for the year ended 31 August 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2019 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Academy Trust in accordance with the ethical requirements that are relevant to our audit of the 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.

The impact of uncertainties due to Britain exiting the European Union on our audit

The Trustees' view on the impact of Brexit is disclosed on page 9.

The terms on which the United Kingdom may withdraw from the European Union are not clear, and it is therefore not currently possible to evaluate all the potential implications to the Academy Trust's operations, service users, suppliers and the wider economy.

We considered the impact of Brexit on the Academy Trust as part of our audit procedures, applying a standard firm wide approach in response to the uncertainty associated with the Academy Trust's future prospects and performance.

However, no audit should be expected to predict the unknowable factors or all possible implications for the Academy Trust and this is particularly the case in relation to Brexit.

WEST PARK SCHOOL
(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF WEST PARK SCHOOL (CONTINUED)

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 Governors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Governors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Academy Trust'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.

Other information

The Governors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's 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 Governors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Governors' Report has been prepared in accordance with applicable legal requirements.

WEST PARK SCHOOL
(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF WEST PARK SCHOOL (CONTINUED)

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the Governors' Responsibilities Statement set out on page 17, the Governors (who are also the directors of the Academy Trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Governors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's 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 Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

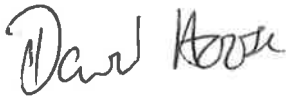
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's Report.

WEST PARK SCHOOL
(A Company Limited by Guarantee)

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF WEST PARK SCHOOL (CONTINUED)

Use of the audit report

This report is made solely to the Academy Trust's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Academy Trust's members those matters we are required to state to them in an Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Academy Trust and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



David Hoose (Senior Statutory Auditor)
for and on behalf of

Mazars LLP
Chartered Accountants
Statutory Auditor
Park View House
58 The Ropewalk
Nottingham
NG1 5DW

Date: 12/12/19

WEST PARK SCHOOL
(A Company Limited by Guarantee)

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO WEST PARK SCHOOL AND THE EDUCATION & SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 30 August 2019 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by West Park School during the year 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to West Park School and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to West Park School and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than West Park School and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of West Park School's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of West Park School's funding agreement with the Secretary of State for Education dated 25 March 2011 and the Academies Financial Handbook, extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2018 to 2019. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion:

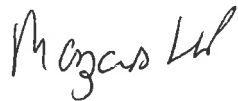
- Planning our assurance procedures including identifying key risks;
- Carrying out sample testing on controls;
- Carrying out substantive testing including analytical review; and
- Concluding on procedures carried out.

WEST PARK SCHOOL
(A Company Limited by Guarantee)

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

Conclusion

In the course of our work, nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Mazars LLP

Park View House
58 The Ropewalk
Nottingham
NG1 5DW

Date: 12/11/19

WEST PARK SCHOOL
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2019**

		Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
Income from:						
Donations and capital grants	3	20	-	190,290	190,310	1,525,552
Charitable activities	4	-	6,592,021	-	6,592,021	6,146,039
Other trading activities	5	55,020	99,126	-	154,146	121,363
Investments	6	3,066	-	-	3,066	2,995
Total income		<u>58,106</u>	<u>6,691,147</u>	<u>190,290</u>	<u>6,939,543</u>	<u>7,795,949</u>
Expenditure on:						
Raising funds	7	41,885	82,261	-	124,146	109,168
Charitable activities	7	-	6,830,918	516,767	7,347,685	7,261,189
Total expenditure		<u>41,885</u>	<u>6,913,179</u>	<u>516,767</u>	<u>7,471,831</u>	<u>7,370,357</u>
Net income/ (expenditure)		<u>16,221</u>	<u>(222,032)</u>	<u>(326,477)</u>	<u>(532,288)</u>	<u>425,592</u>
Transfers between funds	17	-	(141,857)	141,857	-	-
Net movement in funds before other recognised gains/(losses)		<u>16,221</u>	<u>(363,889)</u>	<u>(184,620)</u>	<u>(532,288)</u>	<u>425,592</u>
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	23	-	(1,240,000)	-	(1,240,000)	466,000
Net movement in funds		<u>16,221</u>	<u>(1,603,889)</u>	<u>(184,620)</u>	<u>(1,772,288)</u>	<u>891,592</u>
Reconciliation of funds:						
Total funds brought forward		323,029	(1,525,082)	12,705,185	11,503,132	10,611,540
Net movement in funds		16,221	(1,603,889)	(184,620)	(1,772,288)	891,592
Total funds carried forward		<u>339,250</u>	<u>(3,128,971)</u>	<u>12,520,565</u>	<u>9,730,844</u>	<u>11,503,132</u>

WEST PARK SCHOOL
(A Company Limited by Guarantee)
REGISTERED NUMBER: 7560177

BALANCE SHEET
AS AT 31 AUGUST 2019

		2019 £	2018 £
Fixed assets			
Tangible assets	13	12,520,565	11,284,883
		<u>12,520,565</u>	<u>11,284,883</u>
Current assets			
Stocks	14	-	2,985
Debtors	15	391,887	1,541,925
Cash at bank and in hand		772,225	979,558
		<u>1,164,112</u>	<u>2,524,468</u>
Creditors: Amounts falling due within one year	16	(558,833)	(456,219)
		<u>605,279</u>	<u>2,068,249</u>
Net current assets		<u>605,279</u>	<u>2,068,249</u>
Net assets excluding pension liability		<u>13,125,844</u>	<u>13,353,132</u>
Defined benefit pension scheme liability	23	(3,395,000)	(1,850,000)
Total net assets		<u><u>9,730,844</u></u>	<u><u>11,503,132</u></u>
Funds of the Academy Trust			
Restricted funds:			
Fixed asset funds	17	12,520,565	12,705,185
Restricted income funds	17	266,029	324,918
		<u>12,786,594</u>	<u>13,030,103</u>
Restricted funds excluding pension asset	17	12,786,594	13,030,103
Pension reserve	17	(3,395,000)	(1,850,000)
		<u>9,391,594</u>	<u>11,180,103</u>
Total restricted funds	17	<u>9,391,594</u>	<u>11,180,103</u>
Unrestricted income funds	17	<u>339,250</u>	<u>323,029</u>
Total funds		<u><u>9,730,844</u></u>	<u><u>11,503,132</u></u>

The financial statements on pages 27 to 50 were approved by the Governors, and authorised for issue and are signed on their behalf, by:



Mrs S Ratcliffe
Chair of Governors

Date: 5 December 2019

WEST PARK SCHOOL
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2019

	Note	2019 £	2018 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	19	1,351,760	(1,348,287)
Cash flows from investing activities	20	(1,559,093)	1,077,738
Change in cash and cash equivalents in the year		(207,333)	(270,549)
Cash and cash equivalents at the beginning of the year		979,558	1,250,107
Cash and cash equivalents at the end of the year	21	<u>772,225</u>	<u>979,558</u>

The notes on pages 27 to 50 form part of these financial statements.

WEST PARK SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies

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

1.1 Basis of preparation of financial statements

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

1.2 Going concern

The Governors assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy Trust to continue as a going concern. The Governors make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Academy Trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Academy Trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.3 Income

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

• **Grants**

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

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the year is deducted from income and recognised as a liability.

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

• **Donations**

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

• **Other income**

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

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

1.4 Expenditure

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

• **Expenditure on raising funds**

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.4 Expenditure (continued)

• Charitable activities

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Taxation

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

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

1.6 Tangible fixed assets

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

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

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

Depreciation is provided on the following bases:

Long term freehold property	- Between 7 - 45 years
Improvements to property	- 20 years
Furniture and equipment	- 12.5 %
Motor vehicles	- 25 %

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

1.7 Liabilities

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

1.8 Provisions

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

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

1.9 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments.

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

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in note 16. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.10 Operating leases

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

1. Accounting policies (continued)

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

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

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

1.12 Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the funders where the asset acquired or created is held for a specific purpose.

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

2. Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 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 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

3. Income from donations and capital grants

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Donations	20	-	20	3
Capital grants	-	190,290	190,290	1,525,549
	<u>20</u>	<u>190,290</u>	<u>190,310</u>	<u>1,525,552</u>
Total 2018	<u>3</u>	<u>1,525,549</u>	<u>1,525,552</u>	

WEST PARK SCHOOL
(A Company Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

4. Funding for the Academy Trust's academy's educational operations

	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
DfE/ESFA grants			
General Annual Grant (GAG)	6,104,674	6,104,674	5,757,121
Other DfE Group grants	427,665	427,665	350,607
	<u>6,532,339</u>	<u>6,532,339</u>	<u>6,107,728</u>
Other government grants			
Local authority grants	59,682	59,682	38,311
	<u>6,592,021</u>	<u>6,592,021</u>	<u>6,146,039</u>

In 2018, of the total income from educational operations, £Nil was to unrestricted funds and £6,146,039 was to restricted funds.

5. Income from other trading activities

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Hire of facilities	11,667	-	11,667	11,020
Income from other charitable activities	43,353	-	43,353	17,760
Income from ancillary trading activities	-	99,126	99,126	92,583
Total 2019	<u>55,020</u>	<u>99,126</u>	<u>154,146</u>	<u>121,363</u>
Total 2018	<u>28,780</u>	<u>92,583</u>	<u>121,363</u>	

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6. Investment income

	Unrestricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Investment income	3,066	3,066	2,995

In 2018, of the total investment income, £3,066 was to unrestricted funds and £Nil was to restricted funds.

7. Resources Expended

	Staff Costs 2019 £	Premises 2019 £	Other 2019 £	Total 2019 £	Total 2018 £
Expenditure on fundraising trading activities:					
Direct costs	-	-	124,146	124,146	109,168
Academy's educational operations:					
Direct costs	4,926,699	422,705	427,972	5,777,376	5,671,701
Allocated support costs	976,823	278,510	314,976	1,570,309	1,589,488
	<u>5,903,522</u>	<u>701,215</u>	<u>867,094</u>	<u>7,471,831</u>	<u>7,370,357</u>
Total 2018	<u>5,726,458</u>	<u>691,828</u>	<u>952,071</u>	<u>7,370,357</u>	

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8. Charitable activities

	2019	2018
	£	£
Direct costs - educational operations	5,777,376	5,671,701
Support costs - educational operations	1,570,309	1,589,488
	<u>7,347,685</u>	<u>7,261,189</u>
	2019	2018
	£	£
Support Costs		
Support staff costs	976,823	910,237
Depreciation	94,062	142,550
Technology costs	54,304	63,212
Premises costs .	278,510	276,099
Other support costs	120,743	154,942
Governance costs	45,867	42,448
	<u>1,570,309</u>	<u>1,589,488</u>

In 2018, of the total expenditure, £10,000 was to unrestricted funds and £7,270,257 was to restricted funds

9. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2019	2018
	£	£
Operating lease rentals	16,407	15,291
Depreciation of tangible fixed assets	516,767	558,280
Fees paid to auditor for:		
- audit	10,000	10,000
- other services	4,270	4,165
	<u>545,444</u>	<u>587,736</u>

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FOR THE YEAR ENDED 31 AUGUST 2019

10. Staff costs

a. Staff costs

Staff costs during the year were as follows:

	2019	2018
	£	£
Wages and salaries	4,342,070	4,262,497
Social security costs	415,452	415,364
Pension costs	1,058,749	1,031,191
	<u>5,816,271</u>	<u>5,709,052</u>
Supply teacher costs	75,738	17,406
Staff restructuring costs	11,513	-
	<u>5,903,522</u>	<u>5,726,458</u>

Staff restructuring costs comprise:

Severance payments	<u>11,513</u>	<u>-</u>
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b. Staff numbers

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

	2019	2018
	No.	No.
Teachers	73	71
Administration and support	84	82
Management	8	9
	<u>165</u>	<u>162</u>

c. Higher paid staff

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

10. Staff costs (continued)

c. Higher paid staff (continued)

	2019	2018
	No.	No.
In the band £60,001 - £70,000	3	2
In the band £70,001 - £80,000	-	1
In the band £90,001 - £100,000	1	1
In the band £100,001 - £120,000	-	1
	<u> </u>	<u> </u>

d. Key management personnel

The key management personnel of the academy comprise 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 was £620,289 (2018: £715,994).

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

11. Governors' remuneration and expenses

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

		2019	2018
		£000	£000
Mr B Walker MBE, Head Teacher and Accounting Officer (resigned 31 August 2018)	Remuneration	-	110 - 115
	Pension contributions paid	-	15 - 20
Mr B Paradise, Staff Trustee	Remuneration	20 - 25	60 - 65
	Pension contributions paid	-	10 - 15
Mr K Lane, Staff Trustee	Remuneration	30 - 35	30 - 35
	Pension contributions paid	5 - 10	5 - 10
Mr S McGregor, Head Teacher and Accounting Officer (appointed 1 September 2018)	Remuneration	90 - 95	-
	Pension contributions paid	15 - 20	-

During the year ended 31 August 2019, no Governor received any reimbursement of expenses (2018 £NIL).

12. Governors' and Officers' insurance

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

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**NOTES TO THE FINANCIAL STATEMENTS
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13. Tangible fixed assets

	Freehold property £	Furniture and equipment £	Computer equipment £	Motor vehicles £	Asset under construction £	Total £
Cost or valuation						
At 1 September 2018	11,508,801	763,365	554,380	19,705	79,698	12,925,949
Additions	-	15,356	60,676	18,950	1,657,467	1,752,449
Disposals	-	-	-	(19,705)	-	(19,705)
Transfers between classes	1,737,165	-	-	-	(1,737,165)	-
At 31 August 2019	<u>13,245,966</u>	<u>778,721</u>	<u>615,056</u>	<u>18,950</u>	<u>-</u>	<u>14,658,693</u>
Depreciation						
At 1 September 2018	415,729	695,139	510,493	19,705	-	1,641,066
Charge for the year	422,705	59,542	30,967	3,553	-	516,767
On disposals	-	-	-	(19,705)	-	(19,705)
At 31 August 2019	<u>838,434</u>	<u>754,681</u>	<u>541,460</u>	<u>3,553</u>	<u>-</u>	<u>2,138,128</u>
Net book value						
At 31 August 2019	<u>12,407,532</u>	<u>24,040</u>	<u>73,596</u>	<u>15,397</u>	<u>-</u>	<u>12,520,565</u>
At 31 August 2018	<u>11,093,072</u>	<u>68,226</u>	<u>43,887</u>	<u>-</u>	<u>79,698</u>	<u>11,284,883</u>

14. Stocks

	2019 £	2018 £
Finished goods and goods for resale	-	2,985

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15. Debtors

	2019	2018
	£	£
Due within one year		
Trade debtors	20	1,348
VAT Recoverable	130,920	16,190
Other debtors	-	1,225
Prepayments and accrued income	260,947	1,523,162
	<u>391,887</u>	<u>1,541,925</u>

16. Creditors: Amounts falling due within one year

	2019	2018
	£	£
Trade creditors	22,046	10,875
Other taxation and social security	101,565	102,394
Other creditors	95,902	93,318
Accruals and deferred income	339,320	249,632
	<u>558,833</u>	<u>456,219</u>
	2019	2018
	£	£
Deferred income at 1 September 2018	-	18,410
Resources deferred during the year	-	-
Amounts released from previous years	-	(18,410)
Deferred income at 31 August 2019	<u>-</u>	<u>-</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

17. Statement of funds

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Unrestricted funds						
General Funds	323,029	58,106	(41,885)	-	-	339,250
Restricted general funds						
General annual grant	207,531	6,104,674	(6,032,940)	(141,857)	-	137,408
Pupil Premium	48,708	314,168	(315,215)	-	-	47,661
Other grants and income	68,679	272,305	(260,024)	-	-	80,960
Pension reserve	(1,850,000)	-	(305,000)	-	(1,240,000)	(3,395,000)
	<u>(1,525,082)</u>	<u>6,691,147</u>	<u>(6,913,179)</u>	<u>(141,857)</u>	<u>(1,240,000)</u>	<u>(3,128,971)</u>
Restricted fixed asset funds						
DfE/ESFA capital grants	3,619,263	190,290	(93,800)	-	-	3,715,753
Transfer on conversion	6,561,703	-	(298,016)	-	-	6,263,687
Capital expenditure from GAG	279,282	-	(7,238)	141,857	-	413,901
Revaluation Reserve	2,244,937	-	(117,713)	-	-	2,127,224
	<u>12,705,185</u>	<u>190,290</u>	<u>(516,767)</u>	<u>141,857</u>	<u>-</u>	<u>12,520,565</u>
Total Restricted funds	<u>11,180,103</u>	<u>6,881,437</u>	<u>(7,429,946)</u>	<u>-</u>	<u>(1,240,000)</u>	<u>9,391,594</u>
Total funds	<u><u>11,503,132</u></u>	<u><u>6,939,543</u></u>	<u><u>(7,471,831)</u></u>	<u><u>-</u></u>	<u><u>(1,240,000)</u></u>	<u><u>9,730,844</u></u>

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NOTES TO THE FINANCIAL STATEMENTS
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17. Statement of funds (continued)

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

- Unrestricted funds represent those resources which may be used towards meeting any of the charitable objects of the academy at the discretion of the Governors;
- Restricted funds (excluding pension and other restricted reserves) represent funds received from the Department for Education and is specifically spent on the running of the academy;
- Pension reserve represents the movements on the Local Government Pension Scheme liability;
- Other restricted reserve represents funds which are restricted by the donor including school trip income;
- Restricted fixed asset funds represent resources which are applied to specific capital purposes imposed by the Department for Education where the asset acquired or created is held for a specific purpose.

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2019.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

17. Statement of funds (continued)

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

	Balance at 1 September 2017 £	Income £	Expenditure £	As restated Transfers in/out £	As restated Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds						
General Funds	301,251	31,778	(10,000)	-	-	323,029
Restricted general funds						
General annual grant	618,227	5,757,121	(6,008,947)	(158,870)	-	207,531
Pupil Premium	48,735	301,362	(301,389)	-	-	48,708
Other grants and income	90,282	180,139	(201,742)	-	-	68,679
Pension reserve	(2,026,000)	-	(290,000)	-	466,000	(1,850,000)
	<u>(1,268,756)</u>	<u>6,238,622</u>	<u>(6,802,078)</u>	<u>(158,870)</u>	<u>466,000</u>	<u>(1,525,082)</u>
Restricted fixed asset funds						
DfE/ESFA capital grants	2,228,512	1,525,549	(134,798)	-	-	3,619,263
Transfer on conversion	6,859,719	-	(298,016)	-	-	6,561,703
Capital expenditure from GAG	128,164	-	(7,752)	158,870	-	279,282
Revaluation Reserve	2,362,650	-	(117,713)	-	-	2,244,937
	<u>11,579,045</u>	<u>1,525,549</u>	<u>(558,279)</u>	<u>158,870</u>	<u>-</u>	<u>12,705,185</u>
Total Restricted funds	<u>10,310,289</u>	<u>7,764,171</u>	<u>(7,360,357)</u>	<u>-</u>	<u>466,000</u>	<u>11,180,103</u>
Total funds	<u>10,611,540</u>	<u>7,795,949</u>	<u>(7,370,357)</u>	<u>-</u>	<u>466,000</u>	<u>11,503,132</u>

WEST PARK SCHOOL
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NOTES TO THE FINANCIAL STATEMENTS
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18. Analysis of net assets between funds

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	12,520,565	12,520,565
Current assets	339,250	536,223	288,639	1,164,112
Creditors due within one year	-	(270,194)	(288,639)	(558,833)
Provisions for liabilities and charges	-	(3,395,000)	-	(3,395,000)
Total	339,250	(3,128,971)	12,520,565	9,730,844

Comparative information in respect of the proceeding is as follows:

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	11,284,883	11,284,883
Current assets	323,029	781,137	1,420,302	2,524,468
Creditors due within one year	-	(456,219)	-	(456,219)
Provisions for liabilities and charges	-	(1,850,000)	-	(1,850,000)
Total	323,029	(1,525,082)	12,705,185	11,503,132

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

	2019	2018
	£	£
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(532,288)	425,592
Adjustments for:		
Depreciation charges	516,767	558,280
Investment Income	(3,066)	(2,995)
Loss on sale of fixed assets	-	778
Decrease in stocks	2,985	779
Decrease/(increase) in debtors	1,150,038	(1,281,242)
Increase in creditors	102,614	186,070
Capital grants from DfE and other capital income	(190,290)	(1,525,549)
Defined benefit scheme pension adjustment	305,000	290,000
Net cash provided by/(used in) operating activities	1,351,760	(1,348,287)

20. Cash flows from investing activities

	2019	2018
	£	£
Dividends, interest and rents from investments	3,066	2,995
Purchase of tangible fixed assets	(1,752,449)	(450,806)
Capital grants from DfE Group	190,290	1,525,549
Net cash (used in)/provided by investing activities	(1,559,093)	1,077,738

21. Analysis of cash and cash equivalents

	2019	2018
	£	£
Cash in hand	772,225	979,558

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NOTES TO THE FINANCIAL STATEMENTS
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22. Capital commitments

	2019	2018
	£	£
At 31 August 2019 the academy had capital commitments as follows:		
Contracted for but not provided in these financial statements	-	1,644,256

23. Pension commitments

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

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

Contributions amounting to £94,781 were payable to the schemes at 31 August 2019 (2018 - £92,700) and are included within creditors.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – contributions from members, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Acts.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

**NOTES TO THE FINANCIAL STATEMENTS
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23. Pension commitments (continued)

Valuation of the Teachers' Pension Scheme

The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.8%). The timing of the implementation is to align its introduction with employers' budget planning cycles. Until then, employers will pay the current rate of 16.48%.

Scheme Changes

The arrangements for a reformed Teachers' Pension Scheme, in line with the recommendations made by Lord Hutton, in particular the introduction of a Career Average Revalued Earnings (CARE) scheme, were implemented from 1 April 2015.

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, have rejected the Government's application for permission to appeal the Court of Appeal's ruling. The case will now be referred to an Employment Tribunal for a decision regarding the remedy which will need to be offered to those members of the two schemes who were subject of the age discrimination.

HM Treasury are clear that the ruling has implications for the other public service schemes, including the Teachers' Pension Scheme. Those implications are currently being considered and any impact on scheme costs is expected to be looked at within the next scheme valuation, which is currently scheduled to be based on April 2020 data and implemented in April 2023.

The employer's pension costs paid to TPS in the year amounted to £492,507 (2018 - £491,534).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £338,000 (2018 - £322,000), of which employer's contributions totalled £261,000 (2018 - £248,000) and employees' contributions totalled £ 77,000 (2018 - £74,000). The agreed contribution rates for future years are 21 per cent for employers and 5.5 to 7.5 per cent for employees.

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

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NOTES TO THE FINANCIAL STATEMENTS
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23. Pension commitments (continued)

Principal actuarial assumptions

	2019	2018
	%	%
Rate of increase in salaries	2.80	2.90
Rate of increase for pensions in payment/inflation	2.30	2.40
Discount rate for scheme liabilities	1.80	2.80

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

	2019	2018
	Years	Years
<i>Retiring today</i>		
Males	21.9	21.9
Females	24.4	24.4
<i>Retiring in 20 years</i>		
Males	23.9	23.9
Females	26.5	26.5

Sensitivity analysis

	2019	2018
	£000	£000
Discount rate +0.5%	894	636
Pension increase rate +0.5%	751	526
Salary increase rate +0.5%	124	102

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

	At 31	At 31
	August 2019	August 2018
	£	£
Equities	2,575,000	2,500,000
Bonds	1,013,000	709,000
Property	338,000	261,000
Cash	295,000	262,000
Total market value of assets	4,221,000	3,732,000

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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 are as follows:

	2019	2018
	£	£
Current service cost	(464,000)	(485,000)
Past service cost	(47,000)	-
Interest income	108,000	86,000
Interest cost	(163,000)	(139,000)
Total amount recognised in the Statement of Financial Activities	(566,000)	(538,000)

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

	2019	2018
	£	£
At 1 September	5,582,000	5,324,000
Current service cost	464,000	485,000
Interest cost	163,000	139,000
Employee contributions	77,000	74,000
Actuarial losses/(gains)	1,360,000	(374,000)
Benefits paid	(77,000)	(66,000)
Past service costs	47,000	-
At 31 August	7,616,000	5,582,000

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

	2019	2018
	£	£
At 1 September	3,732,000	3,298,000
Interest income	108,000	86,000
Actuarial gains	120,000	92,000
Employer contributions	261,000	248,000
Employee contributions	77,000	74,000
Benefits paid	(77,000)	(66,000)
At 31 August	4,221,000	3,732,000

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NOTES TO THE FINANCIAL STATEMENTS
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24. Operating lease commitments

At 31 August 2019 the Academy Trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Academy Trust 2019 £	Academy Trust 2018 £
Within 1 year	15,261	16,862
Between 1 and 5 years	9,940	22,037
	<u>25,201</u>	<u>38,899</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

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

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 11.