

Registration number: 07697027

West Hill School

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2020

West Hill School

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West Hill School

Reference and Administrative Details

Members	Mr J McElwee (resigned 2 October 2020) Mr P Holden Dr M Davies Mr R J Hewitt (appointed 12 November 2019) Mr S Fildes (appointed 12 November 2019)
Governors and Trustees (Directors)	Mrs E Pickford, (End of Term 31.08.2020) Dr M Davies, Appointed Chair 11 June 2019 Mr K Aspin Mr G Lee, Appointed Deputy Chair 11 June 2019 Mr D Tilbrook Mr J Vare (appointed 1 September 2019 and resigned 20 April 2020) Mrs J Littlewood (appointed 1 September 2019) Mr M Stimpson (appointed 19 November 2019) Mrs J Davidson (appointed 19 January 2020) Mr A Owens (appointed 7 July 2020)
Head Teacher	Mr A Owens, Headteacher (appointed 1 May 2020)
Senior Management Team	Mr A Harrison, Headteacher (resigned 30 April 2020) Mr A Owens, Headteacher Mrs G Wood, Deputy Head Mr P Butterworth, Assistant Head Mr M O'Dowd, Assistant Head Mrs J Whiting, Assistant Head Miss J Staples, Assistant Head (appointed 1 June 2020) Mrs L Harrison, Business Manager
Principal and Registered Office	Stamford Street Stalybridge Cheshire SK15 1LX
Company Registration Number	07697027
Auditors	Beever and Struthers Chartered Accountants St George's House 215 - 219 Chester Road Manchester M15 4JE

West Hill School

Reference and Administrative Details

Bankers

Lloyds Bank
16 Market Street
Oldham
OL1 1JG

Solicitors

Eversheds Sutherland International LLP
Eversheds House
70 Great Bridgewater Street
Manchester
M1 5ES

West Hill School

Trustees' Report for the Year Ended 31 August 2020

Academy Conversion

Following consultation with staff and parents and other stakeholders the trustees approved the proposal for West Hill School to make a formal application for academy status on 29th March 2011. The academy order was issued on 3rd June 2011.

Incorporation was finalised on 7th July 2011 with the transfer agreement signed on 12th July 2011. The academy began operation from 1st August 2011.

Trustees Report

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2020. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The trust operated an academy for pupils aged 11 to 16 serving a catchment area in Tameside. It has a pupil capacity of 825 and had a roll of 842 in the school census on 2nd October 2019.

Structure, governance and management

Constitution

The academy trust is a company limited by guarantee and is an exempt charity. The charitable company's memorandum and articles of association are the primary trustee documents of the academy trust. The trustees of West Hill School are also the directors of the charitable company for the purposes of company law. The charitable company operated as West Hill School.

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.

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 £10.00, for the debts and liabilities contracted before they ceased to be a member.

Trustees' indemnities

Under The Companies Act 2006 s236 the directors confirm there are no third party indemnity provisions in operation.

Principal Activities

The trust principal activities are to provide education to 11-16 year olds, without prejudice, carrying on, managing and developing a broad and balanced curriculum.

West Hill School

Trustees' Report for the Year Ended 31 August 2020

Method of recruitment and appointment or election of Trustees

The trust ensures that it maintains appropriate numbers of trustees on the trustee body. At such times as it is required to appoint new trustees the following recruitment process operates.

If the requirement is for a parent governor letters are circulated to all parents of pupils currently on roll. Nominations are returned to the school by the given closing date. Should more nominations be received than places available an election will be organised, voting is by secret ballot. Closing date and time is published and all votes are counted and the results announced at a public meeting.

Where an academy trustee is to be appointed a skills audit is conducted to establish where there is a skills gap.

The balance of trustees are appointed by the members of the trust.

Policies and procedures adopted for the induction and training of Trustees

All trustees receive a welcome pack, containing pertinent information relating to the trust, including financial information. Training is given with regards to safeguarding and child protection. A range of other courses are made available to all members and trustees subscribe to those where appropriate.

Organisational structure

The Academy's organisational structure comprises of three tiers: members, trustees and senior leadership team. The objective of this structure is to delegate responsibility thereby encouraging participation from all levels in decision making.

The board of members provide governance for the Academy through a means of delegation to the trustees. The primary responsibilities of the trustees is to discuss and approve various operating policies, approving the school development plan and budget and making decisions about major items that affect the academy, for example future strategic and operational direction and staffing. The trustees have an approved structure, terms of reference and standing orders.

The senior leadership team comprises of seven members: headteacher, one deputy head teacher, four assistant head teachers and the business manager. This team ensure that policy as directed by the trustee body is implemented in the academy and carried out. Regular reports are made by the team back to the trustee body. The headteacher is the accounting officer.

Arrangements for setting pay and remuneration of key management personnel

The arrangements for setting pay for the senior leadership team is split between the Teachers' Pay and Conditions document and the NJC scale. The Headteacher, Deputies and Assistant heads are all teachers and their pay is set in accordance with the leadership pay range applicable to the school (using the groups and pay ranges document). The business manager's salary is paid in accordance with the NJC scale.

West Hill School

Trustees' Report for the Year Ended 31 August 2020

Trade union facility time

Relevant union officials

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

Percentage of time spent on facility time

Percentage of time

Number of employees

1%-50%

2

Percentage of pay bill spent on facility time

2020

Provide the total cost of facility time

1,807

Provide the total pay bill

3,197,000

Paid trade union activities

2020

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: (total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) x 100

42

Objectives and activities

Objects and aims

The principle objective of the academy is to promote the advancement of education for all students and staff. Through the delivery of a well-developed, broad and balanced curriculum model and sound care, guidance and support for all at the academy we are able to sustain an environment that secures quality of education in a happy, safe environment.

The main aims of the Academy are:

- To continue to develop strategies that support and provide for continued education improvements
- To ensure best value is achieved in all areas of expenditure
- To ensure that we continue to comply with legislative and statutory requirements for all areas of the academy

These aims are underpinned by:

- Upholding the academy's reputation in the community by continuing to achieve excellent exam results
- Encouraging pupils to reach the highest standards in everything they do
- Developing pupils personal responsibility, respect for others and the environment
- Upholding a well-established and successful sporting tradition
- Offering a wide range of learning opportunities beyond the classroom
- Connections with outside agencies to ensure that a fully encompassing support network is in place for the student and staff
- Inspiring pupils and staff to foster positive attitudes towards every aspect of school life and the wider community encouraging them to mature and fulfil their own ambitions.

West Hill School

Trustees' Report for the Year Ended 31 August 2020

Objectives, strategies and activities

Building on from the previous academic year, the focus for the academy for the year ending August 2020 remained primarily around three key areas, with 3 foci:

Teaching, Learning and Assessment:

- o Match planned and sequenced curriculum maps to the available on line resources so that home learning is easier to access
- o Increase the use of low stakes assessments, revision tools and consolidation resources so that pupils increase in confidence
- o Widen the use of teaching strategies in use across the school through CPD and coaching so that pupil engagement in lessons improves
- o Ensure incisive feedback is in place and all pupils given the opportunity to respond
- o As a result in curriculum changes improve outcomes in 2021 in Open, English and Science elements

Leadership and Management:

- o Work towards Pupil, Parent Partnership Award
- o Continue to support all staff on the elements of the plan for delivery
- o Providing further opportunities for teachers to learn from the good practice that exists within the school and in good and outstanding local schools, in order to increase the proportion of outstanding teaching

Personal development, behaviour and safety:

- o Increased tracking of low-disruption hot spot areas
- o Increase contact with parents of persistent absentees
- o Embed IAG activities across the curriculum

Public benefit

To ensure that purposes of public benefit are met through the aims and objectives of the academy the trustees have referred to the general guidance on public benefit as detailed by the Charity Commission. By clearly identifying the activities of the academy and how these service the students and public the trustees are satisfied that they are able to demonstrate how they are supportive of public benefit.

Achievements and Performance

The COVID-19 pandemic during 2020 has had obvious impact on the school. Alternative ways of delivering the usual calendar of activities has been impacted, with some being cancelled but, with careful planning, we have been able to maintain some of the activities through alternative means.

The financial uncertainties the pandemic has brought will continue to impact on the school finances well into 2021 and quite likely beyond. The financial strain of securing additional cleaning materials and PPE plus the costs of securing temporary staff to cover staff absences will impact on the reserves held by the academy. We will continue to monitor the situation in relation to reserves and update the policy as required. As there is no end point to the control measures required to support a safe environment, continuation of the delivery of the model we have employed for at least this academic year. Where financial savings can be found these will be employed back into the academy.

We have tried to keep the impact on our staff, pupils and parents of the additional requirements to a minimum. We have been able to maintain our full curriculum offer with systems in place for adaption of delivery, i.e catering, parent's consultations and extra-curricular activities.

West Hill School

Trustees' Report for the Year Ended 31 August 2020

Academic Performance

The 2020 non-validated results show that changes in leadership, teaching and learning and behaviour were resulting in rapid improvements in outcomes for pupils. The process that led to the CAG's was rigorous and honest, some grades were moved upwards. We were confident that the 2020 cohort's P8 and A8 would both have been a vast improvement on 2018 and 2019 but still with room for improvement.

Information, Advice and Guidance (IAG)

This continues to be a particularly strong area of school life. The school holds the 'Quality in Careers Standard', which was reassessed in October 2018. All our pupils receive further and higher education and careers advice and support all the way through from Y7 to Y11. All planned events up to March 2020 were delivered with the exception of the Y10 work experience. Since the lockdown the programme of face to face events was replaced by virtual interactions which will continue through into 2021.

Recruitment

During the lockdown period we were still able to conduct our recruitment processes. This meant that we remained fully staffed for the start of September 2020. This included teaching posts and the continued investment into strengthening our Learning Support Team.

West Hill School

Trustees' Report for the Year Ended 31 August 2020

Strategic Report

Achievements and performance

Key performance indicators

Salary costs for the financial year were 90.1% of the delegated revenue income from the DfE compared to 86.70% in 2018/19.

Staff training – An average of £169.00 was spent on staff training (course cost provision) (based on all FTE staff) over the financial year compared to £163.00 FTE in 2018/19. This figure has been maintained this year due to the COVID 19 restrictions and the availability of courses. There has been a shift away from traditional presentation led CPD to on line platforms which are cheaper for providers to deliver without any loss of impact.

Absence – Costs of externally sourced teaching supply staff in 2019/20 was £32K compared to £82K 2018/19. This was a decrease of 61% and is attributable to a reduction in the requirement for supply staff during the lockdown from March 2020.

Utilities – Costs of electricity decreased by 19.30% to £59,290 and an increase in gas costs by 19% to £27,134 for the period 2019/20.

Going concern

After making reasonable enquiries, the trustee body has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the statement of Accounting Policies.

Financial review

The trust held balances (excluding pension liability) as at 31 August 2020 of £822,000. This comprised of £319,000 of restricted funds and £503,000 unrestricted funds.

The trusts non-teaching staff are entitled to join the Local Government Pension Scheme (LGPS). The current position of scheme at 31 August 2020 showed a net liability of £1,441,000.

With the uncertainties around continuing stability of future funding the academy continues explore and implement additional costs saving plans for future implementation. Future budget forecasts show that the trust will become reliant on its reserves to maintain a viable position moving forward.

No risk Investment opportunities are to be investigated with the trusts bankers, Lloyds TSB and other banks.

West Hill School

Trustees' Report for the Year Ended 31 August 2020

Strategic Report

Reserves policy

West Hill School operated the following reserves policy:

1. Maintaining an appropriate level of financial reserves is considered essential in protecting the school from financial risk generated by, for example;

- income reduction due to Government funding changes
- unexpected falls in student numbers
- cash flow issues due to delays in receipt of funding
- emergencies

2. In general it is considered prudent to maintain a level of useable reserves sufficient to cover unexpected and unplanned events so that the school's primary objective is preserved. At the same time, the school wishes to ensure that it uses its funding to benefit the students in its care which implies an imperative to consider actively the use of reserves to enhance educational provision.

3. Trustees will monitor levels of reserves in financial reports provided by the Business Manager and in the annual financial statement prepared by the Auditor. Trustees will look to ensure that a prudent level of reserves is maintained, bearing in mind the recurrent spending needs to ensure high quality provision. In deciding the level of reserves Trustees will take into account the following:

- one month salary bill, currently £320,000.00
- the school's annual budget
- the need for any large project spend such as facilities development or building condition needs
- any uncertainty, turbulence or expected reduction in funding arrangements, including the level of transitional protection within the school funding and its expiry date
- anticipated funding over the next three years.

4. This policy will be reviewed annually.

The trust's balances (excluding pension liability) as at 31 August 20 of £822,000. This comprised of £319,000 of restricted funds and £503,000 of unrestricted funds. The pension liability for period ending 31.08.2020 had increased to £1,441,000 from £1,044,000 in 2018/19.

Due consideration is paid to the DfE's limits on balances. It is the trust's policy to review these on a regular basis to ensure that the levels of balances continue to meet the needs of the trust and the DfE.

Investment policy

The trust currently does not have a specific investment policy as previously surplus funds were not available. However, moving forward the basis of such a policy will ensure that all investments are entered into at no risk to the trust, by securing principal amounts placed, maximising returns and have flexible access to funds held.

Currently all funds held by the trust are in a deposit account.

West Hill School

Trustees' Report for the Year Ended 31 August 2020

Strategic Report

Principal risks and uncertainties

The majority of the trusts funding is obtained from the DfE through recurrent grants. The new finding formula in effect from September 2018 will bring new financial challenges as income has reduced in real terms per pupil. This is in the main due to changes in the way KS3 and KS4 pupils are funded. Despite a rising intake and being oversubscribed we will feel the effects of this change to funding into the future. When coupled with predicted rising employer pension costs and rises to teacher pay we will continue to strive for efficiency savings where possible the financial picture moving forward becomes more challenging than ever. Work continues to strive for efficiency savings where ever possible whilst still maintaining the best possible educational outcomes for all pupils.

Risk Management

The main risks to the academy are identified as strategic and reputational, operational, compliance and curriculum. The impact and probability of each type of risk is considered with an action plan identified for the management of the risk through the use of a risk register. The purpose of the register is to ensure that the academy's systems of internal controls are sufficient to manage the risks identified. This register has been considered by the trustee body and risks are reviewed on an annual basis at the finance & resources meetings.

The academy produces and distributes to trustees the monthly management accounts. The trustees are able to clearly monitor the financial position and ensure that it is sufficiently liquid to meet financial obligations as they arise.

Fundraising

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

Plans for future periods

As previously detailed the academy is facing extremely challenging financial times. Our priority is to continue to develop a strategic vision which has clear and robust financial and operational plans allowing us to deliver a curriculum that develops all pupils and sees them progress to their full potential in an environment that is fit for purpose.

There has been significant investment into the building stock and infrastructure over the last few years. Future plans will include new projects to be investigated for feasibility and with a continued focus on maintaining current standards of décor and small refurbishment projects. Delivery of these will be subject to the availability of funds over the coming year.

West Hill School

Trustees' Report for the Year Ended 31 August 2020

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.

Trustees' Report, incorporating a Strategic Report, was approved by order of the members of the Governing Body on 31/12/20 and signed on its behalf by:



Dr M Davies
Governor and trustee

West Hill School

Governance Statement

Scope of responsibility

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

The Governing Body has delegated the day-to-day responsibility to 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 Hill School and the Secretary of State for Education. They are also responsible for reporting to the Governing Body 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 Governing Body has formally met 12 times during the year. Attendance during the year at meetings of the Governing Body was as follows:

Trustee	Meetings attended	Out of a possible
Dr M Davies	11	12
Mr G Lee, Appointed Deputy Chair 11 June 2019	12	12
Mr K Aspin	4	12
Mr D Tilbrook	11	12
Mrs E Pickford, (End of Term 31.08.2020)	9	12
Mr J Vare	8	9
Mrs J Littlewood (appointed 1 September 2019)	11	11
Mr M Stimpson	5	7
Mrs J Davidson	6	6
Mr A Owens	0	0

West Hill School

Governance Statement

Governance reviews

Following the Ofsted inspection in October 2016 the school was re-categorised as Good.

The trustees carried out a review of its performance in April 2019 by the National Governance Association. The purpose of this was to determine the boards effectiveness and identify areas of improvement.

In this report several changes were recommended, and these were adopted from May 2019.

Since this date under the leadership of the Chair, Dr Davies, the board has continued to develop and strengthen its vision for the academy by embedding a robust trustee structure and focussed monitoring of all practices including finance.

Link trustees work closely with various members of staff throughout the year to gain improved understanding of the work carried out and to act as critical friend in questioning to deepen that understanding.

Various detailed reports are provided to trustees for information, review and challenge to be raised. An analysis of meetings and work undertaken over the year is self-evaluated by the trustees with a business plan drawn up for the following year, this includes a timeline for various anniversary dates for areas of work, review and training. All trustees have access to a governor portal which houses all information in a secure setting.

One of the key changes to the meeting structure was the removal of sub committees, of which Finance and Resources was one. All business normally conducted under the sub committees is now dealt with at full trustee meetings, which have calendared agendas for particular foci throughout the year. This provides a platform for suitable and robust challenge by all trustees and full transparency of information presented for appropriate decision making.

Due to the restrictions placed during the lockdown the trustees have met twice face to face. The third occasion was done through sharing of documentation via the trustee portal. The whole trust board is provided with copies of the monthly management accounts.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Dr M Davies	2	2
Mr G Lee	2	2
Mr K Aspin	2	2
Mrs E Pickford	2	2
Mr J Vare	2	2
Mrs J Littlewood	2	2
Mr M Stimpson	2	2
Mrs J Davidson	0	1
Mr A Owens	2	2

West Hill School

Governance Statement

The main focus in the meetings throughout the year has centred around the financial challenges both for this year and the future. It is recognised that a decline of funding (in real terms) and increases in operational costs (staffing and non-staffing) will present challenges across all sectors of the organisation. Ways in reducing costs whilst retaining efficiency are at the forefront of all meetings and decision making.

The audit committee also met during the year. The focus for the visits this year centred on: Strategic Planning, ICT Security and ICT Strategy. These were carried out by Beever & Struthers. Whilst three internal audit visits were undertaken, due to the lockdown of spring 2020 the committee were only able to meet once. However, all three audit reports were presented and discussed at that meeting together with the risk register.

The Audit Committee is a sub-committee of the main Governing Body. Its purpose is to be responsible for review and monitoring of the performance and regularity of the academy's finances. Attendance at meetings during the year was as follows:

	Meetings attended	Out of a possible
Trustee		
Dr M Davies	1	1
Mr D Tilbrook	1	1
Mr M Stimpson	1	1
Mr A Owens	1	1

West Hill School

Governance Statement

Review of Value for Money

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

The accounting officer considered how the trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where appropriate.

As the nation went into lockdown in March 2020 due to the developing pandemic of COVID19 the academy continued to recognise its contracts. Payments continued to be made where contractual items continued to be delivered. Where changes had to be made as elements of contracts became frustrated steps have been taken for re-negotiations to ensure continuation of supply of goods and services without financial detriment to the academy.

The accounting officer for the academy trust has delivered improved value for money for the year by:

Delivery of education

As the nation went into lockdown the academy reverted to the use of online learning platforms for pupils with continued support from teaching and support staff. An analysis of pupil access to IT was undertaken to minimize pupils being disadvantaged by this move to online learning, this was in advance of the government strategy to provide IT resources. We ensured that all pupils and families had access to teachers and support staff to support them, not just educationally but also in a wider pastoral context.

During this time, we were still able to hold a face to face parent's consultation and moderation work for our year 10 before they started back in September 2020.

We also ran a highly successful year 7 transition programme. This provided all our future year 7 pupils and parents with everything they needed to know about their new school, including virtual induction with form teachers a wealth of information to ensure that they did not miss out on vital induction time, equipping our new pupils with the skills for a smooth transition.

By remaining open each day during the lockdown period, we were able to offer and enhanced provision for our and those of key workers.

The use of our data assessment systems allows us to continue to robustly track and monitor pupil performance, which when used together with intervention strategies for pupils enables us to have more detailed and robust target setting.

Although the summer 2020 exam season was cancelled we continued to support our year 11 pupils with their post 16 options and choices. All our year 11 pupils went onto to enroll at college or gain placements for apprenticeships.

The 2020 non-validated results show that changes in leadership, teaching and learning and behaviour were resulting in rapid improvements in outcomes for pupils. The process that led to the CAG's was rigorous and honest, some grades were moved upwards. We were confident that the 2020 cohort's P8 and A8 would both have been a vast improvement on 2018 and 2019 but still with room for improvement.

West Hill School

Governance Statement

Financial Governance and oversight

Internal audit checks carried out provide an external view of how the financial management practices of the academy are being carried out. Reports are made to the finance and resources committee and any recommendations therein are discussed at trustee meeting.

Involvement of the finance committee through regular meetings where robust reporting on financial transactions enables all trustees to probe deeper into the financial affairs of the academy, ask pertinent questions and, where they feel appropriate, challenge the responses given. Through this level of interaction, the trustees are able to understand how we arrive at the decisions we make. During the last academic year members of the finance committee have been present when bids for projects have been opened.

The finance committee reports to the full trustee body of the academy who in turn will, as they see appropriate, question further the financial management of the academy.

Improved purchasing

Contracts and services are regularly reviewed and renegotiated when appropriate to ensure value for money.

Where quotations are required for expensive items we ensure that the academy processes for such items is followed accurately ensuring that we have obtained a sufficient number of quotes and that these are based on the same requirements. References are also sometimes obtained from other end users for information on the performance of a supplier before any final decisions are made.

The Academy always assesses the cost benefits of various options before making a decision to ensure that the right option for the longer term.

Income generation

The Academy explores every opportunity to generate income through its own facilities and accessing grants that maybe be available to it.

Reviewing controls and managing risks

Trustees receive regular and informative information about the finances of the academy and are able to make more informed decisions about how best to employ cash resources accumulated through robust financial planning.

The trustees of the academy would not enter into any interest making deposit facility where the principle sum could be at risk.

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 the 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 placed at West Hill School for the period 1st September 2019 to 31st August 2020 and up to the date of approval of the annual report and financial statements.

West Hill School

Governance Statement

Capacity to Handle Risk

The trustee body has reviewed the key risks of 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 place for the period 1st September 2019 to 31st 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 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 board of trustees of the reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- Setting targets to measure financial and other performance
- Clearly defined purchasing (asset purchase or capital investment) guidelines
- Identification and management of risks.

The board of trustees has considered the need for a specific internal audit and has procured this service from Beaver & Struthers.

The academy recognises the recommendation that, moving forward, the internal audit scrutiny is not undertaken by the same company as that which conducts the annual audit and it will make the necessary appointment of an internal audit provision.

The internal auditor role includes giving advice on financial and other matters and performing a range of checks on the academy trusts financial and other systems. In particular the checks carried out in the current period included:

- Strategic Planning - Ensuring the financial planning is sufficiently linked to the strategic plans. This involved reviewing the SIP and the budget to determine links between the two were sufficiently evident to support integrated planning. Report findings: Substantial assurance with minor recommendations for improvements.
- IT Security - Testing of the systems in place to ensure that the IT systems used in school are sufficiently robust to ensure that unauthorised access is not possible and that control of data meets GDPR requirements. Report findings: above limited assurance-recommendations around complexity of passwords and updating of security policy in some areas to reflect practice.
- IT Strategy - Procedures for managing starts, leavers, biometrics and assets were tested during this audit. Report findings: Substantial level of assurance. Some housekeeping connected with updating of policy to reflect practice.

On a termly basis the auditor reports to the board of trustees, through the audit committee on the operation of the systems of control and on the discharge of the board of trustees; financial responsibilities and annually prepares an annual report outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

Review of Effectiveness

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

West Hill School

Governance Statement

- the work of the Internal Auditor;
- the work of the External auditor;
- The financial management and governance self-assessment process or the school resource management self-assessment tool
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the Governing Body on 3/12/20 and signed on its behalf by:



.....
Dr M Davies
Governor and trustee



.....
Mr A Owens
Accounting Officer
Governor and trustee

West Hill School

Statement on Regularity, Propriety and Compliance

As Accounting Officer of West Hill School I have considered my responsibility to notify the academy trust Governing Body and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2019.

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

.....
A Owens
Accounting Officer

3/12/20

West Hill School

Statement of Trustees' Responsibilities

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:

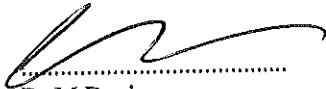
- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the Board on 31/12/20 and signed on its behalf by:



Dr M Davies
Governor and trustee

West Hill School

Independent Auditor's Report on the Financial Statements to the Members of West Hill School

Opinion

We have audited the financial statements of West Hill School "the academy trust" for the year ended 31 August 2020, which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, Balance Sheet, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice) 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 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 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the academy trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

The Trustees (who are also the directors of the academy trust for the purposes of company law) are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

West Hill School

Independent Auditor's Report on the Financial Statements to the Members of West Hill School

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 (incorporating the Strategic Report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report has 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report.

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

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

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' Responsibilities [set out on page 20], the Trustees 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.

Auditor's responsibilities for the audit of the financial statements

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

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Academy's internal control.

West Hill School

Independent Auditor's Report on the Financial Statements to the Members of West Hill School

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- Conclude on the appropriateness of the Trustees use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Academy's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Academy to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

Beever and Struthers

Mr Andrew McLaren (Senior Statutory Auditor)
For and on behalf of Beever and Struthers, Statutory Auditor

St George's House
215 - 219 Chester Road
Manchester
M15 4JE

Date: 3/12/20

West Hill School

Independent Reporting Accountant's Report on Regularity to West Hill School and the Education and Skills Funding Agency

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

Respective responsibilities of the Governing Body's accounting officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of the Governing Body's funding agreement with the Secretary of State for Education dated 1 August 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 from 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 trust's income and expenditure.

The work undertaken to draw to our conclusion includes:

- Review and testing of financial systems of internal control
- Sample testing of transactions
- Discussions with management

West Hill School

**Independent Reporting Accountant's Report on Regularity to West Hill School and the
Education and Skills Funding Agency**

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year from 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.

Beever and Struthers

Mr Andrew McLaren

For and on behalf of Beever and Struthers, Chartered Accountants

St George's House
215 - 219 Chester Road
Manchester
M15 4JE

Date: *31/12/20*

West Hill School

Statement of Financial Activities for the Year Ended 31 August 2020 (including Income and Expenditure Account)

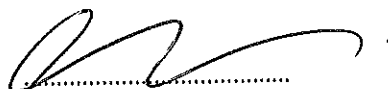
	Note	Unrestricted Funds £ 000	Restricted General Funds £ 000	Restricted Fixed Asset Funds £ 000	2019/20 Total £ 000	2018/19 Total £ 000
Income and endowments from:						
Donations and capital grants	2	48	-	18	66	157
<i>Charitable activities:</i>						
Funding for the Academy trust's educational operations	3	1	4,694	-	4,695	4,503
Other trading activities	4	68	-	-	68	105
Investments	5	1	-	-	1	1
Total		<u>118</u>	<u>4,694</u>	<u>18</u>	<u>4,830</u>	<u>4,766</u>
Expenditure on:						
Raising funds	6	80	-	-	80	144
<i>Charitable activities:</i>						
Academy trust educational operations	7	19	4,904	354	5,277	5,111
Total		<u>99</u>	<u>4,904</u>	<u>354</u>	<u>5,357</u>	<u>5,255</u>
Net income/(expenditure)		19	(210)	(336)	(527)	(489)
Transfers between funds		-	(2)	2	-	-
Other recognised gains and losses						
Actuarial gains/(losses) on defined benefit pension schemes	22	-	(191)	-	(191)	(633)
Net movement in funds/(deficit)		19	(403)	(334)	(718)	(1,122)
Reconciliation of funds						
Total funds/(deficit) brought forward at 1 September 2019		<u>484</u>	<u>(719)</u>	<u>13,033</u>	<u>12,798</u>	<u>13,920</u>
Total funds/(deficit) carried forward at 31 August 2020		<u>503</u>	<u>(1,122)</u>	<u>12,699</u>	<u>12,080</u>	<u>12,798</u>

West Hill School

(Registration number: 07697027)
Balance Sheet as at 31 August 2020

	Note	2020 £ 000	2019 £ 000
Fixed assets			
Tangible assets	11	12,699	13,033
Current assets			
Debtors	12	67	93
Cash at bank and in hand		<u>906</u>	<u>855</u>
		973	948
Liabilities			
Creditors: Amounts falling due within one year	13	<u>(151)</u>	<u>(139)</u>
Net current assets		<u>822</u>	<u>809</u>
Total assets less current liabilities		<u>13,521</u>	<u>13,842</u>
Net assets excluding pension liability		13,521	13,842
Defined benefit pension scheme liability	22	<u>(1,441)</u>	<u>(1,044)</u>
Total net assets including pension liability		<u><u>12,080</u></u>	<u><u>12,798</u></u>
Funds of the Academy:			
Restricted funds			
Restricted general fund		319	325
Restricted fixed asset fund		12,699	13,033
Restricted pension fund		<u>(1,441)</u>	<u>(1,044)</u>
		11,577	12,314
Unrestricted funds			
Unrestricted general fund		<u>503</u>	<u>484</u>
Total funds		<u><u>12,080</u></u>	<u><u>12,798</u></u>

The financial statements on pages 26 to 44 were approved by the Trustees, and authorised for issue on 31/12/20 and signed on their behalf by:


.....
Dr M Davies
Governor and trustee

West Hill School

Statement of Cash Flows for the Year Ended 31 August 2020

	Note	2020 £ 000	2019 £ 000
Cash flows from operating activities			
Net cash inflow from operating activities	17	52	21
Cash flows from investing activities	18	<u>(1)</u>	<u>(9)</u>
Change in cash and cash equivalents in the reporting period		51	12
Cash and cash equivalent at 1 September		<u>855</u>	<u>843</u>
Cash and cash equivalent at 31 August	19	<u><u>906</u></u>	<u><u>855</u></u>

West Hill School

Notes to the Financial Statements for the Year Ended 31 August 2020

1 Accounting policies

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

Basis of preparation

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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 company to continue as a going concern. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Income

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

Grants

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

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

Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the balance sheet in the restricted fixed asset fund. Capital grants are spent on capital projects in line with the terms and conditions of the grant. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

Sponsorship income

Sponsorship income provided to the Academy Trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

West Hill School

Notes to the Financial Statements for the Year Ended 31 August 2020

1 Accounting policies (continued)

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 period it is receivable and to the extent the academy trust has provided the goods or services.

Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

Donated fixed assets

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's accounting policies.

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.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

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

West Hill School

Notes to the Financial Statements for the Year Ended 31 August 2020

1 Accounting policies (continued)

Tangible fixed assets

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

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

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset over its expected useful lives, per the table below.

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

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

Asset class	Depreciation method and rate
Freehold buildings	50 years
Fixtures, fittings and equipment	10 years
ICT equipment	4 years
Motor Vehicles	5 years

Liabilities

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

Provisions

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

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

Leased assets

Rentals under operating leases are charged on a straight-line basis over the lease term.

West Hill School

Notes to the Financial Statements for the Year Ended 31 August 2020

1 Accounting policies (continued)

Financial Instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 12. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

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 notes 13. 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. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

Taxation

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

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

Pension benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 20, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

West Hill School

Notes to the Financial Statements for the Year Ended 31 August 2020

1 Accounting policies (continued)

Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Education and Skills Funding Agency/Department for Education/sponsor/other 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 Education and Skills Funding Agency/Department for Education.

Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, 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 2013 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

2 Donations and capital grants

	Unrestricted funds £ 000	Restricted fixed asset funds £ 000	2019/20 Total £ 000	2018/19 Total £ 000
Capital grants	-	18	18	61
Other donations	48	-	48	96
	<u>48</u>	<u>18</u>	<u>66</u>	<u>157</u>

The income from donations and capital grants was £66,597 (2019: £156,789) of which £48,473 was unrestricted (2019: £95,589), £Nil restricted (2019: £Nil) and £18,124 restricted fixed assets (2019: £61,200).

West Hill School

Notes to the Financial Statements for the Year Ended 31 August 2020

3 Funding for the Academy Trust's educational operations

	Unrestricted funds £ 000	Restricted funds £ 000	2019/20 Total £ 000	2018/19 Total £ 000
DfE/ESFA revenue grants				
General Annual Grant (GAG)	-	4,309	4,309	4,214
Other DfE/ESFA grants	1	385	386	289
	<u>1</u>	<u>4,694</u>	<u>4,695</u>	<u>4,503</u>

The funding for educational operations was £4,695,330 (2019: £4,502,700) of which £1,347 was unrestricted (2019: £23,360), £4,693,983 restricted (2019: £4,479,340) and £Nil restricted fixed assets (2019: £Nil).

4 Other trading activities

	Unrestricted funds £ 000	2019/20 Total £ 000	2018/19 Total £ 000
Hire of facilities	35	35	49
Other sales	33	33	56
	<u>68</u>	<u>68</u>	<u>105</u>

The income from other trading activities was £68,406 (2019: £105,208) of which £68,406 was unrestricted (2019: £105,208), £Nil restricted (2019: £Nil) and £Nil restricted fixed assets (2019: £Nil).

5 Investment income

	Unrestricted funds £ 000	2019/20 Total £ 000	2018/19 Total £ 000
Interest received	<u>1</u>	<u>1</u>	<u>1</u>

The income from investments was £511 (2019: £614) of which £511 was unrestricted (2019: £614), £Nil restricted (2019: £Nil) and £Nil restricted fixed assets (2019: £Nil).

West Hill School

Notes to the Financial Statements for the Year Ended 31 August 2020

6 Expenditure

	Non Pay Expenditure			Total 2020 £ 000	Total 2019 £ 000
	Staff costs £ 000	Premises £ 000	Other costs £ 000		
Expenditure on raising funds	26	1	53	80	144
Academy's educational operations					
Direct costs	3,378	355	274	4,007	3,905
Allocated support costs	787	267	216	1,270	1,206
	<u>4,191</u>	<u>623</u>	<u>543</u>	<u>5,357</u>	<u>5,255</u>

West Hill School

Notes to the Financial Statements for the Year Ended 31 August 2020

6 Expenditure (continued)

Net income/(expenditure) for the year includes:

	2019/20 £ 000	2018/19 £ 000
Fees payable to auditor - audit	6	6
- other audit services	(1)	10,010
Depreciation	<u>354</u>	<u>354</u>

7 Charitable activities

	2019/20 £ 000	2018/19 £ 000
Direct costs - educational operations	4,006	3,905
Support costs - educational operations	<u>1,270</u>	<u>1,206</u>
	<u>5,276</u>	<u>5,111</u>

	Educational operations £ 000	2019/20 Total £ 000	2018/19 Total £ 000
Analysis of support costs			
Support staff costs	787	787	746
Technology costs	17	17	18
Premises costs	267	267	268
Other support costs	187	187	164
Governance costs	<u>12</u>	<u>12</u>	<u>10</u>
Total support costs	<u>1,270</u>	<u>1,270</u>	<u>1,206</u>

8 Staff

Staff costs

	2020 £ 000	2019 £ 000
Staff costs during the year were:		
Wages and salaries	2,958	2,855
Social security costs	298	286
Pension costs	<u>639</u>	<u>645</u>
	3,895	3,786
Supply teacher costs	42	94
Staff restructuring costs	<u>27</u>	<u>-</u>
	<u>3,964</u>	<u>3,880</u>

West Hill School

Notes to the Financial Statements for the Year Ended 31 August 2020

8 Staff (continued)

**2020
£ 000**

Staff restructuring costs comprise:

Severance payments

27

Non statutory/non-contractual staff severance payments

Included in staff restructuring costs is one non-statutory/non-contractual payment totalling £26,585 (2018: £Nil).

West Hill School

Notes to the Financial Statements for the Year Ended 31 August 2020

8 Staff (continued)

Staff numbers

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

	2019/20 No	2018/19 No
Charitable Activities		
Teachers	46	48
Administration and support	52	48
Management	7	7
	<u>105</u>	<u>103</u>

Higher paid staff

The number of employees whose emoluments exceeded £60,000 was:

	2020 No	2019 No
£60,001 - £70,000	1	2
£70,001 - £80,000	<u>2</u>	<u>1</u>

Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £593,453 (2019: £528,488).

9 Related party transactions - trustees' remuneration and expenses

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

Mr O'Neill (Staff trustee):

Remuneration: (2019 - £20,000 - £25,000)

Employer's pension contributions: (2019 - £0 - £5,000)

Mr Cookson (Staff Trustee):

Remuneration: (2019 - £30,000 - £35,000)

Employer's pension contributions: (2019 - £5,000 - £10,000)

Ms Butler (Staff Trustee):

Remuneration: (2019 - £30,000 - £35,000)

Employer's pension contributions: (2019 - £5,000 - £10,000)

West Hill School

Notes to the Financial Statements for the Year Ended 31 August 2020

9 Related party transactions - trustees' remuneration and expenses (continued)

Mr Harrison (Head Teacher):

Remuneration: (2019 - £75,000 - £80,000)

Employer's pension contributions: (2019 - £10,000 - £15,000)

Mr A Owens (Head Teacher):

Remuneration: £5,000 - £10,000 (2019 -)

Employer's pension contributions: £0 - £5,000 (2019 -)

Other related party transactions involving the trustees are set out in note 23.

10 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 £10,000,000 on any one claim. The cost of this insurance is included in the total insurance cost.

11 Tangible fixed assets

	Freehold land and buildings £ 000	Computer equipment £ 000	Fixtures and fittings £ 000	Motor vehicles £ 000	Total £ 000
Cost					
At 1 September 2019	14,414	499	985	73	15,971
Additions	-	-	20	-	20
At 31 August 2020	<u>14,414</u>	<u>499</u>	<u>1,005</u>	<u>73</u>	<u>15,991</u>
Depreciation					
At 1 September 2019	1,688	446	731	73	2,938
Charge for the year	233	21	100	-	354
At 31 August 2020	<u>1,921</u>	<u>467</u>	<u>831</u>	<u>73</u>	<u>3,292</u>
Net book value					
At 31 August 2020	<u>12,493</u>	<u>32</u>	<u>174</u>	<u>-</u>	<u>12,699</u>
At 31 August 2019	<u>12,726</u>	<u>53</u>	<u>254</u>	<u>-</u>	<u>13,033</u>

West Hill School

Notes to the Financial Statements for the Year Ended 31 August 2020

12 Debtors

	2020 £ 000	2019 £ 000
Other debtors	27	15
Prepayments	40	78
	67	93

13 Creditors: amounts falling due within one year

	2020 £ 000	2019 £ 000
Trade creditors	3	9
Accruals	57	72
Deferred income	91	58
	151	139
	2020 £ 000	2019 £ 000

Deferred income

Deferred income at 1 September 2019	58	56
Resources deferred in the period	91	58
Amounts released from previous periods	(58)	(56)
Deferred income at 31 August 2020	91	58

At the balance sheet date the academy trust was holding funds received in advance for targeted pupil funding, September 2020 teacher placement income and money received for school events that are to take place in 2020/21.

West Hill School

Notes to the Financial Statements for the Year Ended 31 August 2020

14 Funds

	Balance at 1 September 2019 £ 000	Incoming resources £ 000	Resources expended £ 000	Gains, losses and transfers £ 000	Balance at 31 August 2020 £ 000
Restricted general funds					
General Annual Grant (GAG)	325	4,309	(4,315)	-	319
Other DfE/EFA Grants	-	385	(385)	-	-
	<u>325</u>	<u>4,694</u>	<u>(4,700)</u>	-	<u>319</u>
Restricted pension funds					
Pension reserve	(1,044)	-	(206)	(191)	(1,441)
	<u>719</u>	<u>(4,694)</u>	<u>4,906</u>	<u>191</u>	<u>1,122</u>
Total restricted general funds					
Restricted fixed asset funds					
Inherited on conversion	9,789	-	(219)	-	9,570
Capital expenditure from GAG	532	-	(63)	-	469
DfE/EFA Capital Grants	2,704	18	(70)	-	2,652
Transfers between funds	8	-	-	-	8
	<u>13,033</u>	<u>18</u>	<u>(352)</u>	-	<u>12,699</u>
Total restricted funds	12,314	4,712	(5,258)	(191)	11,577
Unrestricted funds					
Unrestricted general funds	484	118	(99)	-	503
Total funds	<u>12,798</u>	<u>4,830</u>	<u>(5,357)</u>	<u>(191)</u>	<u>12,080</u>

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

	Balance at 1 September 2018 £ 000	Incoming resources £ 000	Resources expended £ 000	Gains, losses and transfers £ 000	Balance at 31 August 2019 £ 000
Restricted general funds					
General Annual Grant (GAG)	418	4,214	(4,307)	-	325
Other DfE/EFA Grants	-	266	(266)	-	-
	<u>418</u>	<u>4,480</u>	<u>(4,573)</u>	-	<u>325</u>

West Hill School

Notes to the Financial Statements for the Year Ended 31 August 2020

14 Funds (continued)

	Balance at 1 September 2018 £ 000	Incoming resources £ 000	Resources expended £ 000	Gains, losses and transfers £ 000	Balance at 31 August 2019 £ 000
Restricted fixed asset funds					
Inherited on conversion	10,008	-	(219)	-	9,789
Capital expenditure from GAG	595	-	(63)	-	532
DfE/EFA Capital Grants	2,715	61	(72)	-	2,704
Transfers between funds	-	-	-	8	8
	<u>13,318</u>	<u>61</u>	<u>(354)</u>	<u>8</u>	<u>13,033</u>
Restricted pension funds					
Pension reserve	<u>(231)</u>	-	<u>(180)</u>	<u>(633)</u>	<u>(1,044)</u>
Total restricted funds	13,505	4,541	(5,107)	(625)	12,314
Unrestricted funds					
Unrestricted general funds	<u>415</u>	<u>225</u>	<u>(148)</u>	<u>(8)</u>	<u>484</u>
Total funds	<u><u>13,920</u></u>	<u><u>4,766</u></u>	<u><u>(5,255)</u></u>	<u><u>(633)</u></u>	<u><u>12,798</u></u>

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

Restricted funds:

Some types of funding that the Academy receives has a restriction attached to it. Examples of this are pupil premium, Year 7 catch up and PE Grants. Where there is a restriction the Academy ensures that all the criteria for use is adhered to and that we can demonstrate appropriate expenditure.

Unrestricted funds:

Where the Academy receives funds that have no expenditure constraints this is classed as un-restricted. However the Academy will always ensure that expenditure for this type of income is wholly appropriate to the advancement of the education of pupils or to the maintenance of its premises.

15 Analysis of net assets between funds

Fund balances at 31 August 2020 are represented by:

	Unrestricted funds £ 000	Restricted general funds £ 000	Restricted fixed asset funds £ 000	Total funds £ 000
Tangible fixed assets	-	-	12,699	12,699
Current assets	503	469	-	972
Current liabilities	-	(150)	-	(150)
Pension scheme liability	-	<u>(1,441)</u>	-	<u>(1,441)</u>
Total net assets	<u><u>503</u></u>	<u><u>(1,122)</u></u>	<u><u>12,699</u></u>	<u><u>12,080</u></u>

West Hill School

Notes to the Financial Statements for the Year Ended 31 August 2020

15 Analysis of net assets between funds (continued)

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

	Unrestricted funds £ 000	Restricted general funds £ 000	Restricted fixed asset funds £ 000	Total funds £ 000
Tangible fixed assets	-	-	13,033	13,033
Current assets	484	465	-	949
Current liabilities	-	(139)	-	(139)
Pension scheme liability	-	(1,044)	-	(1,044)
Total net assets	<u>484</u>	<u>(718)</u>	<u>13,033</u>	<u>12,799</u>

16 Commitments under operating leases

Operating leases

At 31 August 2020 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

West Hill School

Notes to the Financial Statements for the Year Ended 31 August 2020

16 Commitments under operating leases (continued)

	2020 £ 000	2019 £ 000
Amounts due within one year	2	2
Amounts due between one and five years	6	8
	8	10

17 Reconciliation of net expenditure to net cash inflow/(outflow) from operating activities

	2020 £ 000	2019 £ 000
Net expenditure	(527)	(489)
Depreciation	354	354
Capital grants from DfE and other capital income	(18)	(61)
Interest receivable	(1)	(1)
Defined benefit pension scheme cost less contributions payable	185	171
Defined benefit pension scheme finance cost	21	9
Decrease in debtors	26	5
Increase in creditors	12	33
Net cash inflow from operating activities	52	21

18 Cash flows from investing activities

	2020 £ 000	2019 £ 000
Dividends, interest and rents from investments	1	1
Purchase of tangible fixed assets	(20)	(71)
Capital funding received from sponsors and others	18	61
Net cash used in investing activities	(1)	(9)

19 Analysis of cash and cash equivalents

	2020 £ 000	2019 £ 000
Cash at bank and in hand	906	855
Total cash and cash equivalents	906	855

West Hill School

Notes to the Financial Statements for the Year Ended 31 August 2020

20 Analysis of changes in net debt

	At 1 September 2019 £000	Cash flows £000	At 31 August 2020 £000
Cash	855	51	906
	-	-	-
Total	<u>855</u>	<u>51</u>	<u>906</u>

West Hill School

Notes to the Financial Statements for the Year Ended 31 August 2020

21 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 £10.00, for the debts and liabilities contracted before they ceased to be a member.

West Hill School

Notes to the Financial Statements for the Year Ended 31 August 2020

22 Pension and similar obligations

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 Tameside Borough Council. Both are multi-employer defined benefit schemes.

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

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

Teachers' Pension Scheme

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

The Teachers' Pension budgeting and valuation account

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

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

Valuation of the Teachers' Pension Scheme

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

A copy of the latest valuation report can be found by following this link to the Teachers' Pension Scheme website

West Hill School

Notes to the Financial Statements for the Year Ended 31 August 2020

22 Pension and similar obligations (continued)

Scheme Changes

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

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

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

The employer's pension costs paid to TPS in the period amounted to £580,000 (2019: £561,000). A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

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

Local government pension scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2020 was £159,000 (2019 - £152,000), of which employer's contributions totalled £117,000 (2019 - £112,000) and employees' contributions totalled £42,000 (2019 - £40,000). The agreed contribution rates for future years are 16.8% for employers and 5.5% to 12.5% for employees.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of an academy trust 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

	2020 %	2019 %
Rate of increase in salaries	3.10	3.10
Rate of increase for pensions in payment/inflation	2.30	2.30
Discount rate for scheme liabilities	<u>1.70</u>	<u>1.80</u>

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

West Hill School

Notes to the Financial Statements for the Year Ended 31 August 2020

22 Pension and similar obligations (continued)

	2020	2019
Retiring today		
Males retiring today	20.50	20.60
Females retiring today	23.10	23.10
Retiring in 20 years		
Males retiring in 20 years	22.00	22.00
Females retiring in 20 years	<u>25.00</u>	<u>24.80</u>

West Hill School

Notes to the Financial Statements for the Year Ended 31 August 2020

22 Pension and similar obligations (continued)

The academy trust's share of the assets in the scheme were:

	2020 £ 000	2019 £ 000
Equities	2,696	2,768
Government bonds	634	611
Property	278	326
Cash and other liquid assets	357	366
Total market value of assets	<u>3,965</u>	<u>4,071</u>

The actual return on scheme assets was (£195,000) (2019 - £184,000).

West Hill School

Notes to the Financial Statements for the Year Ended 31 August 2020

22 Pension and similar obligations (continued)

Amounts recognised in the statement of financial activities

	2020 £ 000	2019 £ 000
Current service cost	(301)	(283)
Interest income	74	107
Interest cost	<u>(95)</u>	<u>(116)</u>
Total amount recognised in the SOFA	<u><u>(322)</u></u>	<u><u>(292)</u></u>

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

	2020 £ 000	2019 £ 000
At start of period	5,115	4,023
Current service cost	301	283
Interest cost	95	116
Employee contributions	42	40
Actuarial (gain)/loss	112	985
Benefits paid	(70)	(57)
Effect of non-routine settlements	<u>(190)</u>	<u>(275)</u>
At 31 August	<u><u>5,405</u></u>	<u><u>5,115</u></u>

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

	2020 £ 000	2019 £ 000
At start of period	4,071	3,792
Interest income	74	107
Actuarial gain/(loss)	(269)	77
Employer contributions	117	112
Employee contributions	42	40
Benefits paid	<u>(70)</u>	<u>(57)</u>
At 31 August	<u><u>3,965</u></u>	<u><u>4,071</u></u>

23 Related party transactions

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

West Hill School

Notes to the Financial Statements for the Year Ended 31 August 2020

24 Statement of Financial Activities for the Year Ended 31 August 2019

	Note	Unrestricted Funds £ 000	Restricted General Funds £ 000	Restricted Fixed Asset Funds £ 000	2018/19 Total £ 000
Income and endowments from:					
Donations and capital grants	2	96	-	61	157
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	23	4,480	-	4,503
Other trading activities	4	105	-	-	105
Investments	5	1	-	-	1
Total		<u>225</u>	<u>4,480</u>	<u>61</u>	<u>4,766</u>
Expenditure on:					
Raising funds	6	144	-	-	144
<i>Charitable activities:</i>					
Academy trust educational operations	7	4	4,753	354	5,111
Total		<u>148</u>	<u>4,753</u>	<u>354</u>	<u>5,255</u>
Net income/(expenditure)		77	(273)	(293)	(489)
Transfers between funds		(8)	-	8	-
Other recognised gains and losses					
Actuarial gains/(losses) on defined benefit pension schemes	21	-	(633)	-	(633)
Net movement in funds/(deficit)		69	(906)	(285)	(1,122)
Reconciliation of funds					
Total funds brought forward at 1 September 2018		<u>415</u>	<u>187</u>	<u>13,318</u>	<u>13,920</u>
Total funds/(deficit) carried forward at 31 August 2019		<u>484</u>	<u>(719)</u>	<u>13,033</u>	<u>12,798</u>