

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

TRUSTEES' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

LANDAU BAKER LIMITED
Chartered Accountants & Statutory Auditors
Mountcliff House
154 Brent Street
London
NW4 2DR

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

REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2018

Members

Mr J W Haley
Mr A S Harris
Ms N Lycett
Mr C F Hansen
Mr J J van Wijngaarden (appointed 3 October 2017)

Trustees

Mr J W Haley, Chair
Mr A S Harris, Vice-Chair
Ms N Lycett
Mr C F Hansen
Mr J J van Wijngaarden
Mr D Leonard, Headteacher
Mr D Solomons
Mr S Jones
Mr S Sait
Mrs S Vandermarcq (nee Avery)
Mr S B Phillips
Mr A Russell (resigned 31 August 2018)
Mrs S Weeden
Mrs S Skipper (resigned 8 September 2017)
Mr M Lopez-Diaz
Mr B Vandermarcq
Mrs S Field
Mrs J Williams
Mrs M Lord
Mrs L Smith
Mr K Atwal (appointed 26 March 2018)
Mrs H Kahlon (appointed 3 September 2018)

**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 OF THE ACADEMY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2018**

Advisers (continued)

Company secretary Mrs L Barker

Chief executive officer Mr D Leonard

Senior management team

Mr D Leonard, Headteacher
Mr A Sinfield, Deputy Headteacher
Mr S Langton, Assistant Headteacher
Mr D Morgan, Assistant Headteacher to 31 December 2017
Mrs V Schaefer, Assistant Headteacher
Mr R Tester, Assistant Headteacher
Mr J Howell, SENCO
Miss S McVittie, Assistant Headteacher
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 2018

The Trustees present their Annual Report together with the financial statements and auditors' report of the charitable company for the year 1 September 2017 to 31 August 2018. The Annual Report serves the purposes of a Trustees' Report, and a Directors' Report under company law.

West Hatch High School Academy Trust is an academy in Chigwell, Essex, for pupils aged 11 to 18, admitted according to the published Admissions Criteria. It has a pupil capacity of 1,383 and had a roll of 1,176 in the school census on 25 May 2018. 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 until 2022.

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 Trust.

The Trustees of the Trust are also the directors of the charitable company for the purpose of company law and Governors who collectively form the Governing Body.

Details of the Trustees who served during the year are included in the Reference and Administrative Details on page 1.

b. MEMBERS' LIABILITY

Each member of the charitable company undertakes to contribute to the assets of the charitable company in the event of it being wound up while 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 2006, every Trustee 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 exceed one third of the total number of Trustees
- Any Trustees appointed by the Secretary of State for Education

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

- 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 Trustees will depend on their experience. Where necessary an induction will provide training on charity, educational, legal and financial matters. All new Trustees are given a tour of the Academy and the chance to meet with staff and students. All Trustees 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. PAY POLICY FOR 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
- Pay Appeals Committee

WEST HATCH HIGH SCHOOL ACADEMY TRUST
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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

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%	0
51%-99%	-
100%	-

Percentage of pay bill spent on facility time **£000**

Total cost of facility time	-
Total pay bill	5,149
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 main objectives of the Academy during the period are summarised below:

- 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 edge enabling 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.

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.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Achievements and performance

Strategic report

a. KEY PERFORMANCE INDICATORS

GCSE	2018	2017	Other Comparison
Threshold at 4 and above	70%	74%	62% national 2016
Threshold at 5 and above	43%	48%	
% of students getting 9, 8, A*	8%	7.7%	PP 6%
% of students getting 9, 8, 7, A*-A	21%	23.8	PP 17% JCQ 2018 National 20.5% (up 0.5%)
% of students getting 9, 8, 7, 6, 5, A*-B	58%	52.8%	PP 44%)
% of students getting 9, 8, 7, 6, 5, A*-C	65%	71.4%	PP 65%) (JCQ 2018 National 66.9% (up 0.5%)
% of students getting 9, 8, 7, 6, 5, 4, A*-C	77%	77.9%	PP 65%) (JCQ 2018 National 66.9% (up 0.5%)
E-Bacc	33%	20.9% strong pass 18% standard pass	
Attainment 8	48.17	48.69	
A Level	2018	2017	Other Comparison
% of students achieving A*-A	20.2%	33.6%	National 26.2%
% of students achieving A*-B	50%	67%	National 52.7%
% of students achieving A*-C	79%	93%	National 76.8%
% of students achieving A*-E	99.6%	99.6%	National 97.6%
ALPS grade	4	2	
Average point score per entry as a grade	C	C+	

b. 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.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

c. REVIEW OF ACTIVITIES

Financial review

Subject	Target	Outcome	Comment
Improved outcomes in pupil progress from their different starting points	Target of 70% 4+ combined English and Maths 50% 5+ combined English and Maths and a P8 score of +0.1 to +0.3	70% 4+ English and maths achieved 43% 5+ English and maths below target but impacted upon by reduction in maths grades.	P8 score not published until November
Improved outcomes for disadvantaged pupils	target of a P8 score between -0.10 and +0.05	Predicted P8 score for disadvantaged pupils - 0.11 – improvement from -0.27 on same measures in 2017	
Reduction in negative behaviour logs	18% reduction	A 2% reduction was achieved	This will continue to remain a target for the coming year
Improve whole school attendance	95%	We were successful in achieving our target of 95%	
Improve A*-B grades at pos 16, ALPS Red grade	60% ALPS	50%, ALPS 4	Challenging target with weaker year Alps 4 shows positive progress made by students

The Academy also targeted increasing numbers at both Year 7 and Year 12 and has been successful in doing so. Year 7 had over 730 applications and was therefore full at 249 pupils, previous year groups being 189. 160 students enrolled at Year 12, an increase of around 20 from 2017.

d. OFSTED

The Academy also received an OFSTED inspection in March of 2018 and was successful in maintaining its Good grading.

Financial review

a. 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.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

b. MATERIAL INVESTMENTS 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.

c. PRINCIPAL RISKS 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.

d. PRINCIPAL FUNDING

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 year ended 31 August 2018 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 Charities SORP FRS102, 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.

FUNDRAISING

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

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Plans for future periods

a. FUTURE DEVELOPMENTS

School development targets:

Teaching and Learning

Ensuring consistency in providing detailed feedback that ensures pupils make significant gains in their learning.

Ensuring pupils take pride in their work and have outstanding presentation.

Providing homework that prepares pupils for future learning and deepens knowledge.

Outcomes

Ensuring Ever 6 and Bursary pupils make significant progress in their learning across the curriculum.

Pastoral development and well being

Creating opportunities to develop pupils personally and grow leadership skills in pupils across all year groups

The Sixth Form

Stretch, challenge and raise aspirations to ensure more students achieve the highest grades.

Targets:

- 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.
- 60% A*-B grades at post 16, ALPS Red grade.
- 95% whole school attendance.
- Successful in filling Year 7 2018 to 249 pupils
- To safeguard the Academy and minimise disruption of education activity during the school expansion works programme to ensure that we have a well proportioned school that is fit for purpose and meets the needs of the Academy.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

At the financial year end the Academy held funds amounting to £22,239 (2017: £43,999) as agent for the Education and Skills Funding Agency (ESFA) in the distribution of 16-19 bursary grants to pupils.

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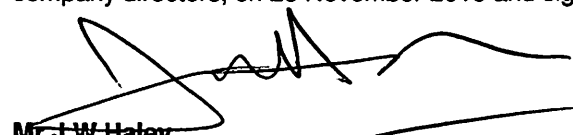
TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

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 the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

The Trustees' Report, incorporating a Strategic Report, was approved by order of the Board of Trustees, as the company directors, on 28 November 2018 and signed on its behalf by:


Mr J W Haley
Chair of Trustees

WEST HATCH HIGH SCHOOL ACADEMY TRUST
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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 three 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	2	3
Ms N Lycett	2	3
Mr C F Hansen	2	3
Mr J J van Wijngaarden	2	3
Mr D Leonard, Headteacher	3	3
Mr D Solomons	0	3
Mr S Jones	0	3
Mr S Sait	0	3
Mrs S Vandermarcq (nee Avery)	1	3
Mr S B Phillips	3	3
Mr A Russell	3	3
Mrs S Weeden	1	3
Mr M Lopez-Diaz	1	3
Mr B Vandermarcq	0	3
Mrs S Field	2	3
Mrs J Williams	3	3
Mrs M Lord	3	3
Mrs L Smith	3	3
Mr K Atwal	2	2

Governance reviews

Governors use triangulation activities to test assertions made with the schools own self evaluation. As a result of Governor support and challenge, results have improved and been sustained over time at Key Stage 3, 4 and 5. Governors systematically challenge senior leaders to ensure the effective deployment of staff and resources, including the use of Pupil Premium and SEND funding.

WEST HATCH HIGH SCHOOL ACADEMY TRUST
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GOVERNANCE STATEMENT (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 five times.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Ms N Lycett	3	5
Mr A S Harris	5	5
Mr J W Haley	3	5
Mr C F Hansen	3	5
Mr S B Phillips	4	5
Mr A Russell	1	5
Mr D Leonard	5	5
Mr J J van Wijngaarden	5	5
Mr B Vandermarcq	1	5

The **Audit Committee** is also a sub-committee of the main board of Trustees. Its purpose includes 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 twice.

Attendance at meetings in the year was as follows:

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

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

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

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

WEST HATCH HIGH SCHOOL ACADEMY TRUST
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GOVERNANCE STATEMENT (continued)

REVIEW OF VALUE FOR MONEY

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

The Accounting Officer considers how the Academy's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the Academy has delivered improved value for money during the year by:

- Continuing to review the roles of both teaching and support staff to deliver efficiency savings
- Implementing 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 undertaking 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 ongoing process designed to identify and prioritise the risks to the achievement of Academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in West Hatch High School Academy Trust for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the Trustees' Report and Financial Statements.

CAPACITY TO HANDLE RISK

The Board of Trustees has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks, that has been in place for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the Trustees' Report and Financial Statements. This process is regularly reviewed by the Board of Trustees.

THE RISK AND CONTROL FRAMEWORK

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

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

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GOVERNANCE STATEMENT (continued)

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 the executive managers within the Academy who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the Board of Trustees on 28 November 2018 and signed on their behalf, by:



Mr J W Haley
Chair of Trustees



Mr D Leonard
Accounting Officer

WEST HATCH HIGH SCHOOL ACADEMY TRUST
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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 trust Board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

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

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



Mr D Leonard
Accounting Officer

Date: 28 November 2018

WEST HATCH HIGH SCHOOL ACADEMY TRUST
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STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2018

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the Education and Skills Funding Agency/Department of Education 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 28 November 2018 and signed on its behalf by:



Mr J W Haley
Chair of Trustees

WEST HATCH HIGH SCHOOL ACADEMY TRUST
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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 2018 which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2018 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency.

BASIS FOR OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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.

OTHER INFORMATION

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in

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

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 including the Strategic Report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

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

RESPONSIBILITIES OF TRUSTEES

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

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

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

28 November 2018

WEST HATCH HIGH SCHOOL ACADEMY TRUST
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**INDEPENDENT REPORTING ACCOUNTANTS' 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 2017 to 2018, 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 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to 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 the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than West Hatch High School Academy Trust and the 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 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2017 to 2018. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

APPROACH

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

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

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

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

- The work undertaken to draw to our conclusion includes:
 - Review and verification of evidence supporting the Accounting Officer's statement on regularity, propriety and compliance.
 - Review of the Academy Trust's internal control procedures, specifically in respect to regularity,

WEST HATCH HIGH SCHOOL ACADEMY TRUST
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**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO WEST
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(continued)

- propriety and compliance.
- Focused testing, driven by our audit of the financial statements, principally checking that:
 - Grant income received has been expensed on prescribed expenditure; and
 - Expenditure has been appropriately authorised in accordance with the prescribed procedures outlined in the Academy Trust's financial procedures manual.
- Discussions and written representations from the Accounting Officer and other key management personnel (where applicable).

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Landau Baker Limited

Reporting Accountant

Landau Baker Limited

Chartered Accountants
Statutory Auditors

Mountcliff House
154 Brent Street
London
NW4 2DR

28 November 2018

WEST HATCH HIGH SCHOOL ACADEMY TRUST
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**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2018**

	Note	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Restricted fixed asset funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000
INCOME FROM:						
Donations and capital grants	2	12	-	337	349	107
Charitable activities	3	61	6,510	-	6,571	6,802
Investments	4	2	-	-	2	4
TOTAL INCOME		75	6,510	337	6,922	6,913
EXPENDITURE ON:						
Charitable activities		59	6,859	158	7,076	7,599
TOTAL EXPENDITURE	7	59	6,859	158	7,076	7,599
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS						
Transfers between Funds	19	16	(349)	179	(154)	(686)
		-	(8)	8	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES						
		16	(357)	187	(154)	(686)
Actuarial gains on defined benefit pension schemes	24	-	670	-	670	736
NET MOVEMENT IN FUNDS		16	313	187	516	50
RECONCILIATION OF FUNDS:						
Total funds brought forward		203	(3,049)	14,076	11,230	11,180
TOTAL FUNDS CARRIED FORWARD		219	(2,736)	14,263	11,746	11,230

The notes on pages 25 to 46 form part of these financial statements.

WEST HATCH HIGH SCHOOL ACADEMY TRUST
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REGISTERED NUMBER: 07628943

BALANCE SHEET
AS AT 31 AUGUST 2018

	Note	£000	2018 £000	£000	2017 £000
FIXED ASSETS					
Intangible assets	15		6		9
Tangible assets	16		14,099		14,054
			<u>14,105</u>		<u>14,063</u>
CURRENT ASSETS					
Debtors	17	221		185	
Cash at bank and in hand		946		994	
		<u>1,167</u>		<u>1,179</u>	
CREDITORS: amounts falling due within one year	18	(421)		(558)	
NET CURRENT ASSETS			<u>746</u>		<u>621</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>14,851</u>		<u>14,684</u>
Defined benefit pension scheme liability	24		(3,105)		(3,454)
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u><u>11,746</u></u>		<u><u>11,230</u></u>
FUNDS OF THE ACADEMY					
Restricted income funds:					
Restricted income funds	19	369		405	
Restricted fixed asset funds	19	14,263		14,076	
		<u>14,632</u>		<u>14,481</u>	
Restricted income funds excluding pension liability					
Pension reserve		(3,105)		(3,454)	
		<u></u>		<u></u>	
Total restricted income funds			11,527		11,027
Unrestricted income funds	19		219		203
			<u>219</u>		<u>203</u>
TOTAL FUNDS			<u><u>11,746</u></u>		<u><u>11,230</u></u>

The financial statements on pages 22 to 46 were approved by the Trustees, and authorised for issue, on 28 November 2018 and are signed on their behalf, by:

Mr J W Haley
Chair of Trustees

The notes on pages 25 to 46 form part of these financial statements.

WEST HATCH HIGH SCHOOL ACADEMY TRUST
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2018

	Note	2018 £000	2017 £000
Cash flows from operating activities			
Net cash used in operating activities	21	(185)	(260)
Cash flows from investing activities:			
Dividends, interest and rents from investments		2	4
Purchase of tangible fixed assets		(200)	(204)
Capital grants from DfE Group		250	94
Capital funding received from sponsors and others		85	-
Net cash provided by/(used in) investing activities		137	(106)
Change in cash and cash equivalents in the year		(48)	(366)
Cash and cash equivalents brought forward		994	1,360
Cash and cash equivalents carried forward	22	946	994

The notes on pages 25 to 46 form part of these financial statements.

WEST HATCH HIGH SCHOOL ACADEMY TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

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

West Hatch High School Academy Trust constitutes a public benefit entity as defined by FRS 102.

1.2 Going concern

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.3 Income

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

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

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

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

Sponsorship income provided to the Academy which amounts to a donation is recognised in the Statement of Financial Activities incorporating Income and Expenditure Account in the period in which it is receivable, where receipt is probable and it is measurable.

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

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

1.4 Expenditure

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

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

All expenditure is inclusive of irrecoverable VAT.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.5 Intangible fixed assets and amortisation

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.

1.6 Tangible fixed assets and depreciation

All assets costing more than £5,000 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

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

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 these assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property - buildings	-	50 years
Freehold property - land	-	Not depreciated
Furniture and fixtures	-	5 years
Computer equipment	-	4 years
Assets under construction	-	Not depreciated until first brought into use

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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

1.7 Debtors

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

1.8 Cash at Bank and in hand

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.9 Liabilities and provisions

Liabilities and provisions are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Academy anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.10 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 17. Prepayments are not financial instruments.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in note 18. 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.

1.11 Taxation

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

1.12 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 24, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

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

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

1.13 Fund accounting

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

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

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

1.14 Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 August 2018 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

WEST HATCH HIGH SCHOOL ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Restricted fixed asset funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000
Donations	12	-	-	12	13
Capital Grants	-	-	337	337	94
	<u>12</u>	<u>-</u>	<u>337</u>	<u>349</u>	<u>107</u>
<i>Total 2017</i>	<u>13</u>	<u>-</u>	<u>94</u>	<u>107</u>	

3. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000
DfE/ESFA revenue grants	-	5,984	5,984	6,209
Facilities and services income	-	148	148	134
Contributions to visits	61	-	61	60
Catering income	-	358	358	373
Other income	-	20	20	26
	<u>61</u>	<u>6,510</u>	<u>6,571</u>	<u>6,802</u>
<i>Total 2017</i>	<u>60</u>	<u>6,742</u>	<u>6,802</u>	

WEST HATCH HIGH SCHOOL ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

West Hatch High School

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000
DfE/ESFA grants				
General annual grant	-	5,705	5,705	5,904
Other DfE/ESFA grants	-	219	219	225
	-	5,924	5,924	6,129
Other government grants				
Other government grants	-	60	60	80
	-	60	60	80
	-	5,984	5,984	6,209
<i>Total 2017</i>	-	6,209	6,209	

4. INVESTMENT INCOME

	Unrestricted funds 2018 £000	Restricted funds 2018 £000	Total funds 2018 £000	Total funds 2017 £000
Bank interest	2	-	2	4
<i>Total 2017</i>	4	-	4	

WEST HATCH HIGH SCHOOL ACADEMY TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

5. DIRECT COSTS

	Educational activities £000	Total 2018 £000	<i>Total 2017 £000</i>
Development & training	45	45	50
Educational supplies & services	427	427	425
Agency supply teaching	159	159	110
Catering supplies	220	220	243
Bought in professional services	51	51	51
Other direct costs	14	14	21
Settlement agreements	10	10	9
Wages and salaries	3,175	3,175	3,587
National insurance	324	324	367
Pension cost	500	500	556
	4,925	4,925	5,419
<i>Total 2017</i>	<i>5,419</i>	<i>5,419</i>	

6. SUPPORT COSTS

	Educational activities £000	Total 2018 £000	<i>Total 2017 £000</i>
Pension finance cost	87	87	83
Staff restructuring costs	-	-	39
Maintenance of premises	209	209	213
Occupancy costs	172	172	178
Agency support costs	49	49	35
Insurance	34	34	32
Administrative supplies	39	39	50
Other support costs	1	1	2
Governance costs	13	13	16
Wages and salaries	899	899	915
National insurance	74	74	71
Pension cost	416	416	397
Depreciation	158	158	149
	2,151	2,151	2,180
<i>Total 2017</i>	<i>2,180</i>	<i>2,180</i>	

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**NOTES TO THE FINANCIAL STATEMENTS
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7. EXPENDITURE

	Staff costs 2018 £000	Premises 2018 £000	Other costs 2018 £000	Total 2018 £000	Total 2017 £000
Educational activities:					
Direct costs	4,168	-	757	4,925	5,419
Support costs	1,438	533	180	2,151	2,180
	<u>5,606</u>	<u>533</u>	<u>937</u>	<u>7,076</u>	<u>7,599</u>
<i>Total 2017</i>	<u>6,087</u>	<u>538</u>	<u>974</u>	<u>7,599</u>	

8. ANALYSIS OF EXPENDITURE BY ACTIVITIES

	Activities undertaken directly 2018 £000	Support costs 2018 £000	Total 2018 £000	Total 2017 £000
Educational activities	4,925	2,151	7,076	7,599
	<u>5,419</u>	<u>2,180</u>	<u>7,599</u>	
<i>Total 2017</i>	<u>5,419</u>	<u>2,180</u>	<u>7,599</u>	

9. EXPENDITURE - ANALYSIS OF SPECIFIC EXPENSES

Included within expenditure are the following transactions:

	Total £000	Individual items above £5,000 Amount £000	Reason
Compensation payments	10	10	Termination payment

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10. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2018 £000	2017 £000
Depreciation of tangible fixed assets:		
- owned by the charity	155	146
Amortisation of intangible fixed assets	3	3
Auditors' remuneration - audit	6	6
Auditors' remuneration - other services	2	2
Operating lease rentals	37	37
	<u>37</u>	<u>37</u>

11. STAFF COSTS

a. Staff costs

Staff costs were as follows:

	2018 £000	2017 £000
Wages and salaries	4,074	4,502
Social security costs	398	439
Operating costs of defined benefit pension schemes	916	953
	<u>5,388</u>	<u>5,894</u>
Agency staff costs	208	145
Staff restructuring costs	10	48
	<u>5,606</u>	<u>6,087</u>

Staff restructuring costs comprise:

Severance payments	10	9
Other restructuring costs	-	39
	<u>10</u>	<u>48</u>

b. Staff numbers

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

	2018 No.	2017 No.
Teachers including agency	86	96
Support including agency	99	94
Management	8	9
	<u>193</u>	<u>199</u>

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11. STAFF COSTS (continued)

Average headcount expressed as a full time equivalent:

	2018	2017
	FTE	FTE
Teachers	72	80
Administration and support	48	52
Management	8	9
	<u>128</u>	<u>141</u>

c. Higher paid staff

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

	2018	2017
	FTE	FTE
In the band £60,001 - £70,000	3	2
In the band £70,001 - £80,000	0	1
In the band £80,001 - £90,000	1	0
In the band £110,001 - £120,000	0	1

The above staff all participated in the Teachers' Pension Scheme for England and Wales. Employer contributions paid by the Academy in the year amounted to £46,656 (2017: £49,429).

d. 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 £600,568 (2017: £672,013).

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12. TRUSTEES' REMUNERATION AND EXPENSES

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Academy. The Principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and other staff members under their contracts of employment, and not in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows:

		2018	2017
		£000	£000
Mr D Leonard	Remuneration	85-90	NIL
	Pension contributions paid	10-15	NIL
Ms J Williams	Remuneration	50-55	45-50
	Pension contributions paid	5-10	5-10
Mrs L Smith	Remuneration	25-30	5-10
	Pension contributions paid	5-10	0-5
Mr A Russell	Remuneration	50-55	50-55
	Pension contributions paid	5-10	5-10
Mrs F A Howarth	Remuneration	NIL	110-115
	Pension contributions paid	NIL	15-20
Mr P Baines	Remuneration	NIL	5-10
	Pension contributions paid	NIL	0-5

During the year ended 31 August 2018, expenses totalling £1,646 (2017 - £1,146) were reimbursed to 3 Trustees (2017 - 5).

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 2018 was £2,559 (2017 - £2,559).

14. PENSION FINANCE COST

	2018	2017
	£000	£000
Interest income on pension scheme assets	60	39
Interest on pension scheme liabilities	(147)	(122)
	<u>(87)</u>	<u>(83)</u>

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15. INTANGIBLE FIXED ASSETS

	Software licences £000
Cost	
At 1 September 2017 and 31 August 2018	15
Amortisation	
At 1 September 2017	6
Charge for the year	3
At 31 August 2018	9
Carrying amount	
At 31 August 2018	6
At 31 August 2017	9

16. TANGIBLE FIXED ASSETS

	Freehold property £000	Furniture and fixtures £000	Plant and equipment £000	Total £000
Cost				
At 1 September 2017	14,629	82	302	15,013
Additions	153	17	30	200
Disposals	-	-	(13)	(13)
At 31 August 2018	14,782	99	319	15,200
Depreciation				
At 1 September 2017	635	58	266	959
Charge for the year	118	10	27	155
On disposals	-	-	(13)	(13)
At 31 August 2018	753	68	280	1,101
Net book value				
At 31 August 2018	14,029	31	39	14,099
At 31 August 2017	13,994	24	36	14,054

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17. DEBTORS

	2018	<i>2017</i>
	£000	<i>£000</i>
Trade debtors	19	<i>20</i>
Other debtors	68	<i>62</i>
Prepayments and accrued income	134	<i>103</i>
	<u>221</u>	<u><i>185</i></u>

18. CREDITORS: Amounts falling due within one year

	2018	<i>2017</i>
	£000	<i>£000</i>
Trade creditors	115	<i>237</i>
HMRC - Taxation and social security	97	<i>107</i>
Other creditors	82	<i>88</i>
Accruals and deferred income	127	<i>126</i>
	<u>421</u>	<u><i>558</i></u>

	2018	<i>2017</i>
	£000	<i>£000</i>
Deferred income		
Deferred income at 1 September 2017	98	<i>121</i>
Resources deferred during the year	94	<i>98</i>
Amounts released from previous years	(98)	<i>(121)</i>
Deferred income at 31 August 2018	<u>94</u>	<u><i>98</i></u>

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19. STATEMENT OF FUNDS

	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 funds						
Restricted Funds - all funds	405	6,510	(6,538)	(8)	-	369
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 of funds	<u>11,230</u>	<u>6,922</u>	<u>(7,076)</u>	<u>-</u>	<u>670</u>	<u>11,746</u>

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

All funds originated from assets gifted by the predecessor school. In addition:

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

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

The restricted funds can only be used in terms of limitations imposed by the Funding Agreement with the DfE 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 GAG that it could carry forward at 31 August 2018.

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**NOTES TO THE FINANCIAL STATEMENTS
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19. STATEMENT OF FUNDS (continued)

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 September 2016 £000	Income £000	Expenditure £000	Transfers in/(out) £000	Gains/ (Losses) £000	Balance at 31 August 2017 £000
General funds						
General Funds - all funds	185	77	(59)	-	-	203
Restricted funds						
Restricted Funds - all funds	772	6,742	(7,098)	(11)	-	405
Pension reserve	(3,897)	-	(293)	-	736	(3,454)
Restricted fixed asset funds						
Restricted Fixed Asset Funds - all funds	14,120	94	(149)	11	-	14,076
Total of funds	11,180	6,913	(7,599)	-	736	11,230

A CURRENT YEAR 12 MONTHS AND PRIOR YEAR 12 MONTHS COMBINED POSITION IS AS FOLLOWS:

	Balance at 1 September 2016 £000	Income £000	Expenditure £000	Transfers in/(out) £000	Gains/ (Losses) £000	Balance at 31 August 2018 £000
Unrestricted funds						
General Funds - all funds	185	152	(118)	-	-	219
Restricted funds						
Restricted Funds - all funds	772	13,252	(13,636)	(19)	-	369
Pension reserve	(3,897)	-	(614)	-	1,406	(3,105)
Restricted fixed asset funds						
Restricted Fixed Asset Funds - all funds	14,120	431	(307)	19	-	14,263
	10,995	13,683	(14,557)	-	1,406	11,527
Total of funds	11,180	13,835	(14,675)	-	1,406	11,746

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20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

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

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2017 £000	Restricted funds 2017 £000	Restricted fixed asset funds 2017 £000	Total funds 2017 £000
Intangible fixed assets	-	-	9	9
Tangible fixed assets	-	-	14,054	14,054
Current assets	203	963	13	1,179
Creditors due within one year	-	(558)	-	(558)
Provisions for liabilities and charges	-	(3,454)	-	(3,454)
	<u>203</u>	<u>(3,049)</u>	<u>14,076</u>	<u>11,230</u>

21. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2018 £000	2017 £000
Net expenditure for the year (as per Statement of Financial Activities)	(154)	(686)
Adjustment for:		
Depreciation charges	158	149
Dividends, interest and rents from investments	(2)	(4)
(Increase)/decrease in debtors	(36)	7
(Decrease)/increase in creditors	(137)	75
Capital grants from DfE and other capital income	(335)	(94)
Defined benefit pension scheme cost less contributions payable	233	210
Defined benefit pension scheme finance cost	88	83
Net cash used in operating activities	<u>(185)</u>	<u>(260)</u>

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22. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2018 £000	2017 £000
Cash in hand	946	994
Total	<u>946</u>	<u>994</u>

23. CAPITAL COMMITMENTS

At 31 August 2018 the Academy had capital commitments as follows:

	2018 £000	2017 £000
Contracted for but not provided in these financial statements	<u>179</u>	<u>21</u>

24. PENSION COMMITMENTS

The Academy's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Essex Pension Fund. Both are Multi-Employer Defined Benefit Pension Schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 August 2018.

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

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

Valuation of the Teachers' Pension Scheme

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

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24. PENSION COMMITMENTS (continued)

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

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

The employer's pension costs paid to TPS in the period amounted to £449,286 (2017 - £516,972).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £300,000 (2017 - £301,000), of which employer's contributions totalled £233,000 (2017 - £230,000) and employees' contributions totalled £67,000 (2017 - £71,000). The agreed contribution rates for future years are 20.8% for employers and between 5.5% and 12.5% 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.
Essex Pension Fund

Principal actuarial assumptions:

	2018	2017
Discount rate for scheme liabilities	2.65 %	2.60 %
Rate of increase in salaries	3.80 %	4.20 %
Rate of increase for pensions in payment / inflation	2.30 %	2.70 %

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24. PENSION COMMITMENTS (continued)

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

	2018	2017
Retiring today		
Males	22.3	22.2
Females	24.8	24.7
Retiring in 20 years		
Males	24.5	24.3
Females	27.1	27.0

	At 31 August 2018 £000	At 31 August 2017 £000
Sensitivity analysis		
Discount rate +0.1%	404	471
Discount rate -0.1%	423	493
Mortality assumption - 1 year increase	426	497
Mortality assumption - 1 year decrease	400	467
CPI rate +0.1%	423	493
CPI rate -0.1%	404	471

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

	Fair value at 31 August 2018 £000	Fair value at 31 August 2017 £000
Equities	1,637	1,439
Gilts	137	137
Corporate bonds	150	86
Property	229	214
Cash and other liquid assets	88	68
Alternative assets	231	168
Other managed funds	99	94
Total market value of assets	2,571	2,206

The actual return on scheme assets was £85,000 (2017 - £219,000).

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24. PENSION COMMITMENTS (continued)

The amounts recognised in the Statement of Financial Activities incorporating Income and Expenditure Account are as follows:

	2018 £000	2017 £000
Current service cost	(466)	(440)
Interest income	60	39
Interest cost	(147)	(122)
Total	(553)	(523)
 Actual return on scheme assets	 85	 219

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

	2018 £000	2017 £000
Opening defined benefit obligation	5,660	5,559
Current service cost	466	440
Interest cost	147	122
Employee contributions	67	71
Actuarial gains	(585)	(517)
Benefits paid	(79)	(82)
Other actuarial gains/losses	-	67
Closing defined benefit obligation	5,676	5,660

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

	2018 £000	2017 £000
Opening fair value of scheme assets	2,206	1,662
Interest income	60	39
Actuarial gains	85	219
Employer contributions	233	230
Employee contributions	67	71
Benefits paid	(79)	(82)
Administration expenses	(1)	-
Other actuarial gains/losses	-	67
Closing fair value of scheme assets	2,571	2,206

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25. OPERATING LEASE COMMITMENTS

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

	2018 £000	2017 £000
Amounts payable:		
Within 1 year	37	37
Between 1 and 5 years	117	105
After more than 5 years	26	42
Total	180	184

26. MEMBERS' LIABILITY

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

27. RELATED PARTY TRANSACTIONS

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

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

28. AGENCY ARRANGEMENTS

The Academy Trust distributes 16-19 bursary funds to students as an agent for the ESFA. Undistributed funds that if not specifically distributed are repayable to the ESFA.

16-19 Bursary Funds

	2018 £	2017 £
Balance b/f	43,999	50,458
Income	19,133	19,072
Disbursed	39,996	24,577
Administration	897	954
Balance c/f	22,239	43,999