

**WEST HATCH HIGH SCHOOL ACADEMY TRUST**

**(A Company Limited by Guarantee)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2020**

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**REFERENCE AND ADMINISTRATIVE DETAILS**

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<b>Members</b>	Mr J W Haley, Chair Mr A S Harris, Vice-Chair Ms N Lycett Mr C F Hansen Mr J J van Wijngaarden
<b>Trustees</b>	Mr J W Haley, Chair Mr A S Harris, Vice-Chair Ms N Lycett Mr J J van Wijngaarden Mr D Leonard, Headteacher Mr D Solomons Mrs S Jones Mr S Sait (resigned 21 November 2019) Mr S B Phillips Mrs S Weeden (resigned 10 December 2019) Mr M Lopez-Dias Mrs S Field Mrs M Lord Mrs L Smith Mr K Atwal Mrs H Kahlon (appointed 3 September 2019) Miss M Marsden (resigned 31 August 2020) Mrs J Pearce Miss R De Friend (appointed 21 November 2019)
<b>Company registered number</b>	07628943
<b>Company name</b>	West Hatch High School Academy Trust
<b>Principal and registered office</b>	High Road Chigwell Essex IG7 5BT

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**REFERENCE AND ADMINISTRATIVE DETAILS (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**Company Secretary**      Mrs L Barker

**Senior Leadership Team**

Mr D Leonard, Headteacher  
Mr A Sinfield, Deputy Headteacher  
Mrs V Schaefer, Deputy Headteacher  
Mr S Langton, Assistant Headteacher  
Mr R Tester, Assistant Headteacher  
Miss S McVittie, Assistant Headteacher  
Mr J Howell, SENCO  
Ms Nazmin Rahman, Assistant Headteacher (from 1 September 2020)  
Mrs L Barker, School Business Manager

**Independent Auditors  
and Reporting  
Accountant**

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

**Accounting Officer**      Mr D Leonard

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**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the period 1st September 2019 to 31 August 2020. 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 1413 (made up of 249 in each of years 7-8, 189 in years 9-11, and 348 in Sixth Form) and had a roll of 1297 in the school census on 17 January 2020. 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 or Board.

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.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**Structure, Governance and Management (continued)**

**d. Method of recruitment and appointment or election of trustees**

The management of the Academy is the responsibility of the Governors who are elected and co-opted under the terms of the Articles of Association and funding agreement 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
- 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 to 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 general decisions about the direction of the Academy, including capital expenditure and senior staff appointments.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**Structure, Governance and Management (continued)**

**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 improvement 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 had 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

**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.

In addition to the aims and objectives that were in place at the start of the academic year, a new focus arose from the challenge of continuing to operate the Academy in the midst of a global health pandemic.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**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."

In March 2020, the School was forced to close to all students for two weeks due to the coronavirus, opening for vulnerable, Education, Health and Care Plan (EHCP) and key worker children between Easter and May half term. The School was then open for those key groups and Year 10 and 12 students between May half term and the end of July.

This had a significant impact on the Academy's ability to deliver its aims, however the Senior Leadership Team swiftly put in place both infrastructure and training to support staff to be able to set and mark work remotely while providing students with learning on demand so that they could access lessons at a time that suited them. A clear and coherent strategy was put in place to ensure students in Year 11 and 13 were provided with fair and reasonable centre assessed grades that were in line with the respective previous cohort's performance. The vast majority of our students progressed onto their chosen pathways.

During this period most staff worked from home for most of the time with a rota for staff working on site. The core subjects delivered face to face lessons to Year 10 students after May half term to ensure they did not fall too far behind.

94% attendance was recorded over the course of the summer term for Year 10 and slightly higher attendance for Year 12 who were taught remotely using Microsoft Teams. Those students in Year 12 who did not have access to a computer were provided with one by the School.

As a result of the lockdown the School focused on remotely educating our students and ensuring that those who were vulnerable were safe and functioning effectively within the lockdown situation. Significant communication was made with families identified as vulnerable with contact also being made to all students to assess how they were both academically and mentally during the school closure. This took significant resource but meant a number of students were added to our vulnerable list and began attending school to gain extra support.

In terms of the financial impact of Academy closure:

The Academy made the decision, in line with Union and DfE advice, to continue to pay all supply teachers to the end of the academic year. This would not normally be the case and agency staff would not usually be in place after the Key Stage 4 and 5 students have left for study leave and work experience. This impacted negatively



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**TRUSTEES' REPORT (CONTINUED)**  
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**Strategic report (continued)**

**Achievements and performance (continued)**

upon Academy finances. The Academy's revenue also fell as a result of lettings being closed due to Covid-19 and the loss of income from catering during the school day.

In addition, there were savings in some areas such as utilities, educational resources, exams, printing, and events but these were more than offset against additional spending related to Covid-19, improved remote technology and reduction of revenue related to loss of lettings and catering income.

All staff, including supply were utilised in working remotely with students and forming part of the School's key worker rota. The Trustees committed to opening lettings as soon as Government policy allowed and risk assessments were in place to enable the Academy to increase revenue where possible. Trustees also sanctioned additional lettings to increase revenue and alleviate issues related to lockdown restrictions.

**b. Key Performance Indicators (KPIs)**

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 19/20 and monitored by the Trustees:

	19-20	18-19
Staff pay (including oncosts & agency) as % of total revenue expenditure	83.0%	79.5%
Staff pay (including oncosts & agency) as % of GAG income	100.1%	91.1%
Staff pay (including oncosts & agency) as % of ESFA revenue income	90.7%	86.5%
Staff pay (including oncosts & agency) as % of total revenue income	83.2%	77.7%

Average annual teacher cost per FTE	£55,923	£50,268
ESFA revenue income	£5,327	£5,041
Surplus/deficit excluding fixed asset fund and excluding change in value of LGPS pension liability	£5k deficit	£155K surplus

**REVIEW OF ACTIVITIES SINCE 2019**

Subject	Target	Outcome	Comment
Improve whole school attendance	95%	93.68% achieved	Impacted by the Covid-19 pandemic
Ensure pupil numbers are maximised in line with school expansion	249 pupils in Year 7	249 pupils enrolled	2nd year since increasing by 60 pupils and filling all spaces.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**Strategic report (continued)**

**Achievements and performance (continued)**

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 labs, extensions to our Music Block and Dining Hall as well as additional classrooms for Design and Technology.  Temporary demountable classroom space was installed during this period in order to minimise disruption and provide stability to student timetables. these were not removed until completion of the English Block.	Phase 2 of the project to erect a new Sports Hall and English Block has been delayed with works recommencing in January 2020. Completion of new English block was achieved in October 2020 and the Sports Hall completion expected February 2021.
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The Academy has continued to focus on increasing numbers at both Year 7 and Year 12. Year 7 had over 695 applications and was therefore full at 249 pupils. 148 pupils enrolled for Year 12, an increase from 146 in 2018.

**c. Going concern**

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

Trustees continue to closely monitor finance, particularly in light of the Covid-19 pandemic. Trustees have determined that there is not material uncertainty that casts doubt on the Academy's ability to continue as a going concern. It expects that Covid-19 may have some impact, though not significant, for example, in relation to expected future performance, or the effect on some future asset valuations.

The Academy has developed three year budget plans that consider:

- The impact of under-funded Pupil numbers in the expansion programme
- Scenario planning to include significant and non-significant disruption due to Covid-19, ie;

- Loss of income from lettings related to Covid-19
- Loss of catering income related to Covid-19
- Additional staffing costs
- Impact of none or reduced funds from the Covid-19 catchup fund
- Increased exams costs

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**TRUSTEES' REPORT (CONTINUED)**  
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**Strategic report (continued)**

**Review of Activities**

**a. Financial review**

During the period, Education and Skills Funding Agency/Local Authority grants received totalled £7,122k. Other income included within restricted funds totalled £443k. Restricted fund expenditure totalled £7,773k.

The main source of unrestricted income is income from trading activities, totalling to £5k.

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 2020 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 Statement of Recommended Practice, "Accounting for Reporting by Charities" (SORP 2015), 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 also depends on the performance of underlying investment values.

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.

**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. 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.

Governors will monitor the impact of Covid-19 exceptional costs reimbursement from the DfE and may adjust the level of reserves if full cost recovery is not agreed.

**c. Investment policy**

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

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**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, a termly review of the Risk Register, and evaluation of significant risks, and the formulations 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.

The Covid-19 pandemic is monitored under the Risk Register. Areas that have been subject to detailed review include (but are not limited to):

- The impact of increasing costs related to increased cleaning and hygiene measures
- The impact of additional staffing cover cost
- The impact of increased technology requirements for staff and students shielding at home
- The impact of lockdown and subsequent catchup for pupils
- Additional exam costs following centre assessed grading

**Fundraising**

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

**Plans for future periods**

**School development targets:**

The 2020-2021 School Development Plan includes the following targets:

- Reconnecting the school community: student and staff well-being
- Re-establishing the curriculum with teaching and learning responsive to student need
- Raising achievement at KS4 and KS5
- Re-visiting conditions for positive student behaviour: routines, attitudes & habits for excellence, engagement

**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 Senior Leadership Team will lead on the research to develop the strategy and ensure its implementation. This will be delivered in the context of overall financial rigour, and closely monitored by the Finance and Premises Committee.

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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**Funds held as custodian trustee on behalf of others**

At the financial year end the Academy held funds amounting to £4,315 (2019: £7,061) as agent for the Education and Skills Funding Agency (ESFA) in the distribution of 16-19 bursary grants to pupils.

**Auditor**

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware, and
- the 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 auditor is 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 9 December 2020 and signed on its behalf by:

**Mr J W Haley**  
**Chair of Trustees**



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**GOVERNANCE STATEMENT**

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**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.

As Trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

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. The accounting officer is 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 normally meets termly, but due to Covid-19 has formally met in person 2 times during the 12 month period. In addition, there are various committee meetings as noted below, including Zoom meetings during Covid-19.

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	2	2
Mr A S Harris	2	2
Ms N Lycett	1	2
Mr J J van Wijngaarden	2	2
Mr D Leonard	2	2
Mr D Solomons	0	2
Mrs S Jones	1	2
Mr S Sait	0	1
Mr S B Phillips	2	2
Mrs S Weeden	0	1
Mr M Lopez-Dias	1	2
Mrs S Field	2	2
Mrs M Lord	2	2
Mrs L Smith	2	2
Mr K Atwal	2	2
Mrs H Kahlon	2	2
Miss M Marsden	2	2
Mrs J Pearce	0	2
Miss R De Friend	1	2

**Governance reviews**

Governors use triangulation activities to test assertions made with the School's 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

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**GOVERNANCE STATEMENT (CONTINUED)**

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**Governance (continued)**

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.

Governors have undertaken a skills audit in order to continue a sustainable model of governance which is strategic, supportive and collaborative. Governor visit days consolidate data and establish quality data prior to presentation at meetings.

Governors have also completed the School Resource Management Self-Assessment Tool to assess Governing Body composition and effectiveness and to ensure, budgetary control, staffing, value for money and protecting of public money is in place.

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.

The committee normally meets half termly in person, but in this period met 4 times, with the first 3 meetings being in person and the final meeting by Zoom. Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Ms N Lycett	1	4
Mr A S Harris	4	4
Mr J W Haley	3	4
Mr S B Phillips	4	4
Mr D Leonard	4	4
Mr J J van Wijngaarden	2	4
Mrs J Pearce	1	3
Miss De Friend	2	3

The **Audit and Risk 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 in person 2 times.

Attendance at face to face meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr A S Harris	2	2
Ms N Lycett	0	2
Mr J W Haley	2	2
Mr S B Phillips	2	2
Mr J J van Wijngaarden	1	2
Mrs J Pearce	0	2
Miss De Friend	1	2
Mr D Leonard	2	2

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**GOVERNANCE STATEMENT (CONTINUED)**

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**Governance (continued)**

In addition, during the Covid-19 period there were also weekly Zoom meetings of a smaller group of Governors.

Attendance at these meetings during Summer 20 was as follows:

Trustee	Meetings attended	Out of a possible
Mr J W Haley	6	6
Mr A S Harris	6	6
Ms N Lycett	5	6
Mr D Leonard	6	6
Mr J J van Wijngaarden	6	6

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. During the year the committee met 2 times.

Attendance at meetings in the year was as follows:

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

**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
- Ensuring additional Covid-19 support funding is reclaimed
- Re-directing unspent funding in line with government guidance

**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 Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in West Hatch High School Academy Trust for the 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements



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

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**GOVERNANCE STATEMENT (CONTINUED)**

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**The purpose of the system of internal control (continued)**

**Capacity to handle risk**

The Board of Trustees has reviewed the key risks to which the Academy Trust 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 on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

**The risk and control framework**

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- regular reviews by the Finance and Premises Committee of reports which indicate actual and forecast financial performance against agreed budgets;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties; and
- 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 Landau Baker the external auditor to perform additional checks, and also arranged for an independent audit of HR processes, the Single Central Record and GDPR.

The programme of internal scrutiny for 20-21 is established via the Audit and Risk Committee. The Academy Risk Register forms the basis for termly scrutiny approach. The Academy have appointed Juniper Education Services to provide the service for 20-21.

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

- testing of payroll systems
- testing of purchase systems
- testing of control account/ bank reconciliations

On a periodic termly basis, reports from the external auditor and from others undertaking relevant scrutiny are shared with the Board of Trustees, through the Audit and Risk Committee and the Finance and Premises Committee as appropriate, on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

The Board can confirm that the schedule of work was delivered as planned, reports shared on any issues found, and that remedial action is being taken to address any control issues arising.

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

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**GOVERNANCE STATEMENT (CONTINUED)**

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**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 external auditors together with the focused reviews commissioned on GDPR compliance and the HR function and single central record;
- the financial management and governance self-assessment process; and
- the work of the Senior Leadership Team 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 and Risk Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the Board of Trustees on 9 December 2020 and signed on their behalf by:

**Mr J W Haley**  
**Chair of Trustees**



**Mr D Leonard**  
**Accounting Officer**

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

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**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

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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 2019.

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 2019.

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: 9 December 2020

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

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**STATEMENT OF TRUSTEES' RESPONSIBILITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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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 and 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 2019 and the Academies Accounts Direction 2019 to 2020;
- 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 Board of Trustees on 9 December 2020 and signed on its behalf by:

**Mr J W Haley**  
**Chair of Trustees**



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

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

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## **Opinion**

We have audited the financial statements of West Hatch High School Academy Trust (the 'Academy') for the year ended 31 August 2020 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 2019 and the Academies Accounts Direction 2019 to 2020 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 2020 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 2019 and the Academies Accounts Direction 2019 to 2020 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.



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

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

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**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 (including the Statement on Regularity, Propriety and Compliance and Statement of Trustees' Responsibilities). 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.

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

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

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**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](http://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 as a body 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

9 December 2020

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

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

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In accordance with the terms of our engagement letter dated 31 October 2011 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, 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 2019 to 31 August 2020 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 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 2019, 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 2019 to 2020. 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 2019 to 31 August 2020 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 2019 to 2020 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.



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

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

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**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 2019 to 31 August 2020 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 Auditors

Mountcliff House  
154 Brent Street  
London  
NW4 2DR

Date: 9 December 2020

**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 2020**

	Note	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Restricted fixed asset funds 2020 £000	Total funds 2020 £000	Total funds 2019 £000
<b>Income from:</b>						
Donations and capital grants	3	2	-	1,251	1,253	175
Charitable activities	4	-	7,136	-	7,136	6,373
Other trading activities	5	5	429	-	434	606
Investments	6	3	-	-	3	3
		<u>10</u>	<u>7,565</u>	<u>1,251</u>	<u>8,826</u>	<u>7,157</u>
<b>Total income</b>						
<b>Expenditure on:</b>						
Charitable activities	8	34	7,773	223	8,030	7,304
		<u>34</u>	<u>7,773</u>	<u>223</u>	<u>8,030</u>	<u>7,304</u>
<b>Total expenditure</b>						
		<u>(24)</u>	<u>(208)</u>	<u>1,028</u>	<u>796</u>	<u>(147)</u>
<b>Net income/(expenditure)</b>						
Transfers between funds	19	-	(88)	88	-	-
<b>Net movement in funds before other recognised gains/(losses)</b>		<u>(24)</u>	<u>(296)</u>	<u>1,116</u>	<u>796</u>	<u>(147)</u>
<b>Other recognised gains/(losses):</b>						
Actuarial losses on defined benefit pension schemes	26	-	(220)	-	(220)	(466)
		<u>(24)</u>	<u>(516)</u>	<u>1,116</u>	<u>576</u>	<u>(613)</u>
<b>Net movement in funds</b>						
<b>Reconciliation of funds:</b>						
Total funds brought forward		232	(3,375)	14,276	11,133	11,746
Net movement in funds		(24)	(516)	1,116	576	(613)
<b>Total funds carried forward</b>		<u>208</u>	<u>(3,891)</u>	<u>15,392</u>	<u>11,709</u>	<u>11,133</u>

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

The notes on pages 28 to 54 form part of these financial statements.

**WEST HATCH HIGH SCHOOL ACADEMY TRUST**  
**(A Company Limited by Guarantee)**  
**REGISTERED NUMBER: 07628943**

**BALANCE SHEET**  
**AS AT 31 AUGUST 2020**

	Note	2020 £000	2019 £000
<b>Fixed assets</b>			
Intangible assets	14	-	3
Tangible assets	15	15,309	14,172
		<u>15,309</u>	<u>14,175</u>
<b>Current assets</b>			
Debtors	16	183	173
Cash at bank and in hand	23	1,115	1,096
		<u>1,298</u>	<u>1,269</u>
Creditors: amounts falling due within one year	17	(475)	(425)
<b>Net current assets</b>		<u>823</u>	<u>844</u>
<b>Total assets less current liabilities</b>		<u>16,132</u>	<u>15,019</u>
<b>Net assets excluding pension liability</b>		<u>16,132</u>	<u>15,019</u>
Defined benefit pension scheme liability	26	(4,423)	(3,886)
<b>Total net assets</b>		<u><u>11,709</u></u>	<u><u>11,133</u></u>
<b>Funds of the Academy</b>			
<b>Restricted funds:</b>			
Fixed asset funds	19	15,392	14,276
Restricted income funds	19	532	511
		<u>15,924</u>	<u>14,787</u>
Restricted funds excluding pension reserve	19	15,924	14,787
Pension reserve	19	(4,423)	(3,886)
<b>Total restricted funds</b>	19	<u>11,501</u>	<u>10,901</u>
<b>Unrestricted income funds</b>	19	208	232
<b>Total funds</b>		<u><u>11,709</u></u>	<u><u>11,133</u></u>

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**WEST HATCH HIGH SCHOOL ACADEMY TRUST**  
**(A Company Limited by Guarantee)**  
**REGISTERED NUMBER: 07628943**

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**BALANCE SHEET (CONTINUED)**  
**AS AT 31 AUGUST 2020**

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The financial statements on pages 24 to 54 were approved by the Trustees, and authorised for issue on 9 December 2020 and are signed on their behalf, by:

**Mr J W Haley**  
**Chair of Trustees**



The notes on pages 28 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 2020**

	Note	2020 £000	2019 £000
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	21	122	223
<b>Cash flows from investing activities</b>	22	(103)	(73)
		<u>19</u>	<u>150</u>
<b>Change in cash and cash equivalents in the year</b>			
Cash and cash equivalents at the beginning of the year		1,096	946
<b>Cash and cash equivalents at the end of the year</b>	23, 24	<u><u>1,115</u></u>	<u><u>1,096</u></u>

The notes on pages 28 to 54 form part of these financial statements

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

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**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 2019 (FRS 102)), the Academies Accounts Direction 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

**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.

Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent

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

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

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**1. Accounting policies (continued)**

**1.3 Income (continued)**

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.

The estimated useful lives are as follows:

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

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**1. Accounting policies (continued)**

**1.6 Intangible assets (continued)**

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
Plant and machinery	- 10 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.

**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.



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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

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**1. Accounting policies (continued)**

**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.

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.

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.

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**1. Accounting policies (continued)**

**1.12 Pensions (continued)**

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.

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 26, 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 2020. 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.

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**3. Income from donations and capital grants**

	Unrestricted funds 2020 £000	Restricted fixed asset funds 2020 £000	Total funds 2020 £000	Total funds 2019 £000
Donations	2	-	2	7
Capital Grants	-	39	39	168
Assets gifted by Essex County Council	-	1,212	1,212	-
	<u>2</u>	<u>1,251</u>	<u>1,253</u>	<u>175</u>
<i>Total 2019</i>	<u>7</u>	<u>168</u>	<u>175</u>	

**4. Funding for the Academy's educational activities**

	Restricted funds 2020 £000	Total funds 2020 £000	Total funds 2019 £000
<b>DfE/ESFA grants</b>			
General annual grant (GAG)	6,309	6,309	5,999
Other DfE/ESFA grants	597	597	286
	<u>6,906</u>	<u>6,906</u>	<u>6,285</u>
<b>Other government grants</b>			
LA and other government grants	216	216	88
	<u>216</u>	<u>216</u>	<u>88</u>
<b>Exceptional government funding</b>			
Coronavirus exceptional support	14	14	-
	<u>7,136</u>	<u>7,136</u>	<u>6,373</u>
<i>Total 2019</i>	<u>6,373</u>	<u>6,373</u>	

The Academy Trust has been eligible to claim additional funding in year from government support schemes in response to the Covid-19 pandemic. The funding claimed is shown above under "exceptional government funding".

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**4. Funding for the Academy's educational activities (continued)**

The funding claimed for coronavirus exceptional support covers £2,820 of free school meal costs other than through the national voucher scheme and £10,572 of costs relating to provision of remote working, managing social distancing and additional hygiene costs relating to prevention of the spread of infection.

**5. Income from other trading activities**

	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Total funds 2020 £000	Total funds 2019 £000
Contributions to visits	5	-	5	78
Lettings income	-	55	55	78
Catering income	-	266	266	366
Other income	-	108	108	83
	<u>5</u>	<u>429</u>	<u>434</u>	<u>605</u>
<i>Total 2019</i>	<u>78</u>	<u>527</u>	<u>605</u>	

**6. Investment income**

	Unrestricted funds 2020 £000	Total funds 2020 £000	Total funds 2019 £000
Bank interest	<u>3</u>	<u>3</u>	<u>3</u>
<i>Total 2019</i>	<u>3</u>	<u>3</u>	

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**7. Expenditure**

	<b>Staff Costs</b>	<b>Premises</b>	<b>Other</b>	<b>Total</b>	<i>Total</i>
	<b>2020</b>	<b>2020</b>	<b>2020</b>	<b>2020</b>	<i>2019</i>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<i>£000</i>
Educational activities:					
Direct costs	4,905	-	486	<b>5,391</b>	4,775
Support costs	1,646	585	408	<b>2,639</b>	2,529
<b>Total 2020</b>	<u>6,551</u>	<u>585</u>	<u>894</u>	<u><b>8,030</b></u>	<u>7,304</u>
<i>Total 2019</i>	<u>5,696</u>	<u>533</u>	<u>1,075</u>	<u>7,304</u>	

**8. Analysis of expenditure on charitable activities**

**Summary by fund type**

	<b>Unrestricted</b>	<b>Restricted</b>	<b>Total</b>	<i>Total</i>
	<b>funds</b>	<b>funds</b>	<b>funds</b>	<i>funds</i>
	<b>2020</b>	<b>2020</b>	<b>2020</b>	<i>2019</i>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<i>£000</i>
Educational activities	34	7,996	<b>8,030</b>	7,304
<b>Total 2020</b>	<u>34</u>	<u>7,996</u>	<u><b>8,030</b></u>	<u>7,304</u>
<i>Total 2019</i>	<u>76</u>	<u>7,228</u>	<u>7,304</u>	

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**9. Analysis of expenditure by activities**

	<b>Activities undertaken directly 2020 £000</b>	<b>Support costs 2020 £000</b>	<b>Total funds 2020 £000</b>	<b>Total funds 2019 £000</b>
Educational activities	5,391	2,639	<b>8,030</b>	7,304
<i>Total 2019</i>	<u>4,775</u>	<u>2,529</u>	<u>7,304</u>	

**Analysis of direct costs**

	<b>Educational activities 2020 £000</b>	<b>Total funds 2020 £000</b>	<b>Total funds 2019 £000</b>
Staff costs	4,548	<b>4,548</b>	4,018
Staff development and training	43	<b>43</b>	44
Educational supplies	182	<b>182</b>	258
Examination fees	125	<b>125</b>	130
Technology costs	58	<b>58</b>	62
Supply teaching costs	357	<b>357</b>	177
Bought in professional services	57	<b>57</b>	57
Other direct costs	21	<b>21</b>	29
	<u>5,391</u>	<u>5,391</u>	<u>4,775</u>
<i>Total 2019</i>	<u>4,775</u>	<u>4,775</u>	

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**NOTES TO THE FINANCIAL STATEMENTS  
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**9. Analysis of expenditure by activities (continued)**

**Analysis of support costs**

	<b>Educational activities 2020 £000</b>	<b>Total funds 2020 £000</b>	<i>Total funds 2019 £000</i>
Pension finance cost	69	<b>69</b>	79
Staff costs	1,562	<b>1,562</b>	1,463
Depreciation and amortisation	223	<b>223</b>	175
Recruitment and support	33	<b>33</b>	43
Rent and rates	46	<b>46</b>	46
Energy	99	<b>99</b>	93
Maintenance of premises and equipment	99	<b>99</b>	105
Other occupancy costs	24	<b>24</b>	23
Cleaning	166	<b>166</b>	143
Support staff supply costs	84	<b>84</b>	38
Insurance	29	<b>29</b>	37
Other support costs	40	<b>40</b>	24
Catering	142	<b>142</b>	212
Technology costs	12	<b>12</b>	39
Governance costs	11	<b>11</b>	9
	<u>2,639</u>	<u><b>2,639</b></u>	<u>2,529</u>
<i>Total 2019</i>	<u>2,529</u>	<u><b>2,529</b></u>	

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**10. Net (expenditure)/income**

Net (expenditure)/income for the year includes:

	2020 £000	2019 £000
Operating lease rentals	41	41
Depreciation of tangible fixed assets	220	172
Amortisation of intangible assets	3	3
Fees paid to auditors for:		
- audit	7	6
- other services	1	1
	<u>          </u>	<u>          </u>

**11. Staff**

**a. Staff costs**

Staff costs during the year were as follows:

	2020 £000	2019 £000
Wages and salaries	4,448	4,141
Social security costs	435	404
Pension costs	1,227	936
	<u>6,110</u>	<u>5,481</u>
Supply teaching costs	357	177
Support staff supply costs	84	38
	<u>6,551</u>	<u>5,696</u>



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**11. Staff (continued)**

**b. Staff numbers**

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

	2020 No.	2019 No.
Teachers including agency	91	84
Support including agency	105	94
Management	8	8
	<u>204</u>	<u>186</u>

The average headcount expressed as full-time equivalents was:

	2020 FTE	2019 FTE
Teachers including agency	74	69
Support including agency	54	48
Management	8	8
	<u>136</u>	<u>125</u>

**c. Higher paid staff**

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

	2020 No.	2019 No.
In the band £60,001 - £70,000	5	3
In the band £70,001 - £80,000	1	1
In the band £90,001 - £100,000	1	1

**d. Key management personnel**

The key management personnel of the Academy comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy was £738,145 (2019 £671,866).

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**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 Headteacher 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 were as follows:

		2020 £000	2019 £000
Mr D Leonard, Headteacher	Remuneration	95 - 100	90 - 95
	Pension contributions paid	20 - 25	15 - 20
Mrs J Williams (resigned 31 December 2018)	Remuneration	NIL	15 - 20
	Pension contributions paid	NIL	0 - 5
Mrs L Smith	Remuneration	25 - 30	25 - 30
	Pension contributions paid	5 - 10	5 - 10
Mrs M Lord	Remuneration	20 - 25	15 - 20
	Pension contributions paid	5 - 10	0 - 5
Mrs H Kahlon (appointed 3 September 2019)	Remuneration	15 - 20	15 - 20
	Pension contributions paid	0 - 5	0 - 5
Miss M Marsden	Remuneration	35 - 40	20 - 25
	Pension contributions paid	5 - 10	0 - 5

During the year, retirement benefits were accruing to 5 Trustees (2019 - 6) in respect of defined benefit pension schemes.

During the year ended 31 August 2020, expenses were reimbursed or paid directly to 3 Trustees (2019 - to 4 Trustees) broken down as follows:

	2020 £000	2019 £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 2020 was £221 (2019 - £325). The cost of this insurance is included in the total insurance cost.

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NOTES TO THE FINANCIAL STATEMENTS  
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14. Intangible asset

	Computer software £000
<b>Cost</b>	
At 1 September 2019	15
	<hr/>
At 31 August 2020	15
	<hr/>
<b>Amortisation</b>	
At 1 September 2019	12
Charge for the year	3
	<hr/>
At 31 August 2020	15
	<hr/>
<b>Net book value</b>	
At 31 August 2020	-
	<hr/>
At 31 August 2019	3
	<hr/>

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

	Freehold property £000	Furniture and fixtures £000	Plant and machinery £000	Computer equipment £000	Total £000
<b>Cost or valuation</b>					
At 1 September 2019	14,925	169	-	323	15,417
Additions	1,227	49	12	69	1,357
At 31 August 2020	16,152	218	12	392	16,774
<b>Depreciation</b>					
At 1 September 2019	874	92	-	279	1,245
Charge for the year	146	35	1	38	220
At 31 August 2020	1,020	127	1	317	1,465
<b>Net book value</b>					
At 31 August 2020	15,132	91	11	75	15,309
At 31 August 2019	14,051	77	-	44	14,172

**16. Debtors**

	2020 £000	2019 £000
<b>Due within one year</b>		
Trade debtors	13	24
Other debtors	69	52
Prepayments and accrued income	87	97
Grants receivable	14	-
	183	173

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**17. Creditors: Amounts falling due within one year**

	2020 £000	2019 £000
Trade creditors	140	90
Other creditors	210	187
Accruals and deferred income	125	148
	<u>475</u>	<u>425</u>
	2020 £000	2019 £000
Deferred income at 1 September 2019	102	94
Resources deferred during the year	59	102
Amounts released from previous periods	(102)	(94)
	<u>59</u>	<u>102</u>

At the balance sheet date the Academy Trust was holding funds received relating to the year 2020/21.

**18. Financial instruments**

	2020 £000	2019 £000
<b>Financial assets</b>		
Financial assets measured at fair value through income and expenditure	<u>1,115</u>	<u>1,096</u>

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

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**NOTES TO THE FINANCIAL STATEMENTS  
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**19. Statement of funds**

	Balance at 1 September 2019 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2020 £000
<b>Unrestricted funds</b>						
General Funds - all funds	232	10	(34)	-	-	208
<b>Restricted general funds</b>						
GAG	511	6,309	(6,200)	(88)	-	532
Pupil premium	-	222	(222)	-	-	-
Other ESFA funding	-	389	(389)	-	-	-
LA and other government funding	-	216	(216)	-	-	-
General	-	429	(429)	-	-	-
Pension reserve	(3,886)	-	(317)	-	(220)	(4,423)
	<u>(3,375)</u>	<u>7,565</u>	<u>(7,773)</u>	<u>(88)</u>	<u>(220)</u>	<u>(3,891)</u>
<b>Restricted fixed asset funds</b>						
Restricted Fixed Asset Funds - all funds	14,276	1,251	(223)	88	-	15,392
<b>Total Restricted funds</b>	<u>10,901</u>	<u>8,816</u>	<u>(7,996)</u>	<u>-</u>	<u>(220)</u>	<u>11,501</u>
<b>Total funds</b>	<u>11,133</u>	<u>8,826</u>	<u>(8,030)</u>	<u>-</u>	<u>(220)</u>	<u>11,709</u>

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

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.

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**19. Statement of funds (continued)**

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.

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 GAG it could carry forward at 31 August 2020.

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

	Balance at 1 September 2018 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2019 £000
<b>Unrestricted funds</b>						
General Funds - all funds	219	89	(76)	-	-	232
<b>Restricted general funds</b>						
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)
	(2,736)	6,900	(7,053)	(20)	(466)	(3,375)
<b>Restricted fixed asset funds</b>						

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**19. Statement of funds (continued)**

	Balance at 1 September 2018 £000	Income £000	Expenditure £000	Transfers in/out £000	Gains/ (Losses) £000	Balance at 31 August 2019 £000
Restricted Fixed Asset Funds - all funds	14,263	168	(175)	20	-	14,276
<b>Total Restricted funds</b>	<b>11,527</b>	<b>7,068</b>	<b>(7,228)</b>	<b>-</b>	<b>(466)</b>	<b>10,901</b>
<b>Total funds</b>	<b>11,746</b>	<b>7,157</b>	<b>(7,304)</b>	<b>-</b>	<b>(466)</b>	<b>11,133</b>

**20. Analysis of net assets between funds**

**Analysis of net assets between funds - current period**

	Unrestricted funds 2020 £000	Restricted funds 2020 £000	Restricted fixed asset funds 2020 £000	Total funds 2020 £000
Tangible fixed assets	-	-	15,309	<b>15,309</b>
Current assets	208	1,007	83	<b>1,298</b>
Creditors due within one year	-	(475)	-	<b>(475)</b>
Provisions for liabilities and charges	-	(4,423)	-	<b>(4,423)</b>
<b>Total</b>	<b>208</b>	<b>(3,891)</b>	<b>15,392</b>	<b>11,709</b>



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**20. Analysis of net assets between funds (continued)**

**Analysis of net assets between funds - prior period**

	<i>Unrestricted funds 2019 £000</i>	<i>Restricted funds 2019 £000</i>	<i>Restricted fixed asset funds 2019 £000</i>	<i>Total funds 2019 £000</i>
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)
<b>Total</b>	<b>232</b>	<b>(3,375)</b>	<b>14,276</b>	<b>11,133</b>

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

	<b>2020 £000</b>	<b>2019 £000</b>
Net income/(expenditure) for the period (as per Statement of Financial Activities)	<b>796</b>	<b>(147)</b>
<b>Adjustments for:</b>		
Depreciation and amortisation	<b>223</b>	<b>176</b>
Capital grants from DfE and other capital income	<b>(1,251)</b>	<b>(168)</b>
Interest receivable	<b>(3)</b>	<b>(4)</b>
Defined benefit pension scheme cost less contributions payable	<b>246</b>	<b>175</b>
Defined benefit pension scheme finance cost	<b>69</b>	<b>79</b>
Defined benefit pension scheme past service costs	<b>-</b>	<b>60</b>
(Increase)/decrease in debtors	<b>(10)</b>	<b>48</b>
Increase in creditors	<b>50</b>	<b>4</b>
Defined benefit pension scheme administration costs	<b>2</b>	<b>-</b>
<b>Net cash provided by operating activities</b>	<b>122</b>	<b>223</b>

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**22. Cash flows from investing activities**

	2020 £000	2019 £000
Dividends, interest and rents from investments	3	4
Purchase of tangible fixed assets	(1,357)	(245)
Capital grants from DfE/ESFA	26	113
Capital funding received from sponsors and others	1,225	55
<b>Net cash used in investing activities</b>	<b>(103)</b>	<b>(73)</b>

**23. Analysis of cash and cash equivalents**

	2020 £000	2019 £000
Cash in hand	1,115	1,096
<b>Total cash and cash equivalents</b>	<b>1,115</b>	<b>1,096</b>

**24. Analysis of changes in net debt**

	At 1 September 2019 £000	Cash flows £000	At 31 August 2020 £000
Cash at bank and in hand	1,096	19	1,115
	<b>1,096</b>	<b>19</b>	<b>1,115</b>

**25. Capital commitments**

	2020 £000	2019 £000
<b>Contracted for but not provided in these financial statements</b>		
Acquisition of tangible fixed assets	66	86

**26. Pension commitments**

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The Academy's employees belong to two principal pension schemes: the Teachers' Pension Scheme 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 2016 and of the LGPS 31 August 2020.

Contributions amounting to £109,323 were payable to the schemes at 31 August 2020 (2019 - £85,873) and are included within creditors.

**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. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions 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 every 4 years. 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 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI, assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to TPS in the year amounted to £683,590 (2019 - £446,285).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

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

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**26. Pension commitments (continued)**

**Local Government Pension Scheme**

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £371,000 (2019 - £326,000), of which employer's contributions totalled £293,000 (2019 - £255,000) and employees' contributions totalled £78,000 (2019 - £71,000). The agreed contribution rates for future years are 24.8 per cent for employers and between 5 and 12.5 per cent for employees.

As described in note 1.12 the LGPS obligation relates to the employees of the Academy, who were the employees transferred as part of the conversion from the maintained school and new employees who were eligible to, and did, join the scheme in the year. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy at the balance sheet date.

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**

**Essex Pension Fund**

	<b>2020</b>	<b>2019</b>
	<b>%</b>	<b>%</b>
Rate of increase in salaries	<b>3.3</b>	<b>3.7</b>
Rate of increase for pensions in payment/inflation	<b>2.3</b>	<b>2.2</b>
Discount rate for scheme liabilities	<b>1.6</b>	<b>1.85</b>

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

	<b>2020</b>	<b>2019</b>
	<b>Years</b>	<b>Years</b>
<i>Retiring today</i>		
Males	<b>21.8</b>	<b>21.3</b>
Females	<b>23.8</b>	<b>23.6</b>
<i>Retiring in 20 years</i>		
Males	<b>23.2</b>	<b>23.0</b>
Females	<b>25.2</b>	<b>25.4</b>

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**26. Pension commitments (continued)**

**Sensitivity analysis**

Essex Pension Fund

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Discount rate +0.1%	<b>184</b>	<b>151</b>
Discount rate -0.1%	<b>188</b>	<b>154</b>
Mortality assumption - 1 year increase	<b>308</b>	<b>275</b>
Mortality assumption - 1 year decrease	<b>297</b>	<b>265</b>
CPI rate +0.1%	<b>174</b>	<b>140</b>
CPI rate -0.1%	<b>170</b>	<b>137</b>

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**26. Pension commitments (continued)**

**Share of scheme assets**

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

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Equities	<b>2,314</b>	1,922
Gilts	<b>159</b>	168
Corporate bonds	<b>209</b>	172
Property	<b>290</b>	244
Cash and other liquid assets	<b>102</b>	89
Derivatives	<b>434</b>	299
Other managed funds	<b>226</b>	157
<b>Total market value of assets</b>	<b>3,734</b>	3,051

The actual return on scheme assets was £25,000 (2019 - £154,000).

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

	<b>2020</b>	<b>2019</b>
	<b>£000</b>	<b>£000</b>
Current service cost	<b>(539)</b>	(430)
Past service cost	<b>-</b>	(60)
Interest income	<b>60</b>	71
Interest cost	<b>(129)</b>	(150)
Administrative expenses	<b>(2)</b>	(1)
<b>Total amount recognised in the Statement of Financial Activities</b>	<b>(610)</b>	(570)

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**26. Pension commitments (continued)**

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

	2020 £000	2019 £000
<b>At 1 September</b>	<b>6,937</b>	<b>5,676</b>
Current service cost	539	430
Interest cost	129	150
Employee contributions	78	71
Actuarial losses	489	620
Benefits paid	(15)	(70)
Past service costs	-	60
<b>At 31 August</b>	<b>8,157</b>	<b>6,937</b>

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

	2020 £000	2019 £000
<b>At 1 September</b>	<b>3,051</b>	<b>2,571</b>
Interest income	60	71
Actuarial gains	269	154
Employer contributions	293	255
Employee contributions	78	71
Benefits paid	(15)	(70)
Administration expenses	(2)	(1)
<b>At 31 August</b>	<b>3,734</b>	<b>3,051</b>

**27. Operating lease commitments**

At 31 August 2020 the Academy had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2020 £000	2019 £000
Not later than 1 year	33	41
Later than 1 year and not later than 5 years	78	100
Later than 5 years	-	10
	<b>111</b>	<b>151</b>

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**28. 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.

**29. Related party transactions**

Owing to the nature of the Academy 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 the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Academy'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.

**30. 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 2020 the Trust received £17,933 (2019: £21,532) and disbursed £20,679 (2019: £35,814) from the fund. An amount of £4,315 (2019: £7,061) is included in creditors relating to undistributed funds that if not specifically distributed are repayable to the ESFA.