

WEST HATCH HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

WEST HATCH HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

CONTENTS

	Page
Reference and Administrative Details	1 - 2
Trustees' Report	3 - 12
Governance Statement	13 - 17
Statement on Regularity, Propriety and Compliance	18
Statement of Trustees' Responsibilities	19
Independent Auditors' Report on the Financial Statements	20 - 22
Independent Reporting Accountant's Report on Regularity	23 - 24
Statement of Financial Activities Incorporating Income and Expenditure Account	25
Balance Sheet	26 - 27
Statement of Cash Flows	28
Notes to the Financial Statements	29 - 54

WEST HATCH HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS

Members	Mr J W Haley, Chair Mr A S Harris, Vice-Chair Ms N Lycett Mr C F Hansen (member throughout, trustee to 31 December 2018) Mr J J van Wijngaarden
Trustees	Mr J W Haley, Chair Mr A S Harris, Vice-Chair Ms N Lycett Mr C F Hansen (resigned 31 December 2018) Mr J J van Wijngaarden Mr D Leonard, Headteacher Mr D Solomons Mrs S Jones Mr S Sait Mrs S Vandermarcq (resigned 7 March 2019) Mr S B Phillips Mrs S Weeden Mr M Lopez-Dias Mr B Vandermarcq (resigned 7 March 2019) Mrs S Field Mrs J Williams (resigned 31 December 2018) Mrs M Lord Mrs L Smith Mr K Atwal Mrs H Kahlon (appointed 3 September 2018) Miss M Marsden (appointed 3 January 2019) Mrs J Pearce (appointed 7 January 2019)
Company registered number	07628943
Company name	West Hatch High School Academy Trust
Principal and registered office	High Road Chigwell Essex IG7 5BT

WEST HATCH HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Company secretary	Mrs L Barker
Senior management team	Mr D Leonard, Headteacher Mr A Sinfield, Deputy Headteacher Mr S Langton, Assistant Headteacher Mrs V Schaefer, Assistant Headteacher Mr R Tester, Assistant Headteacher Miss S McVittie, Assistant Headteacher Mr J Howell, SENCO Mrs L Barker, School Business Manager
Independent auditors	Landau Baker Limited Chartered Accountants Statutory Auditors Mountcliff House 154 Brent Street London NW4 2DR
Bankers	The Royal Bank of Scotland 747 Attercliffe Road Sheffield S9 3RF
Responsible Officer	Mr A S Harris

WEST HATCH HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2019

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

The Trust operates an academy in Chigwell for pupils aged 11 to 18, admitted according to the published Admissions Criteria. It has a pupil capacity of 1,443 (made up of 249 per year in years 7 & 8, and 189 per year in years 9 to 13) and had a roll of 1,224 in the school census on 17th May 2019. The trust is currently undertaking a building expansion programme which started in April 2018 and will result in an increase in pupil numbers of 60 pupils per year in years 7-11, reaching a total of 1,245 by 2022. This represents growth of 32%.

Structure, Governance and Management

a. Constitution

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

The charitable company's Memorandum of Association and Articles of Association are the primary governing documents of the Academy.

The Trustees of West Hatch High School Academy Trust are also the directors of the charitable company for the purposes of company law, and are Governors who collectively form the Governing Body.

The charitable company is known as West Hatch High School Academy Trust.

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

b. Members' Liability

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

c. Trustees' Indemnities

Subject to the provisions of the Companies Act, every Governor or other officer of the Academy shall be indemnified out of the assets of the academy against any liability incurred by them in that capacity in defending any proceedings, whether civil or criminal, in which judgment is given in favour or in which they are acquitted or in connection with any application in which relief is granted to them by the court from liability for negligence, default, breach of duty or breach of trust in relation to the affairs of the Academy.

d. Method of Recruitment and Appointment or Election of Trustees

The management of the Academy is the responsibility of the Trustees who are elected and co-opted under the terms of the Articles of Association as follows:

- The Headteacher
- No fewer than 2 parent Trustees
- Up to 8 Trustees appointed by the members (including staff Trustees)
- Staff Trustees appointed by the members, provided that the maximum number of staff Trustees does not

WEST HATCH HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

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

Structure, Governance and Management (continued)

- exceed one third of the total number of Trustees
- Any Trustees appointed by the Secretary of State for Education
- Up to 1 Local Authority Trustee
- Up to 3 co-opted Trustees

The term of office for any Trustee is four years. The Headteacher's term of office runs parallel with their term of appointment. Subject to remaining eligible to be a particular type of governor, any governor may be reappointed or re-elected.

e. Policies and Procedures Adopted for the Induction and Training of Trustees

The training and induction provided for new governors will depend on their individual experience and expertise. Where necessary an induction will provide training on charity and educational, legal and financial matters. All new governors are given a tour of the academy and the chance to meet with staff and students. All governors are provided with copies of policies, procedures, minutes, budgets, plans and other documents that they will need to understand their role as Trustees and directors of the Academy.

f. Organisational Structure

The Academy has established a management structure to enable its efficient running. The structure consists of two levels: the Trustees and the Executive who are the senior leadership team. The role of the Trustees is to approve the strategic direction and objectives of the Academy and monitor its progress towards these objectives.

The Board of Trustees has approved a scheme of delegation which sets out a statement on the system of internal control, responsibilities, standing orders and terms of reference. Trustees are responsible for setting general policy, adopting an annual plan and budget and making major decisions about the direction of the Academy, including capital expenditure and senior staff appointments.

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

This policy sets out the framework for making decisions on staff pay.

Staff pay is affected by legislation and national and local pay agreements, which give governing bodies significant flexibility to determine pay levels to meet local circumstances. The policy complies with the School Teachers' Pay and Conditions Document (STPCD) and the accompanying statutory guidance and with the national and local pay agreements for support staff, and these documents will take priority in any disputes. The policy is reviewed annually, in consultation with staff and unions.

The objective of the policy is to:

- ensure that pay and staffing arrangements enable the current and future delivery of the curriculum and school improvements plans
- support the recruitment and retention of high quality staff
- recognise and reward staff for their contribution to school improvement
- ensure that pay decisions are made in a fair and transparent way
- ensure that available monies are allocated appropriately

The Governing Body has established the following committees which have fully delegated powers to make decisions on pay, and (except in relation to the Headteacher's pay) will be advised by the Headteacher as appropriate:

- Staffing and Salaries Committee

WEST HATCH HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

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

Structure, Governance and Management (continued)

- Pay Appeals Committee

h. Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the year	3
Full-time equivalent employee number	2

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	3
1%-50%	-
51%-99%	-
100%	-
Percentage of pay bill spent on facility time	£000
Total cost of facility time	-
Total pay bill	5,238
Percentage of total pay bill spent on facility time	- %

Paid trade union activities

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

a. Objects and aims

The objective of the Academy is to advance, for the public benefit, education in the UK by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum for students between the ages of 11 and 18.

During the year the School has worked towards these aims and they are summarised as follows:

- To maintain, carry on, manage and develop the Academy
- To provide educational facilities, a high standard of teaching and learning and a diverse range of extra curricular opportunities that will give students the skills, knowledge and understanding to enable them to compete with the best
- To provide a broad and balanced curriculum including English, Mathematics, Science and Religious Studies
- To maintain the outstanding level of educational achievement of all pupils
- To provide value for money for the funds expended
- To comply with all appropriate statutory requirements
- To conduct the Academy's business in accordance with the highest standards of integrity, probity and openness.

WEST HATCH HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

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

Objectives and activities (continued)

b. Public benefit

In setting our objectives and planning our activities, the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit.

Strategic report

Achievements and performance

a. Achievements and performance

The Academy continued its mission to ensure that students achieved their potential in public examinations, encouraged a wide range of extra curricular activities, developed and retained suitable staff and guided students in suitable progression when they left the school. This is encompassed in our mission statement:

"We are a family dedicated to all our students excelling academically and personally in our school and beyond by seizing the opportunities we provide. We unlock potential for all to thrive and open doors for all to achieve. We expect everyone within our community to strive to be 'The Best That I Can Be'. And we ask that all staff who work at West Hatch commit to delivering outstanding opportunities for our students to thrive inside and outside of the classroom."

WEST HATCH HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

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

Strategic report (continued)

Achievements and performance (continued)

b. Key Performance Indicators

The Trustees receive regular information on a monthly basis and at regular Committee meetings to enable them to monitor the performance of the Trust compared to aims, strategies and financial budgets. The Trustees are confident that staffing levels are closely monitored and controlled to agreed staffing structures as approved by the Board.

Finance and Premises Committee also monitor premises costs to General Annual Grant (GAG) income, capitation spend for the curriculum departments to GAG income, total income less grants and cash flow on a regular basis to ensure the budget is challenged, set and managed appropriately.

The following KPIs were set in 2018/19 and monitored by the Trustees:

	18-19	17-18
Staff pay (including oncost & agency) as % of total revenue expenditure	79.5%	80.9%
Staff pay (including oncosts & agency) as % of GAG income	91.1%	94.3%
Staff pay (including oncosts & agency) as % of ESFA revenue income (GAG, PP, catchup premium, rates funding, teacher pay grant, vulnerable bursary, extra FSM)	86.5%	90.4%
Staff pay (including oncosts & agency) as % of total revenue income	77.7%	81.2%
Average annual teacher cost per FTE (employees only, excludes music peripatetic staff, excludes all supply teachers, includes SLT teachers)	£50,269	£49,038
ESFA revenue income (GAG, PP, catchup premium, rates funding, teacher pay grant, vulnerable bursary, extra FSM) vs October census student numbers	£5,041	£5,036
Surplus/deficit excluding fixed asset fund and excluding change in value of LGPS pension liability	£155k Surplus	£18k deficit

The School are proud to present the following summary of A level and GCSE results:

GCSE	2019	2018	Other Comparison
Threshold at 4 and above	59%	70%	64% National
Threshold at 5 and above	33%	43%	43% National
% of Students getting 9, 8, A*	6%	8%	PP 4%
% of Students getting 9, 8, 7, A*-A	15%	21%	PP 9% JCQ 2019 National 20.7%
% of Students getting 9, 8, 7, 6, 5, A*-C	45%	63%	PP 67% JCQ 2019 National 67.1%
% of Students getting 9, 8, 7, 6, 5, 4, A*-C	66%	78%	
Ebacc	17% standard pass 9% strong pass PP 8% strong pass PP 12% standard pass	33% standard pass 18% strong pass PP 14% strong pass PP 29% standard pass	
Progress 8	-0.07	+0.08	National -0.03
Attainment 8	44.17	48.3	

WEST HATCH HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

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

Strategic report (continued)

Achievements and performance (continued)

A level	2019	2018	Other Comparison
% of students achieving A*-A	25.1%	20.2%	National 26.2%
% of students achieving A*-B	50%	50%	National 52.7%
% of students achieving A*-C	74.2%	79%	National 76.8%
% of students achieving A*-E	98.3%	99.6%	National 7.6%
ALPS grade	6	4	
Average point score per entry as a grade	C	C	

REVIEW OF ACTIVITIES SINCE 2018

Subject	Target	Outcome	Comment
Improved outcomes in pupil progress from their different starting points	Target of 72% 4+ combined English and Maths, 50% 5+ combined English and Maths and a P8 score of +0.1 to +0.3	59% 4+ English and maths achieved. 33% 5+ English and maths achieved P8 -0.03	P8 of 0 shows the pupils made expected progress despite drop in attainment grades. Targets were aspirational.
Improve A*-B grades at post 16, ALPS red grade	60% A*-B grades	49.5%, ALPS 6	This continues to be an aspirational target
Improve whole school attendance	95%	94.4%	
Ensure pupil numbers are maximised in line with school expansion	249 pupils in Year 7	249 pupils enrolled	
To safeguard the Academy and its function during the expansion works	To minimise disruption of education activity and to ensure the school is fit for purpose	Phase 1 of the school expansion has been completed resulting in 3 new Science laboratories extensions to our Music Block and Dining Hall as well as additional classrooms for Design and Technology.	Phase 2 of the project to erect a new Sports Hall and English Block has been delayed with works due to recommence in October 2019 with an expected completion of September 2020.

WEST HATCH HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

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

Strategic report (continued)

Achievements and performance (continued)

c. Going concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Academy 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 Accounting Policies.

Review of Activities

a. Financial review

During the period, Educational and Skills Funding Agency/Local Authority grants received totaled to £6,373,000. Other income included within restricted funds totaled to £527,000. Restricted fund expenditure totaled to £7,052,000.

The main source of unrestricted income is income from trading activities, totalling £78,000.

Most of the Academy's income is obtained from the Education and Skills Funding Agency (ESFA) in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the 12 month period ended 31 August 2019 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The Academy also received grants for fixed assets from the ESFA. In accordance with the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standards applicable in the UK and the Republic of Ireland (FRS 102), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

Under the Charities SORP, it is necessary to charge projected deficits on the Local Government Pension Scheme, which is provided to support staff, to a restricted fund. This results in reducing reserves shown in the total funds of the Academy. It should be noted that this does not present the Academy with any current liquidity problem. The employer contributions are currently being assessed and it is expected that they will increase to bring a further reduction in this pension deficit in future, although this may not be achieved until stock market investment values start to recover. Increases in employer contributions will increase our cost base and will have to be managed.

Overall, the Academy has a healthy balance sheet and cash flow and will be using the reserves to maintain the current assets and also to invest back into the School in the form of additional resources and facilities both in the long term and short term in conjunction with the School development plan and School aims.

WEST HATCH HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

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

Strategic report (continued)

Review of Activities (continued)

b. Reserves policy

The reserves that we have set aside provide financial stability and the means for the development of our principal activity. We intend to maintain our reserves at a level which is at least equivalent to one to two months' worth of normal operational costs. Governors review every half term the amount of reserves that are required to ensure that they are adequate to fulfil our continuing obligations. As at 31st August 2019 we had almost two months of cash reserves. Our review has also considered the need to safeguard against any adverse financial implications caused by disruption to supply chains as a direct result of Brexit. At present, we are unable to quantify this until departure terms have been reached and made clear.

c. Investment policy

Trustees have considered their approach to investment of the Academy's funds, and have decided to adopt an approach of minimising exposure to risk, and ensuring that capital is as secure as possible.

d. Principal risk and uncertainties

The Trustees have reviewed the principal risks to which the Academy is exposed, have considered these and established systems and procedures to manage those risks. These procedures include processes to identify risks, an annual review of the Risk Register, an evaluation of significant risks, and the formulation of actions to avoid, transfer or mitigate these risks.

The Academy is exposed to a number of financial risks including credit, cash flow and liquidity risks. Given the Academy's exposure to financial instruments being limited, the financial risk exposure principally relates to bank balances, cash and trade creditors, with limited trade (and other) debtors. The Academy's system of internal controls ensures risk is minimal in these areas.

Under the Charities Statement of Recommended Practice, Charities SORP FRS102, it is necessary to charge projected deficits on the Local Government Pension Scheme, which is provided to support staff, to a restricted fund. This results in reducing reserves shown in the total funds of the Academy. It should be noted that this does not present the Academy Trust with any current liquidity problem. The employer contributions are currently being assessed and it is expected that they will increase to bring a further reduction in this pension deficit in future.

Fundraising

The Academy raises funds directly from pupils and parents by way of voluntary donations without the use of professional fundraisers or commercial participators.

WEST HATCH HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

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

Auditor

Insofar as the Trustees are aware:

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

The Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 21 November 2019 and signed on its behalf by:



Mr J W Haley
Chair of Trustees

WEST HATCH HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

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

Plans for future periods

School development targets:

The 2019-2020 School Development Plan includes the following targets:

Curriculum development and implementation

- Ensure that the school as a whole and departments have a clear intent for their curriculum and plan to ensure that pupils know more, remember more and can do more.

Raising achievement at GCSE

- Ensure that all pupils from all groups and from all different starting points make significant progress in their learning.

Promoting positive student behaviour

- Embed opportunities for pupils to grow and develop as leaders.
- Celebrate success and hard work more effectively in school to promote positive behaviour and improve academic achievement.

Raising achievement in the Sixth Form

- Challenge for all to ensure students make significant levels of progress across all subject areas.

Targets

- Improve outcomes at GCSE - targets of 48% 5 + including English and Maths, 74% 4+ including English and Maths
- Consolidate and improve outcomes at post 16 – target of 55% A*-B grades, Alps Red progress score
- 95% whole school attendance
- Successfully fill Year 7 in 2019 to 249 pupils.
- Complete building expansion target phase 2

The overall strategy will be determined by the Governing Body and its relevant committees. The School's Leadership Team will lead on the research to develop the strategy and insure its implementation. This will be delivered in the context of overall financial rigour, and closely monitored by the Finance and Premises Committee.

Funds Held as Custodian Trustee on Behalf of Others

At the financial year end the Academy held funds amounting to £7,061 (2018: £22,239) as agent for the Education and Skills Funding Agency (ESFA) in the distribution of 16-19 bursary grants to pupils.

WEST HATCH HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT

Scope of responsibility

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

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

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Board of Trustees has formally met 3 times during the year.

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

Trustee	Meetings attended	Out of a possible
Mr J W Haley, Chair	3	3
Mr A S Harris, Vice-Chair	3	3
Ms N Lycett	1	3
Mr C F Hansen	1	1
Mr J J van Wijngaarden	2	3
Mr D Leonard, Headteacher	3	3
Mr D Solomons	0	3
Mrs S Jones	2	3
Mr S Sait	0	3
Mrs S Vandermarcq	0	2
Mr S B Phillips	2	3
Mrs S Weeden	1	3
Mr M Lopez-Dias	1	3
Mr B Vandermarcq	0	2
Mrs S Field	3	3
Mrs J Williams	1	1
Mrs M Lord	2	3
Mrs L Smith	3	3
Mr K Atwal	1	3
Mrs H Kahlon	3	3
Miss M Marsden	2	2
Mrs J Pearce	2	3

Governance reviews

Governors use triangulation activities to test assertions made with the schools own self-evaluation. As a result of Governors' support and challenge, progress has been sustained over KS4 and KS5. Governors systematically challenge senior leaders to ensure the effective deployment of staff and resources, including the use of Pupil Premium and SEN funding. The Governing Body Strategic Board has reviewed and debated their model of governance and agreed a revised framework which will result in greater active participation and increased accountability from Governors. A key focus on the new framework will be instructing activity to focus on the need for direct action on improving KS4 results.

WEST HATCH HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

The **Finance and Premises Committee** is a sub-committee of the main Board of Trustees. Its purpose includes agreement of an annual budget and monitoring financial performance against that budget, review of relevant policies and procedures, and approval of particular premises projects and of the asset management plan.

During the year the committee met six times.

Attendance at meetings in the year was as follows

Trustee	Meetings attended	Out of a possible
Ms N Lycett	3	6
Mr A S Harris	6	6
Mr J W Haley	6	6
Mr C F Hansen	0	2
Mr S B Phillips	4	6
Mr D Leonard	5	6
Mr J J van Wijngaarden	3	6
Mrs J Pearce	2	3
Mr B Vandermarcq	0	3

The **Audit Committee** is also a sub-committee of the main Board of Trustees. Its purpose is to include decisions in relation to the preparation of the financial statements, receipt of reports from the auditors and Responsible Officer, and review of internal control and risk management procedures.

During the year the committee met three times.

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Mr A S Harris	3	3
Ms N Lycett	0	3
Mr J W Haley	3	3
Mr C F Hansen	0	1
Mr J J van Wijngaarden	1	3
Mrs J Pearce	2	2
Mr D Leonard	2	3
Mr S Phillips	2	3

The **Governing Body Strategic Board** is also a sub-committee of the main board of Trustees. Its purpose includes a more detailed focus on the improvement and evaluation plans and specific OFSTED criteria.

WEST HATCH HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

The Governing Body Strategic Board met three times during the year and attendance at meetings was as follows:

Trustee	Meetings attended	Out of a possible
Mr J W Haley	2	3
Mr A S Harris	3	3
Ms N Lycett	1	3
Mrs S Vandermarcq	0	2
Mr D Leonard	3	3
Mrs S Weeden	1	3
Mr M Lopez-Dias	1	3
Mr J J van Wijngaarden	3	3
Mr K Atwal	1	3
Ms M Lord	3	3
Mrs S Jones	0	3
Mrs S Field	0	3
Mr C Hansen	0	1

Review of value for money

The Accounting Officer for the Academy Trust has delivered improved value for money during the year by:

- Continuing to review the roles of both teaching and support staff to deliver efficiency savings
- Undertaking a review of the staffing salary structure including uplifts to additional payments
- Embedding new procedures relating to staff absence and the use of agency cover
- Continuing to review the mainscale teaching hours to ensure optimum delivery
- Rationalising the Sixth Form course offer to ensure optimum delivery
- Working with partner schools to undertake consortium purchasing and procurement

The purpose of the system of internal control

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

Capacity to handle risk

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

WEST HATCH HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

The risk and control framework

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

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

The Board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However, the Trustees have appointed:

- Mr A S Harris, a Trustee, to carry out a programme of internal checks as Responsible Officer (RO);
- Landau Baker Limited, the external auditors, to perform additional checks.

The Responsible Officer (RO) role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems.

On a quarterly basis, the appointees report to the Board of Trustees on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

RO reports have indicated that internal controls have operated as planned with no material weaknesses identified.

Review of effectiveness

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

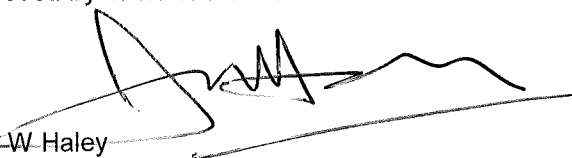
- the work of the Responsible Officer (RO);
- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of executive managers within the Academy who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Audit Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

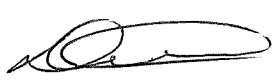
WEST HATCH HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Approved by order of the members of the Board of Trustees on 21 November 2019 and signed on their behalf by:



Mr J W Haley
Chair of Trustees



Mr D Leonard
Accounting Officer

WEST HATCH HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of West Hatch High School Academy Trust I have considered my responsibility to notify the Academy Board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy, under the funding agreement in place between the Academy and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

I confirm that I and the Academy Board of Trustees are able to identify any material irregular or improper use of all funds by the Academy, or material non-compliance with the terms and conditions of funding under the Academy's funding agreement and the Academies Financial Handbook 2018.

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



Mr D Leonard
Accounting Officer
Date: 21 November 2019

WEST HATCH HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF WEST
HATCH HIGH SCHOOL ACADEMY TRUST**

Opinion

We have audited the financial statements of West Hatch High School Academy Trust (the 'Academy') for the year ended 31 August 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

WEST HATCH HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

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

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

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

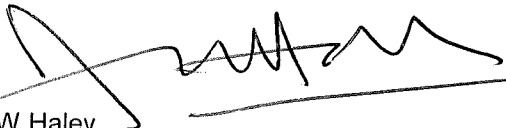
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting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

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

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

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

Approved by order of the members of the Board of Trustees on 21 November 2019 and signed on its behalf by:


Mr J W Haley
Chair of Trustees

WEST HATCH HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF WEST HATCH HIGH SCHOOL ACADEMY TRUST (CONTINUED)

Other information

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

WEST HATCH HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF WEST HATCH HIGH SCHOOL ACADEMY TRUST (CONTINUED)

Responsibilities of trustees

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

Use of our report

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



FOR LANDAU BAKER LIMITED

Carly Pinkus (Senior Statutory Auditor)

for and on behalf of

Landau Baker Limited

Chartered Accountants
Statutory Auditors

Mountcliff House
154 Brent Street
London
NW4 2DR

21 December 2019

WEST HATCH HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO WEST
HATCH HIGH SCHOOL ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY**

In accordance with the terms of our engagement letter dated 31 October 2011 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 Hatch High School Academy Trust during the year 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of West Hatch High School Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of West Hatch High School Academy Trust's funding agreement with the Secretary of State for Education dated 1 June 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's income and expenditure.

WEST HATCH HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO WEST
HATCH HIGH SCHOOL ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY
(CONTINUED)**

Conclusion

In the course of our work, nothing has come to our attention which suggests 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.

Landau Baker Limited

Reporting Accountant

Landau Baker Limited

Chartered Accountants
Statutory Advisors

Mountcliff House
154 Brent Street
London
NW4 2DR

Date: 21 December 2019

WEST HATCH HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

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

		Unrestricted funds	Restricted funds	Restricted fixed asset funds	Total funds	Total funds
		2019	2019	2019	2019	2018
	Note	£000	£000	£000	£000	£000
Income from:						
Donations and capital grants	3	7	-	168	175	349
Charitable activities		-	6,373	-	6,373	5,984
Other trading activities		78	527	-	606	587
Investments	6	4	-	-	4	2
Total income		89	6,900	168	7,157	6,922
Expenditure on:						
Charitable activities	8	76	7,053	175	7,304	7,076
Total expenditure		76	7,053	175	7,304	7,076
Net income/(expenditure)		13	(153)	(7)	(147)	(154)
Transfers between funds	19	-	(20)	20	-	-
Net movement in funds before other recognised gains/(losses)		13	(173)	13	(147)	(154)
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	25	-	(466)	-	(466)	670
Net movement in funds		13	(639)	13	(613)	516
Reconciliation of funds:						
Total funds brought forward		219	(2,736)	14,263	11,746	11,230
Net movement in funds		13	(639)	13	(613)	516
Total funds carried forward		232	(3,375)	14,276	11,133	11,746

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 29 to 54 form part of these financial statements.

WEST HATCH HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

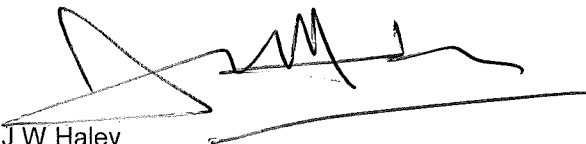
BALANCE SHEET
AS AT 31 AUGUST 2019

	Note	2019 £000	2018 £000
Fixed assets			
Intangible assets	14	3	6
Tangible assets	15	14,172	14,099
		<u>14,175</u>	<u>14,105</u>
Current assets			
Debtors	16	173	221
Cash at bank and in hand		1,096	946
		<u>1,269</u>	<u>1,167</u>
Creditors: amounts falling due within one year	17	(425)	(421)
Net current assets		<u>844</u>	<u>746</u>
Total assets less current liabilities		<u>15,019</u>	<u>14,851</u>
Net assets excluding pension liability		<u>15,019</u>	<u>14,851</u>
Defined benefit pension scheme liability	25	(3,886)	(3,105)
Total net assets		<u><u>11,133</u></u>	<u><u>11,746</u></u>
Funds of the Academy			
Restricted funds:			
Fixed asset funds	19	14,276	14,263
Restricted income funds	19	511	369
		<u>14,787</u>	<u>14,632</u>
Restricted funds excluding pension asset	19	14,787	14,632
Pension reserve	19	(3,886)	(3,105)
Total restricted funds	19	<u>10,901</u>	<u>11,527</u>
Unrestricted income funds	19	232	219
Total funds		<u><u>11,133</u></u>	<u><u>11,746</u></u>

WEST HATCH HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2019

The financial statements on pages 25 to 54 were approved by the Trustees, and authorised for issue on 21 November 2019 and are signed on their behalf, by:


Mr J W Haley
Chair of Trustees

The notes on pages 29 to 54 form part of these financial statements.

WEST HATCH HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2019

	Note	2019 £000	2018 £000
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	21	223	(185)
Cash flows from investing activities	22	(73)	137
Change in cash and cash equivalents in the year		150	(48)
Cash and cash equivalents at the beginning of the year		946	994
Cash and cash equivalents at the end of the year	23	<u>1,096</u>	<u>946</u>

The notes on pages 29 to 54 form part of these financial statements

WEST HATCH HIGH SCHOOL ACADEMY TRUST
(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), judgments and key sources of estimation uncertainty, is set out below.

1.1 Basis of preparation of financial statements

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

West Hatch High School Academy Trust meets the definition of a public benefit entity under FRS 102.

1.2 Going concern

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

1.3 Income

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

- **Legacies**

The recognition of income from legacies is dependent on establishing entitlement, the probability of receipt and the ability to estimate with sufficient accuracy the amount receivable. Evidence of entitlement to a legacy exists when the Academy has sufficient evidence that a gift has been left to them (through knowledge of the existence of a valid will and the death of the benefactor) and the executor is satisfied that the property in question will not be required to satisfy claims in the estate. Receipt of a legacy must be recognised when it is probable that it will be received and the fair value of the amount receivable, which will generally be the expected cash amount to be distributed to the Academy, can be reliably measured.

- **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.

WEST HATCH HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.3 Income (continued)

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

- **Donations**

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

- **Other income**

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

1.4 Expenditure

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

- **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.5 Interest receivable

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

1.6 Intangible assets

Intangible assets costing £5,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment.

Amortisation is provided on intangible assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life.

WEST HATCH HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.6 Intangible assets (continued)

The estimated useful lives are as follows:

Amortisation is provided on the following basis:

Computer software	- 5 years
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1.7 Tangible fixed assets

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

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

Depreciation is provided on all tangible fixed assets other than freehold land 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:

Freehold property - buildings	- 50 years
Freehold property - land	- Not depreciated
Furniture and fixtures	- 5 years
Computer equipment	- 4 years

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

1.8 Debtors

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

WEST HATCH HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.9 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

1.10 Liabilities

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

1.11 Financial instruments

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

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

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

1.12 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. The 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.

WEST HATCH HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.12 Pensions (continued)

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

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

1.13 Fund accounting

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

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

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

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

2. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

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

WEST HATCH HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

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

2. Critical accounting estimates and areas of judgment (continued)

actuarial valuation would impact on the carrying amount of the pension liability.

3. Income from donations and capital grants

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
Donations	7	-	7	12
Capital Grants	-	168	168	337
	<u>7</u>	<u>168</u>	<u>175</u>	<u>349</u>
<i>Total 2018</i>	<u>12</u>	<u>337</u>	<u>349</u>	

4. Funding for the Academy's educational activities

	Restricted funds 2019 £000	Total funds 2019 £000	Total funds 2018 £000
DfE/ESFA grants			
General annual grant (GAG)	5,999	5,999	5,705
Other DfE/ESFA grants	286	286	219
	<u>6,285</u>	<u>6,285</u>	<u>5,924</u>
Other government grants			
Local Authority (LA)	88	88	60
	<u>88</u>	<u>88</u>	<u>60</u>
	<u>6,373</u>	<u>6,373</u>	<u>5,984</u>

WEST HATCH HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

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

5. Income from other trading activities

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Total funds 2019 £000	<i>Total funds 2018 £000</i>
Contributions to visits	78	-	78	61
Lettings income	-	79	79	82
Catering income	-	366	366	358
Other income	-	82	82	86
	<u>78</u>	<u>527</u>	<u>605</u>	<u>587</u>
<i>Total 2018</i>	<u>61</u>	<u>526</u>	<u>587</u>	

6. Investment income

	Unrestricted funds 2019 £000	Total funds 2019 £000	<i>Total funds 2018 £000</i>
Bank interest	<u>4</u>	<u>4</u>	<u>2</u>

WEST HATCH HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

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

7. Expenditure

	Staff Costs	Premises	Other	Total	<i>Total</i>
	2019	2019	2019	2019	<i>2018</i>
	£000	£000	£000	£000	<i>£000</i>
Educational activities:					
Direct costs	4,195	-	580	4,775	4,705
Support costs	1,501	610	418	2,529	2,371
Total 2019	<u>5,696</u>	<u>610</u>	<u>998</u>	<u>7,304</u>	<u>7,076</u>
<i>Total 2018</i>	<u>5,606</u>	<u>533</u>	<u>937</u>	<u>7,076</u>	

8. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted	Restricted	Endowment	Total	<i>Total</i>
	funds	funds	funds	funds	<i>funds</i>
	2019	2019	2019	2019	<i>2018</i>
	£000	£000	£000	£000	<i>£000</i>
Educational activities	76	7,149	-	7,225	6,989
Pension cost	-	79	-	79	87
Total 2019	<u>76</u>	<u>7,228</u>	<u>-</u>	<u>7,304</u>	<u>7,076</u>
<i>Total 2018</i>	<u>59</u>	<u>7,017</u>	<u>-</u>	<u>7,076</u>	

WEST HATCH HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

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

9. Analysis of expenditure by activities

	Activities undertaken directly 2019 £000	Support costs 2019 £000	Total funds 2019 £000	Total funds 2018 £000
Educational activities	4,775	2,529	7,304	7,076
<i>Total 2018</i>	<i>4,705</i>	<i>2,371</i>	<i>7,076</i>	

Analysis of direct costs

	Educational activities 2019 £000	Total funds 2019 £000	Total funds 2018 £000
Staff costs	4,018	4,018	4,009
Staff development and training	44	44	45
Educational supplies	258	258	226
Examination fees	130	130	126
Technology costs	62	62	59
Supply teaching costs	177	177	159
Bought in professional services	57	57	51
Other direct costs	29	29	30
	4,775	4,775	4,705

WEST HATCH HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

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

9. Analysis of expenditure by activities (continued)

Analysis of support costs

	Educational activities 2019 £000	Total funds 2019 £000	<i>Total funds 2018 £000</i>
Pension finance cost	79	79	87
Staff costs	1,463	1,463	1,389
Depreciation and amortisation	175	175	158
Recruitment and support	43	43	35
Rent and rates	46	46	50
Energy	93	93	92
Maintenance of premises and equipment	105	105	79
Other occupancy costs	23	23	23
Cleaning	143	143	103
Support staff supply costs	38	38	49
Insurance	37	37	35
Other support costs	24	24	24
Catering	212	212	220
Technology costs	39	39	14
Governance costs	9	9	13
	<u>2,529</u>	<u>2,529</u>	<u>2,371</u>

10. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2019 £000	<i>2018 £000</i>
Operating lease rentals	41	37
Depreciation of tangible fixed assets	172	155
Amortisation of intangible assets	3	3
Fees paid to auditors for:		
- audit	6	6
- other services	1	2
	<u>183</u>	<u>193</u>

WEST HATCH HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

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

11. Staff costs

a. Staff costs

Staff costs during the year were as follows:

	2019	2018
	£000	£000
Wages and salaries	4,141	4,084
Social security costs	404	398
Pension costs	936	916
	5,481	5,398
Supply teaching costs	177	159
Support staff supply costs	38	49
	5,696	5,606

b. Non-statutory/non-contractual staff severance payments

There were no redundancy or severance payments made in the current year (2018: 1 severance payment of £10,000).

c. Staff numbers

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

	2019	2018
	No.	No.
Teachers including agency	84	86
Support including agency	94	99
Management	8	8
	186	193

WEST HATCH HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

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

11. Staff costs (continued)

c. Staff numbers (continued)

The average headcount expressed as full-time equivalents was:

	2019	<i>2018</i>
	FTE	<i>FTE</i>
Teachers including agency	69	<i>72</i>
Support including agency	48	<i>48</i>
Management	8	<i>8</i>
	125	<i>128</i>

d. Higher paid staff

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

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

e. Key management personnel

The key management personnel of the Academy Trust comprise the Trustees and the senior management team as listed on pages 1 and 2. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy Trust was £609,554 (2018: £600,568).

WEST HATCH HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

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

12. Related Party Transactions - Trustees' remuneration and expenses

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

		2019	2018
		£000	£000
Mr D Leonard, Headteacher	Remuneration	90 - 95	85 - 90
	Pension contributions paid	15 - 20	10 - 15
Mrs J Williams (resigned 31 December 2018)	Remuneration	15 - 20	50 - 55
	Pension contributions paid	0 - 5	5 - 10
Mrs L Smith	Remuneration	25 - 30	25 - 30
	Pension contributions paid	5 - 10	5 - 10
Mrs M Lord	Remuneration	15 - 20	NIL
	Pension contributions paid	0 - 5	NIL
Mrs H Kahlon (appointed 3 September 2019)	Remuneration	15 - 20	NIL
	Pension contributions paid	0 - 5	NIL
Miss M Marsden (appointed 3 January 2019)	Remuneration	20 - 25	NIL
	Pension contributions paid	0 - 5	NIL

During the year, retirement benefits were accruing to 6 Trustees (2018 - 4 Trustees) in respect of defined benefit pension schemes.

During the year ended 31 August 2019, expenses were reimbursed or paid directly to 4 Trustees (2018 - to 3 Trustees) broken down as follows:

	2019	2018
	£000	£000
Travel	1	1

13. Trustees' and Officers' insurance

In accordance with normal commercial practice, the Academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2019 was £325 (2018 - £325). The cost of this insurance is included in the total insurance cost.

WEST HATCH HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

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

14. Intangible asset

	Computer software £000
Cost	
At 1 September 2018	15
At 31 August 2019	<u>15</u>
Amortisation	
At 1 September 2018	9
Charge for the year	3
At 31 August 2019	<u>12</u>
Net book value	
At 31 August 2019	<u>3</u>
At 31 August 2018	<u><u>6</u></u>

WEST HATCH HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

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

15. Tangible fixed assets

	Freehold property £000	Furniture and fixtures £000	Computer equipment £000	Total £000
Cost or valuation				
At 1 September 2018	14,782	99	319	15,200
Additions	143	70	32	245
Disposals	-	-	(28)	(28)
At 31 August 2019	14,925	169	323	15,417
Depreciation				
At 1 September 2018	753	68	280	1,101
Charge for the year	121	24	27	172
On disposals	-	-	(28)	(28)
At 31 August 2019	874	92	279	1,245
Net book value				
At 31 August 2019	14,051	77	44	14,172
At 31 August 2018	14,029	31	39	14,099

16. Debtors

	2019 £000	2018 £000
Due within one year		
Trade debtors	24	19
Other debtors	52	68
Prepayments and accrued income	97	134
	173	221

WEST HATCH HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

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

17. Creditors: Amounts falling due within one year

	2019	2018
	£000	£000
Trade creditors	90	115
Other creditors	187	179
Accruals and deferred income	148	127
	<u>425</u>	<u>421</u>
	<u><u>425</u></u>	<u><u>421</u></u>
	2019	2018
	£000	£000
Deferred income at 1 September 2018	94	98
Resources deferred during the year	102	94
Amounts released from previous periods	(94)	(98)
	<u>102</u>	<u>94</u>
	<u><u>102</u></u>	<u><u>94</u></u>

At the balance sheet date the Academy Trust was holding funds received relating to the year 2019/20.

18. Financial instruments

	2019	2018
	£000	£000
Financial assets		
Financial assets measured at fair value through income and expenditure	1,096	946
Financial assets that are debt instruments measured at amortised cost	28	19
	<u>1,124</u>	<u>965</u>
	<u><u>1,124</u></u>	<u><u>965</u></u>
	2019	2018
	£000	£000
Financial liabilities		
Financial liabilities measured at amortised cost	(223)	(228)
	<u>(223)</u>	<u>(228)</u>
	<u><u>(223)</u></u>	<u><u>(228)</u></u>

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

Financial assets that are debt instruments measured at amortised cost comprise debtors and accrued income.

Financial liabilities measured at amortised cost comprise creditors and accruals.

WEST HATCH HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

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

19. Statement of funds

	Balance at 1 September 2018 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2019 £000
Unrestricted funds						
General Funds - all funds	219	89	(76)	-	-	232
Restricted general funds						
GAG	369	6,000	(5,838)	(20)	-	511
Pupil premium	-	207	(207)	-	-	-
Other ESFA funding	-	78	(78)	-	-	-
LA and other government funding	-	88	(88)	-	-	-
General	-	527	(527)	-	-	-
Pension reserve	(3,105)	-	(315)	-	(466)	(3,886)
	<u>(2,736)</u>	<u>6,900</u>	<u>(7,053)</u>	<u>(20)</u>	<u>(466)</u>	<u>(3,375)</u>
Restricted fixed asset funds						
Restricted Fixed Asset Funds - all funds	14,263	168	(175)	20	-	14,276
Total Restricted funds	<u>11,527</u>	<u>7,068</u>	<u>(7,228)</u>	<u>-</u>	<u>(466)</u>	<u>10,901</u>
Total funds	<u>11,746</u>	<u>7,157</u>	<u>(7,304)</u>	<u>-</u>	<u>(466)</u>	<u>11,133</u>

All of the Academy's funds originally came from assets gifted by the predecessor school.

Restricted fixed asset funds have been increased by capital grants provided by the Department for Education and reduced by depreciation charges.

Restricted general funds have been increased by revenue grants provided by the Department for Education and reduced by expenditure incurred in the operation of the Academy.

WEST HATCH HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

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

19. Statement of funds (continued)

The restricted funds can only be used in terms of limitations imposed by the Funding Agreement with the Department for Education and the terms of any specific grant.

Unrestricted funds have been increased by voluntary contributions by parents and reduced by expenditure incurred in the operation of the Academy.

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

Total funds analysis by academy

Fund balances at 31 August 2019 were allocated as follows:

	2019 £000	<i>2018 £000</i>
West Hatch High School Academy Trust	743	<i>588</i>
Restricted fixed asset fund	14,276	<i>14,263</i>
Pension reserve	(3,886)	<i>(3,105)</i>
Total	11,133	<i>11,746</i>

Total cost analysis by academy

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

	Teaching and educational support staff costs £000	Other support staff costs £000	Educational supplies £000	Other costs excluding depreciation £000	Total 2019 £000	<i>Total 2018 £000</i>
West Hatch High School	4,195	1,501	388	1,045	7,129	<i>6,918</i>

WEST HATCH HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

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

19. Statement of funds (continued)

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

	Balance at 1 September 2017 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2018 £000
Unrestricted funds						
General Funds - all funds	203	75	(59)	-	-	219
Restricted general funds						
GAG	405	5,705	(5,733)	(8)	-	369
Pupil premium	-	207	(207)	-	-	-
Other ESFA funding	-	12	(12)	-	-	-
LA and other government funding	-	60	(60)	-	-	-
General	-	526	(526)	-	-	-
Pension reserve	(3,454)	-	(321)	-	670	(3,105)
	<u>(3,049)</u>	<u>6,510</u>	<u>(6,859)</u>	<u>(8)</u>	<u>670</u>	<u>(2,736)</u>
Restricted fixed asset funds						
Restricted Fixed Asset Funds - all funds	14,076	337	(158)	8	-	14,263
Total Restricted funds	<u>11,027</u>	<u>6,847</u>	<u>(7,017)</u>	<u>-</u>	<u>670</u>	<u>11,527</u>
Total funds	<u>11,230</u>	<u>6,922</u>	<u>(7,076)</u>	<u>-</u>	<u>670</u>	<u>11,746</u>

WEST HATCH HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

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

20. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2019 £000	Restricted funds 2019 £000	Restricted fixed asset funds 2019 £000	Total funds 2019 £000
Tangible fixed assets	-	-	14,172	14,172
Intangible fixed assets	-	-	3	3
Current assets	232	936	101	1,269
Creditors due within one year	-	(425)	-	(425)
Provisions for liabilities and charges	-	(3,886)	-	(3,886)
Total	232	(3,375)	14,276	11,133

Analysis of net assets between funds - prior year

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Restricted fixed asset funds 2018 £000	Total funds 2018 £000
Tangible fixed assets	-	-	14,099	14,099
Intangible fixed assets	-	-	6	6
Current assets	219	790	158	1,167
Creditors due within one year	-	(421)	-	(421)
Provisions for liabilities and charges	-	(3,105)	-	(3,105)
Total	219	(2,736)	14,263	11,746

WEST HATCH HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

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

21. Reconciliation of net expenditure to net cash flow from operating activities

	2019	2018
	£000	£000
Net expenditure for the year (as per Statement of Financial Activities)	(147)	(154)
Adjustments for:		
Depreciation	176	158
Capital grants from DfE and other capital income	(168)	(335)
Interest receivable	(4)	(2)
Defined benefit pension scheme cost less contributions payable	175	233
Defined benefit pension scheme finance cost	79	88
Defined benefit pension scheme past service costs	60	-
Decrease/(increase) in debtors	48	(36)
Increase/(decrease) in creditors	4	(137)
Net cash provided by/(used in) operating activities	223	(185)

22. Cash flows from investing activities

	2019	2018
	£000	£000
Dividends, interest and rents from investments	4	2
Purchase of tangible fixed assets	(245)	(200)
Capital grants from DfE/ESFA	113	250
Capital funding received from sponsors and others	55	85
Net cash (used in)/provided by investing activities	(73)	137

23. Analysis of cash and cash equivalents

	2019	2018
	£000	£000
Cash in hand	1,096	946
Total cash and cash equivalents	1,096	946

WEST HATCH HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

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

24. Capital commitments

	2019	<i>2018</i>
	£000	<i>£000</i>
Contracted for but not provided in these financial statements		
Acquisition of tangible fixed assets	86	<i>179</i>

25. Pension commitments

The Academy's employees belong to two principal pension schemes: the Teachers' Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Essex Pension Fund. 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 August 2019.

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

Teachers' Pension Scheme

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

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

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.

Valuation of the Teachers' Pension Scheme

WEST HATCH HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

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

25. Pension commitments (continued)

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%.

A copy of the latest valuation report can be found by following this link to the Teachers' Pension Scheme website- <https://www.teacherspensions.co.uk/public/login.aspx>.

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.

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 £326,000 (2018 - £300,000), of which employer's contributions totalled £255,000 (2018 - £233,000) and employees' contributions totalled £ 71,000 (2018 - £67,000). The agreed contribution rates for future years are 22.8 per cent for employers and between 5 and 12.5 per cent for employees.

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

Principal actuarial assumptions

	2019	2018
	%	%
Rate of increase in salaries	3.70	3.80
Rate of increase for pensions in payment/inflation	2.20	2.30
Discount rate for scheme liabilities	1.85	2.65

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

WEST HATCH HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

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

25. Pension commitments (continued)

	2019 Years	2018 Years
<i>Retiring today</i>		
Males	21.3	22.3
Females	23.6	24.8
<i>Retiring in 20 years</i>		
Males	23.0	24.5
Females	25.4	27.1

Sensitivity analysis

	2019 £000	2018 £000
Discount rate +0.1%	478	404
Discount rate -0.1%	500	423
Mortality assumption - 1 year increase	507	426
Mortality assumption - 1 year decrease	471	400
CPI rate +0.1%	500	423
CPI rate -0.1%	478	404

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

	At 31 August 2019 £000	At 31 August 2018 £000
Equities	1,922	1,637
Gilts	168	137
Corporate bonds	172	150
Property	244	229
Cash and other liquid assets	89	88
Derivatives	299	231
Other managed funds	157	99
Total market value of assets	3,051	2,571

The actual return on scheme assets was £154,000 (2018 - £85,000).

WEST HATCH HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

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

25. Pension commitments (continued)

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

	2019	2018
	£000	£000
Current service cost	(430)	(466)
Past service cost	(60)	-
Interest income	71	60
Interest cost	(150)	(147)
Administrative expenses	(1)	(1)
Total amount recognised in the Statement of Financial Activities	(570)	(554)

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

	2019	2018
	£000	£000
At 1 September	5,676	5,660
Current service cost	430	466
Interest cost	150	147
Employee contributions	71	67
Actuarial losses/(gains)	620	(585)
Benefits paid	(70)	(79)
Past service costs	60	-
At 31 August	6,937	5,676

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

	2019	2018
	£000	£000
At 1 September	2,571	2,206
Interest income	71	60
Actuarial gains	154	85
Employer contributions	255	233
Employee contributions	71	67
Benefits paid	(70)	(79)
Administration expenses	(1)	(1)
At 31 August	3,051	2,571

WEST HATCH HIGH SCHOOL ACADEMY TRUST
(A Company Limited by Guarantee)

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

26. Operating lease commitments

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

	2019	2018
	£000	£000
Not later than 1 year	41	37
Later than 1 year and not later than 5 years	100	117
Later than 5 years	10	26
	<hr/> 151 <hr/>	<hr/> 180 <hr/>

27. Members' liability

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

28. Related party transactions

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

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

29. Agency arrangements

The Academy Trust distributes 16-19 bursary funds to students as an agent for the ESFA. In the accounting period ending 31 August 2019 the Trust received £21,532 (2018: £19,133) and disbursed £35,814 (2018: £39,996) from the fund. An amount of £7,061 (2018: £22,239) is included in creditors relating to undistributed funds that if not specifically distributed are repayable to the ESFA.