

Company registration number: 07664348 (England and Wales)

Westfield Academy Trust

(A company limited by guarantee)

Annual Report and Consolidated Financial
Statements

for the Year Ended 31 August 2018

Westfield Academy Trust

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Westfield Academy Trust

Reference and Administrative Details

Members	A Dyer S Bachrach A Britten (appointed 12 September 2017 and resigned 30 June 2018) H Nourse M Bunting
Trustees	J Hawke L Hide, staff trustee R Llewellyn J Lock, member of the Business Committee (resigned 2 October 2018) S Howes A Britten, member of the Business Committee (resigned 30 June 2018) S Bachrach, vice chair, member of the Business Committee A Dyer, chair, member of the Business Committee M Bunting, member of the Business Committee C Hunt, principal, staff trustee, member of the Business Committee (resigned 31 August 2018) H Nourse J Divall, member of the Business Committee J Livingstone (resigned 20 July 2018) E Waterman, staff trustee S Annetts S Brooks M Davidge, member of the Business Committee S Dallimore (appointed 1 September 2018) J Roberts (appointed 26 October 2018)
Company Secretary	L Jeffreys
Senior Management Team	C Hunt, principal and accounting officer (resigned 31 August 2018) S Dallimore, principal and accounting officer M Payne, assistant principal J Strange, assistant principal S Brimson, associate assistant principal J Coles, associate assistant principal R Middlemast, associate assistant principal
Company Name	Westfield Academy Trust

Westfield Academy Trust

Reference and Administrative Details (continued)

Principal and Registered Office	Stiby Road Yeovil Somerset BA21 3EP
Company Registration Number	07664348 (England and Wales)
Independent Auditor	Milsted Langdon LLP Motivo House Yeovil BA20 2FG
Bankers	Lloyds TSB Bank PLC 9 High Street Yeovil Somerset BA20 1RN Nationwide Building Society 36 Middle St Yeovil Somerset BA20 1LA
Solicitors	Browne Jacobson LLP Mowbray House Castle Meadow Road Nottingham NG2 1BJ

Westfield Academy Trust

Trustees' Report for the Year Ended 31 August 2018

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2017 to 31 August 2018. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The trust operates an academy for pupils aged 11 to 16 serving a catchment area in Yeovil. It has a pupil capacity of 1040 and had a roll of 834 in the school census in autumn 2018.

Structure, governance and management

Constitution

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The trustees of Westfield Academy Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as Westfield Academy Trust.

Details of the trustees who served during the year 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, for the debts and liabilities contracted before they ceased to be a member.

Trustees' indemnities

The Academy is a member of the EFA's Risk Protection Arrangement. This provides unlimited Professional Indemnity Cover.

Method of recruitment and appointment or election of trustees

Members may appoint up to one governor.

Parent governor(s) shall be elected by parents of registered pupils at the Academy. A parent governor must be a parent of a pupil at the Academy at the time when he/she is elected. All parents will be eligible to stand as a governor and all parents must be notified when a vacancy arises.

Policies and procedures adopted for the induction and training of trustees

The Academy buys back into Somerset Governors Services who provide training events and will also provide bespoke training on request. All new governors attend the governors induction training run by Somerset Governor Services. All governors have attended child protection and safeguarding training.

The governors annually appoint a training governor who is responsible for ensuring that governors' stay up to date with latest legislation and changes impacting upon the management of schools.

Westfield Academy Trust

Trustees' Report for the Year Ended 31 August 2018 (continued)

Organisational structure

The full governing body meets four times a year and is responsible for setting general policy, adopting an annual plan and budget and monitoring the work of the Academy and its leadership team. The detailed work is devolved to three sub committees:

Learning and Teaching – which monitors the work of curriculum teams, focusing on raising achievement and ensuring academy teaching and learning policies are fully implemented.

Student Matters – which monitors the work of the pastoral teams, focusing on behaviour and inclusion and ensuring academy pastoral policies are fully implemented.

Business – which monitors the work of the Finance and Site teams, focusing on financial, personnel and site management and ensuring all policies in these areas are fully implemented.

The leadership team is led by the Headteacher who is the Accounting Officer for the Academy, who is supported in all financial matters by the Business Manager who acts as the Principal Finance Officer of the Academy. The leadership team also consists of a Deputy Headteacher an Assistant Headteacher, a Director of Maths, a Director of Sport and the Safeguarding Lead.

The senior leadership team manage the Academy, implementing the policies agreed by the governors and reporting back to them on progress. The Headteacher and Business Manager are responsible for the authorisation of spending within agreed budgets. Some spending control is devolved to middle leaders within the Academy.

The wider management team includes faculty heads, pastoral leaders and support staff team leaders. These middle leaders are responsible for the day to day operation of the Academy.

Arrangements for setting pay and remuneration of key management personnel

In recruiting senior staff Governors will advertise posts on an appropriate five point salary range on the leadership scale after considering comparable salaries of existing staff, affordability and any recruitment issues.

The Governors form a Headteacher's Performance Management committee annually to consider the performance of the Headteacher with input from the Academy's SIP (School Improvement Advisor) and will authorise (or not) progression through the Headteacher's agreed salary scale.

The Headteacher carries out appraisal with other staff and recommends progression (or not) through their agreed salary scale. Governors Pay Committee meet annually to examine and ratify all the Headteacher's pay recommendations.

Related parties and other connected charities and organisations

The Academy formed a trading subsidiary - WA Community Enterprises - which was registered at Companies House on the 15th July 2014 began trading on the 1st September 2014. The trading subsidiary will manage all non-educational income in particular the increasing use of the site by the Community in the evenings.

Westfield Academy is a member of Yeovil Federation which is a loose federation of schools from all sectors aimed at raising achievement in the Yeovil area.

Westfield Academy Trust

Trustees' Report for the Year Ended 31 August 2018 (continued)

Trade union facility time

Relevant union officials

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

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	-
1%-50%	-
51%-99%	-
100%	-

Percentage of pay bill spent on facility time

	2018
Provide the total cost of facility time	-
Provide the total pay bill	-
Provide the percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) x 100	-

Paid trade union activities

	2018
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	-

Trustees should refer to Statutory Instrument 2017 No. 328, The Trade Union Facility Time Publication Requirements Regulations 2017 for calculation details.

Westfield Academy Trust

Trustees' Report for the Year Ended 31 August 2018 (continued)

Objectives and activities

Objects and aims

The Academy Trust's object ("the Object") is specifically restricted to the following:

- to advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum ("the Academy"); and
- to promote for the benefit of individuals living in Yeovil and the surrounding area who have need by reason of their age, infirmity or disability, financial hardship or social and economic circumstances or for the public at large the provision of facilities for recreation or other leisure time activities in the interests of social welfare and with the object of improving the condition of life of the said individuals.

The Academy's mission is:

To ensure every learner makes the most of outstanding chances to make the most of their life chances.

The Key measures are:

- Grade 4 and 5 and above in English and Maths, Progress 8 and Attainment 8 Scores.
- 96%+ attendance
- NEET = 0%
- Full or oversubscribed
- A continued judgement of good or better at the next OfSTED inspection
- Outstanding enrichment and extracurricular opportunities

Objectives, strategies and activities

The main objective for the year ended 31 August 2018 was to raise achievement by:

- Ensuring teaching is consistently good or outstanding
- Ensuring students improve work in their books through acting on written feedback
- Implementing intervention strategy for those students in danger of underperforming and narrowing the gap for disadvantaged students
- Continuing to focus on safeguarding of our students by constantly reviewing and developing the systems and arrangements that are in place
- Extend the Chromebook scheme to all of KS 3

Public benefit

The governors confirm that they have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education.

Westfield Academy Trust

Trustees' Report for the Year Ended 31 August 2018 (continued)

Strategic Report

Achievements and performance

- Recruitment of students has improved with 185 students starting in Year 7 in September 2017. In September 2018 205 students started in Year 7 ensuring this year group reached our planned admission number for the first time since becoming an academy. The academy is confident of recruiting over 200 students for start in Sept 2019. This will have a significant impact on finances going forward.
- The academy underwent an OFSTED inspection in May 2018 and is continued to be judged as GOOD.
- A further successful CIF bid has seen major upgrade work to the electrical infrastructure of the academy in the Summer of 2018. This will ensure continued reliability of supply and bring significant safety improvements.

Key performance indicators

Most of the Academy's income is obtained from the Education Funding Agency in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the EFA during the year ended 31 August 2018 and the associated expenditure is shown as restricted funds in the Statement of Financial Activities.

The Academy also receive grants from Somerset County Council for Individually Assigned Resources, to support students who are eligible for School Action Plus funding which are also shown as restricted income on the Statement of Financial Activities.

Westfield's trading subsidiary – WA Community Enterprises – enjoyed a very successful year generating income of £122,032 – an increase of £2,062 on the previous year and a gift aid donation to the Academy of £90,361. This has provided a very useful gift aided income for the Academy. The new 3G pitch in particular was busy every evening with community groups and generated an income in excess of £34,000.

As an Academy we wish to increase our generation of unrestricted funds through increasing community use of the buildings and facilities and generating income through a range of activities. Increasingly this is unrestricted income is having to be used to support the Academy as GAG is reduced and costs rise. As at 31 August 2018 our unrestricted fund balance was £319,394

The students in the 2018 cohort achieved Attainment in line with the National baseline. They achieved in excess of the National baseline for Grade 4 and in line for Grade 5 In English. They achieved in line with the National Baseline for Grade 4 and in line for Grade 5 In Maths.

Going concern

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

Westfield Academy Trust

Trustees' Report for the Year Ended 31 August 2018 (continued)

Strategic Report (continued)

Financial review

The Governors Business Committee receives financial reports six times a year reviewing performance against budgets and overall expenditure. The business committee reports to full governors three times a year. All budget holders receive regular statements indicating expenditure and balances and the Business Manager and the finance team monitor expenditure across all areas.

Governors work hard to manage the budget in a challenging financial climate. Overall reserves have increased to £7,928,761.

Setting the budget for 2018/19 has proved particularly challenging – the increase in student numbers has led to the need to increase staffing and this together with the national Support Staff payrise increased costs – with no increase in funding for 2018/19. Governors took the difficult decision to use £45,000 of reserves to balance the in year budget, on the clear understanding that the funding for the additional numbers would be received in September 2019 and the first call on this money would be the requirement to build back up the Academy's reserves.

Overall the Academy has controlled costs well, although long term staff absence meant the supply budget was overspent in this financial year. In addition to the above, annual staff pay increments, including implementation of the national living wage continue to put pressure on the budget overall. The implementation of the NFF improved the income to the academy by about 2.9% per year from September 2018.

The projected outlook for student numbers remains positive as our % share of available Year 6 students increases and the total numbers in the demographic projections also rises. We are hopeful that the Academy will be close to capacity by Sept 2022. This will have a significant positive impact on the financial position of the academy, but will also pose a number of logistical, accommodation and organisational challenges.

Staff recruitment also remains challenging in Somerset, with one post with the Academy remaining unfilled despite wide ranging attempts to recruit.

Reserves policy

The current level of reserves is indicated in the Statement of Financial Activities.

Given the reductions in funding and the rising costs it is increasingly difficult to build a significant reserves to invest in the capital improvement of the facilities, as well as cater for unforeseeable emergencies. The governors continue to aim for a reserve equivalent to 10% of income.

The Academy continue to build a Capital Maintenance Reserve which is designated for expenditure on large capital replacement projects such as the 3G pitch.

Investment policy

The governors have adopted a separate policy in which Westfield Academy Trust aims to manage its cash balances to provide for the day-to-day working capital requirements of its operations, whilst protecting the real long-term value of any surplus cash balances against inflation. In addition, Westfield Academy Trust aims to invest surplus cash funds to optimise returns, but ensuring the investment instruments are such that there is no risk to the loss of these cash funds. Investment is restricted to the major high street banks.

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Trustees' Report for the Year Ended 31 August 2018 (continued)

Strategic Report (continued)

Principal risks and uncertainties

Increasing wage costs – through nationally negotiated settlements continue to create significant staff cost increases. As does the implementation of the National Living Wage.

The impact of the proposed increased Teachers Pension contribution may amount to £142,000.

Adjusting the organisational structure and staffing structure to increased student numbers.

Fundraising

The Academy does not undertake any formal fundraising for its own benefit.

From time to time the student body may decide to raise money for a particular cause or project. Examples have included British Heart Foundation, Jeans for Genes and Akamba Aid. The proceeds of these activities are donated to the charities concerned.

Plans for future periods

At the heart of the Academy's focus is a relentless drive to improve teaching and learning and to improve achievement for all the students at the school. The school is undertaking extensive research led CPD to ensure that Teaching and outcomes will be Outstanding in future years.

The Academy will undertake a review of its staffing and organisational structures together with its accommodation needs in the light of the projected increase in student numbers. It will need to plan carefully to provide the financial resources needed for both staffing and capital investment.

Westfield Academy Trust

Trustees' Report for the Year Ended 31 August 2018 (continued)

Funds held as custodian trustee on behalf of others

Westfield Academy Trust hold no funds as custodian trustee on behalf of others.

Auditor

In so far 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.

Reappointment of auditor

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of Milsted Langdon LLP as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 11 December 2018 and signed on the board's behalf by:

.....
S Bachrach
Governor and trustee

Westfield Academy Trust

Governance Statement

Scope of responsibility

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

The board of trustees has delegated the day-to-day responsibility to the principal, 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 Westfield Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the trustees' report and in the statement of trustees' responsibilities. The board of trustees has formally met 7 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
J Hawke	7	7
L Hide	6	7
R Llewellyn	3	7
J Lock	2	7
S Howes	5	7
A Britten	6	7
S Bachrach	6	7
A Dyer	7	7
M Bunting	6	7
C Hunt	6	7
H Nourse	4	7
J Divall	2	7
J Livingstone	4	7
S Annetts	5	7
S Brooks	7	7
M Davidge	7	7
E Waterman	6	7

C Hunt resigned 31 August 2018, A Britten was appointed 12 September 2017 and resigned 30 June 2018 and J Livingstone resigned 20 July 2018.

The business committee is a sub-committee of the main board of trustees. Its purpose is to work in consultation with the principal and the assistant principal (business) to provide guidance to the governing body on all financial and premises matters. Attendance at meetings in the year was as follows:

Westfield Academy Trust

Governance Statement (continued)

Trustee	Meetings attended	Out of a possible
J Lock	3	5
A Britten	3	5
S Bachrach	5	5
M Bunting	2	5
C Hunt	5	5
J Divall	5	5
J Hawke	5	5

C Hunt resigned 31 August 2018, A Britten was appointed in 12 September 2017 and resigned 30 June 2018.

Review of value for money

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

The accounting officer considers how the 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. The accounting officer for the academy trust has delivered improved value for money during the year by:

- Continuing our move to a Google Chrome, cloud based environment, to reduce local IT infrastructure costs and remove the need to replace servers and IT rooms.
- Using our in house maintenance team to carry out minor building works around the Academy
- Ensuring major building projects such as the Electrical upgrade works, funded by the Condition Improvement Fund, are fully specified and competitively tendered.
- Ensuring all contracts are kept under review to ensure both quality and value for money this includes through benchmarking with local school networks or formal procurement exercises such as tendering for Electricity contracts using Energy Services.
- Developing external income streams through our Trading Subsidiary for investment back into the Academy. Income in 2016/17 was £120,000

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Westfield Academy Trust for the period 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

Westfield Academy Trust

Governance Statement (continued)

Capacity to handle risk

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The risk and control framework

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

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

The board of trustees has considered the need for a specific internal audit function and has decided:

- not to appoint an internal auditor. However the trustees have appointed Education Financial Services of Somerset County Council as an independent reviewer to carry out a programme of internal checks.

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

- testing of purchase systems, including ordering, invoicing and petty cash
- testing of payroll systems
- testing of income systems
- testing of general financial operations

Four times a year, the independent reviewer reports to the board of trustees, through the business committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

The independent reviewer has delivered their schedule of work as planned and there were no material control or other issues reported by the independent reviewer to date.

Review of effectiveness

As accounting officer C Hunt (principal) has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

- the work of the independent reviewer;
- the work of the external auditor;
- the financial management and governance self assessment process;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

Westfield Academy Trust

Governance Statement (continued)

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the business committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 11 December 2018 and signed on its behalf by:

.....
S Dallimore
Accounting officer

.....
S Bachrach
Governor and trustee

Westfield Academy Trust

Statement on Regularity, Propriety and Compliance

As accounting officer of Westfield Academy Trust I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of all funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2017.

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

.....
S Dallimore
Accounting officer

11 December 2018

Westfield Academy Trust

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 Annual 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 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards [FRS 102] 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 of trustees on 11 December 2018 and signed on its behalf by:

.....
S Bachrach
Governor and trustee

Westfield Academy Trust

Independent Auditor's Report on the Financial Statements to the Members of Westfield Academy Trust

Opinion

We have audited the financial statements of Westfield Academy Trust (the 'Academy') and its subsidiaries (the 'Group') for the year ended 31 August 2018, which comprise the Consolidated Statement of Financial Activities incorporating Income and Expenditure Account, Consolidated Balance Sheet, Balance Sheet, Consolidated 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 (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the charitable parent company's trustees, 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 Group's trustees 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 charitable parent company and its trustees as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and parent Academy's affairs as at 31 August 2018 and of the Group's results for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006;
- have been prepared in accordance with the Charities SORP 2015 and Academies Accounts Direction 2017 to 2018.

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 Group 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 Group's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our 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.

Westfield Academy Trust

Independent Auditor's Report on the Financial Statements to the Members of Westfield Academy Trust (continued)

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the Group and the parent Academy and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Trustees' 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 by the parent Academy, 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 16], 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 Group's and the parent 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 Group or the parent 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:

Westfield Academy Trust

Independent Auditor's Report on the Financial Statements to the Members of Westfield Academy Trust (continued)

- 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 Group's internal control.
- 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 Group's or the parent 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 Group or the parent 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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.

Use of our report

This report is made solely to the Academy's Trustees, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Academy's trustees 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 and its Trustees, as a body, for our audit work, for this report, or for the opinions we have formed.

.....
Mr Gary Salter (Senior Statutory Auditor)
For and on behalf of:
Milsted Langdon LLP
Chartered Accountants and Statutory Auditors
Motivo House
Yeovil
BA20 2FG

13 December 2018

Westfield Academy Trust

Independent Reporting Accountant's Report on Regularity to Westfield Academy Trust and the Education & Skills Funding Agency

In accordance with the terms of our engagement letter dated 9 September 2016 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Westfield Academy Trust during the period 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

Respective responsibilities of Westfield Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Westfield Academy Trust's funding agreement with the Secretary of State for Education dated 1 August 2011 and the Academies Financial Handbook, extant from 1 September 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2017 to 2018 issued by 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.

Our work included identification and assessment of the design and operational effectiveness of the controls, policies and procedures that have been implemented to ensure compliance with the framework of authorities including high level financial control areas and areas assessed of presenting a high risk of impropriety. We undertook detailed testing, based on our assessment of risk of material irregularity, where such control, policies and procedures apply to classes of transactions. This work was integrated with our audit on the financial statements to the extent evidence from the conduct of that audit supports the regularity conclusion.

Westfield Academy Trust

Independent Reporting Accountant's Report on Regularity to Westfield Academy Trust and the Education & Skills Funding Agency (continued)

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 period 1 September 2017 to 31 August 2018 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

.....
Milsted Langdon LLP, Reporting accountant
Chartered Accountants and Statutory Auditors
Motivo House
Yeovil
BA20 2FG

13 December 2018

Westfield Academy Trust

Consolidated Statement of Financial Activities for the Year Ended 31 August 2018 (including Income and Expenditure Account)

Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2018 £	Total 2017 £	
Income and endowments from:						
Donations and capital grants	3	7,916	3,068	123,240	134,224	21,691
<i>Charitable activities:</i>						
Funding for the academy trust's educational operations	4	-	3,768,593	-	3,768,593	3,620,828
Other trading activities	5	409,995	57,274	-	467,269	424,095
Investments	6	909	-	-	909	1,556
Total		<u>418,820</u>	<u>3,828,935</u>	<u>123,240</u>	<u>4,370,995</u>	<u>4,068,170</u>
Expenditure on:						
Raising funds	7	-	2,058	-	2,058	6,254
Commercial trading operations	7	22,186	-	-	22,186	19,140
<i>Charitable activities:</i>						
Academy trust educational operations	8	<u>231,814</u>	<u>4,211,288</u>	<u>234,505</u>	<u>4,677,607</u>	<u>4,542,483</u>
Total		<u>254,000</u>	<u>4,213,346</u>	<u>234,505</u>	<u>4,701,851</u>	<u>4,567,877</u>
Net income/(expenditure)		164,820	(384,411)	(111,265)	(330,856)	(499,707)
Transfers between funds	18	(106,036)	100,411	5,625	-	-
Other recognised gains and losses						
Actuarial (losses) / gains on defined benefit pension schemes	18, 26	<u>-</u>	<u>710,000</u>	<u>-</u>	<u>710,000</u>	<u>596,000</u>
Net movement in funds		58,784	426,000	(105,640)	379,144	96,293
Reconciliation of funds						
Total funds brought forward at 1 September 2017		<u>260,610</u>	<u>(3,274,000)</u>	<u>10,563,007</u>	<u>7,549,617</u>	<u>7,453,324</u>
Total funds carried forward at 31 August 2018		<u>319,394</u>	<u>(2,848,000)</u>	<u>10,457,367</u>	<u>7,928,761</u>	<u>7,549,617</u>

Westfield Academy Trust
(Registration number: 07664348)
Consolidated Balance Sheet as at 31 August 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	12	10,450,767	10,563,007
Current assets			
Stock	14	10,131	7,719
Debtors	15	144,192	63,446
Cash at bank and in hand		<u>502,078</u>	<u>384,983</u>
		656,401	456,148
Liabilities			
Creditors: amounts falling due within one year	16	<u>(317,907)</u>	<u>(177,538)</u>
Net current assets		<u>338,494</u>	<u>278,610</u>
Total assets less current liabilities		10,789,261	10,841,617
Creditors: amounts falling due after more than one year	17	<u>(7,500)</u>	<u>(13,000)</u>
Net assets excluding pension liability		10,781,761	10,828,617
Defined benefit pension scheme liability	26	<u>(2,853,000)</u>	<u>(3,279,000)</u>
Total net assets		<u><u>7,928,761</u></u>	<u><u>7,549,617</u></u>
Funds of the academy trust:			
Restricted funds			
Fixed asset fund	18	10,457,367	10,563,007
Restricted income fund	18	5,000	5,000
Pension reserve	18	<u>(2,853,000)</u>	<u>(3,279,000)</u>
Total restricted funds		7,609,367	7,289,007
Unrestricted income funds	18	<u>319,394</u>	<u>260,610</u>
Total funds		<u><u>7,928,761</u></u>	<u><u>7,549,617</u></u>

The financial statements on pages 22 to 53 were approved by the trustees and authorised for issue on 11 December 2018 and are signed on their behalf by:

.....
S Bachrach
Governor and trustee

Westfield Academy Trust
(Registration number: 07664348)
Balance Sheet as at 31 August 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	12	10,450,767	10,563,007
Current assets			
Debtors	15	212,770	140,779
Cash at bank and in hand		<u>440,683</u>	<u>312,669</u>
		653,453	453,448
Liabilities			
Creditors: amounts falling due within one year	16	<u>(314,959)</u>	<u>(174,838)</u>
Net current assets		<u>338,494</u>	<u>278,610</u>
Total assets less current liabilities		10,789,261	10,841,617
Creditors: amounts falling due after more than one year	17	<u>(7,500)</u>	<u>(13,000)</u>
Net assets excluding pension liability		10,781,761	10,828,617
Defined benefit pension scheme liability	26	<u>(2,853,000)</u>	<u>(3,279,000)</u>
Total net assets		<u><u>7,928,761</u></u>	<u><u>7,549,617</u></u>
Funds of the academy trust:			
Restricted funds			
Fixed asset fund	18	10,457,367	10,563,007
Restricted income fund	18	5,000	5,000
Pension reserve	18	<u>(2,853,000)</u>	<u>(3,279,000)</u>
Total restricted funds		7,609,367	7,289,007
Unrestricted income funds	18	<u>319,394</u>	<u>260,610</u>
Total funds		<u><u>7,928,761</u></u>	<u><u>7,549,617</u></u>

The financial statements on pages 22 to 53 were approved by the trustees and authorised for issue on 11 December 2018 and are signed on their behalf by:

.....
S Bachrach
Governor and trustee

Westfield Academy Trust

Consolidated Statement of Cash Flows for the Year Ended 31 August 2018

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash provided by operating activities	21	115,211	191,944
Cash flows from investing activities	23	<u>1,884</u>	<u>(434,535)</u>
Change in cash and cash equivalents in the year		117,095	(242,591)
Cash and cash equivalents at 1 September 2016		<u>384,983</u>	<u>627,574</u>
Cash and cash equivalents at 31 August 2017	24	<u><u>502,078</u></u>	<u><u>384,983</u></u>

Westfield Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018

1 Statement of 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 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Westfield Academy Trust meets the definition of a public benefit entity under FRS 102.

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.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and its sole subsidiary undertaking. These are adjusted, where appropriate, to conform to group accounting policies. As a consolidated group Statement of Financial Activities is published, a separate Statement of Financial Activities for the parent company is omitted from the group financial statements by virtue of section 408 of the Companies Act 2006.

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.

Westfield Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

1 Statement of accounting policies (continued)

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 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.

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.

Westfield Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

1 Statement of accounting policies (continued)

Expenditure

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

Expenditure on raising funds

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

Charitable activities

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

All resources expended are inclusive of irrecoverable VAT.

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.

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

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.

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

Asset class	Depreciation method and rate
Leasehold land and buildings	Over 50 years, land - nil
Property improvements	Over 50 years
Furniture and equipment	10% straight line
Computer equipment	25% straight line

Westfield Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

1 Statement of accounting policies (continued)

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.

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 15. 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 16 & 17. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

Leased assets

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

Stock

Unsold uniforms, catering and stationery stocks are valued at the lower of cost or net realisable value.

Taxation

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

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

Westfield Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

1 Statement of accounting policies (continued)

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. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

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 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.

Subsidiary undertaking

The consolidated financial statements include the results of WA Community Enterprises Limited, a wholly owned subsidiary. Further details of the subsidiary and its results are set out in note 13.

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.

Westfield Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

1 Statement of accounting policies (continued)

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 26, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

2 General Annual Grant (GAG)

Under the funding agreement with the Secretary of State the academy trust was subject to limits at 31 August 2018 on the amount of GAG that could be carried forward from one year to the next. An amount equal to 12% of GAG could be carried forward, of which up to 2% could be used for general recurrent purposes, with any balance being available for premises/capital purposes.

The academy trust has not exceeded these limits during the year ended 31 August 2018.

3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total 2018 £	Total 2017 £
Capital grants	-	-	123,240	123,240	16,083
Donations	7,916	3,068	-	10,984	5,608
	<u>7,916</u>	<u>3,068</u>	<u>123,240</u>	<u>134,224</u>	<u>21,691</u>

Westfield Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

4 Funding for the academy trust's educational operations

	Restricted funds £	Total 2018 £	Total 2017 £
DfE/ESFA grants			
General Annual Grant (GAG)	3,485,872	3,485,872	3,370,248
Pupil Premium	201,028	201,028	211,042
Other DfE/ESFA grants	21,187	21,187	8,891
	<u>3,708,087</u>	<u>3,708,087</u>	<u>3,590,181</u>
Other government grants			
Individually assigned resources	42,506	42,506	30,647
Other income from the academy trust's educational operations	18,000	18,000	-
	<u>3,768,593</u>	<u>3,768,593</u>	<u>3,620,828</u>

5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Catering income	82,722	-	82,722	76,462
School shop sales	172	-	172	498
Other sales	13,282	1,114	14,396	22,737
Income from ancillary trading activities	-	733	733	551
Educational lecturing	60,138	-	60,138	81,417
Income for trips and activities	131,649	55,427	187,076	122,460
Commercial trading operations	122,032	-	122,032	119,970
	<u>409,995</u>	<u>57,274</u>	<u>467,269</u>	<u>424,095</u>

6 Investment income

	Unrestricted funds £	Total 2018 £	Total 2017 £
Bank interest receivable	<u>909</u>	<u>909</u>	<u>1,556</u>

Westfield Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

7 Expenditure

	Non Pay Expenditure			Total 2018 £	Total 2017 £
	Staff costs £	Premises £	Other costs £		
Expenditure on raising funds	-	-	2,058	2,058	6,254
Commercial trading operations	-	-	22,186	22,186	19,140
Academy's educational operations					
Direct costs	2,660,672	234,505	308,792	3,203,969	3,223,022
Allocated support costs	540,718	184,656	770,450	1,473,638	1,319,461
	<u>3,201,390</u>	<u>419,161</u>	<u>1,103,486</u>	<u>4,701,851</u>	<u>4,567,877</u>

Net income/(expenditure) for the year includes:

	2018 £	2017 £
Operating lease rentals	24,663	15,356
Depreciation	234,505	232,060
Fees payable to auditor - audit	9,710	9,600
Fees payable to auditor - other services	<u>3,556</u>	<u>6,677</u>

Westfield Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

8 Charitable activities

	Total 2018 £	Total 2017 £	
Direct costs - educational operations	3,203,969	3,223,022	
Support costs - educational operations	1,473,638	1,319,461	
	4,677,607	4,542,483	
	Educational operations £	Total 2018 £	Total 2017 £
Analysis of support costs			
Support staff costs	540,718	540,718	572,677
Technology costs	119,690	119,690	68,094
Premises costs	184,656	184,656	175,412
Other support costs	615,307	615,307	487,001
Governance costs	13,267	13,267	16,277
Total support costs	1,473,638	1,473,638	1,319,461

9 Staff

Staff costs

	2018 £	2017 £
Staff costs during the year were:		
Wages and salaries	2,532,602	2,541,481
Social security costs	224,771	227,214
Operating costs of defined benefit pension schemes	435,860	434,390
	3,193,233	3,203,085
Supply staff costs	8,157	3,116
	3,201,390	3,206,201

Westfield Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

9 Staff (continued)

Staff numbers

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

	2018	2017
	No	No
Teachers	40	41
Administration and support	54	58
Management	6	6
	<u>100</u>	<u>105</u>

Higher paid staff

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

	2018	2017
	No	No
£60,001 - £70,000	1	1
£80,001 - £90,000	1	1
	<u>1</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 £590,831 (2017: £590,620).

10 Related party transactions - trustees' remuneration and expenses

One or more trustees has been paid remuneration or has received other benefits from an employment with the academy 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.

The value of trustees' remuneration and other benefits was as follows:

Westfield Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

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

L Hide (staff trustee):

Remuneration: £40,000 - £45,000 (2017 - £35,000 - £40,000)

Employer's pension contributions: £5,000 - £10,000 (2017 - £5,000 - £10,000)

C Travers (staff trustee):

Remuneration: £Nil (2017 - £10,000 - £15,000)

Employer's pension contributions: £Nil (2017 - £0 - £5,000)

C Hunt (principal and staff trustee):

Remuneration: £80,000 - £85,000 (2017 - £75,000 - £80,000)

Employer's pension contributions: £10,000 - £15,000 (2017 - £10,000 - £15,000)

E Waterman (staff trustee):

Remuneration: £25,000 - £30,000 (2017 - £20,000 - £25,000)

Employer's pension contributions: £0 - £5,000 (2017 - £0 - £5,000)

During the year ended 31 August 2018, travel and subsistence expenses totalling £Nil (2017 - £Nil) were reimbursed or paid directly to 0 trustees (2017 - 0).

Other related party transactions involving the trustees are set out in note 27.

11 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 £1,000,000 on any one claim and the cost for the period ended 31 August 2018 was £14,880 (2017: £14,360). The cost of this insurance is included in the total insurance cost.

Westfield Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

12 Tangible fixed assets

Group

	Leasehold land and buildings £	Property improvements £	Furniture and fixtures £	Computer equipment £	Total £
Cost					
At 1 September 2017	9,258,000	2,291,557	213,014	506,629	12,269,200
Additions	-	122,265	-	-	122,265
At 31 August 2018	<u>9,258,000</u>	<u>2,413,822</u>	<u>213,014</u>	<u>506,629</u>	<u>12,391,465</u>
Depreciation					
At 1 September 2017	967,487	149,789	94,978	493,939	1,706,193
Charge for the year	<u>159,040</u>	<u>48,276</u>	<u>19,301</u>	<u>7,888</u>	<u>234,505</u>
At 31 August 2018	<u>1,126,527</u>	<u>198,065</u>	<u>114,279</u>	<u>501,827</u>	<u>1,940,698</u>
Net book value					
At 31 August 2018	<u><u>8,131,473</u></u>	<u><u>2,215,757</u></u>	<u><u>98,735</u></u>	<u><u>4,802</u></u>	<u><u>10,450,767</u></u>
At 31 August 2017	<u><u>8,290,513</u></u>	<u><u>2,141,768</u></u>	<u><u>118,036</u></u>	<u><u>12,690</u></u>	<u><u>10,563,007</u></u>

Westfield Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

12 Tangible fixed assets (continued)

Company

	Leasehold land and buildings £	Property improvements £	Furniture and fixtures £	Computer equipment £	Total £
Cost					
At 1 September 2017	9,258,000	2,291,557	213,014	506,629	12,269,200
Additions	-	122,265	-	-	122,265
At 31 August 2018	<u>9,258,000</u>	<u>2,413,822</u>	<u>213,014</u>	<u>506,629</u>	<u>12,391,465</u>
Depreciation					
At 1 September 2017	967,487	149,789	94,978	493,939	1,706,193
Charge for the year	<u>159,040</u>	<u>48,276</u>	<u>19,301</u>	<u>7,888</u>	<u>234,505</u>
At 31 August 2018	<u>1,126,527</u>	<u>198,065</u>	<u>114,279</u>	<u>501,827</u>	<u>1,940,698</u>
Net book value					
At 31 August 2018	<u>8,131,473</u>	<u>2,215,757</u>	<u>98,735</u>	<u>4,802</u>	<u>10,450,767</u>
At 31 August 2017	<u>8,290,513</u>	<u>2,141,768</u>	<u>118,036</u>	<u>12,690</u>	<u>10,563,007</u>

13 Investments

The academy trust formed a limited by guarantee entity in the name of WA Community Enterprises Limited, a company incorporated in England, registration number 09131832. The principal activity of the company is non-educational income.

Turnover for the year ended 31 August 2018 was £122,032 (2017 - £119,970) expenditure was £122,032 (2017 - £119,970) and the profit for the year was £Nil (2017 - £Nil). Expenditure includes a gift aid donation payable to the academy trust of £90,361 (2017 - £91,818). The assets of the company at 31 August 2018 were £93,309 (2017 - £94,518), liabilities were £93,309 (2017 - £94,518) and capital and reserves were £Nil (2017 - £Nil).

Westfield Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

14 Stock

	Group		Company	
	2018 £	2017 £	2018 £	2017 £
School uniform	10,131	7,719	-	-

15 Debtors

	Group		Company	
	2018 £	2017 £	2018 £	2017 £
Trade debtors	28,144	10,966	9,672	100
VAT recoverable	48,000	3,467	48,000	3,467
Other debtors	-	-	90,361	91,818
Prepayments and accrued income	68,048	49,013	64,737	45,394
	144,192	63,446	212,770	140,779

16 Creditors: amounts falling due within one year

	Group		Company	
	2018 £	2017 £	2018 £	2017 £
Trade creditors	121,383	14,956	121,383	14,956
Other taxation and social security	55,688	61,170	55,688	61,170
Accruals and deferred income	84,683	40,028	81,735	37,328
Other creditors	6,250	7,000	6,250	7,000
Pension scheme creditor	49,903	54,384	49,903	54,384
	317,907	177,538	314,959	174,838

Included within other creditors is a loan of £6,250 from Salix which is provided on the following terms: The loan is to be paid back within 5 years. Repayments will be recovered by reducing the monthly GAG payments issued by the EFSA.

Westfield Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

16 Creditors: amounts falling due within one year (continued)

Group

	2018 £
Deferred income	
Deferred income at 1 September 2017	21,648
Resources deferred in the period	60,376
Amounts released from previous periods	<u>(21,648)</u>
Deferred income at 31 August 2018	<u><u>60,376</u></u>

At the balance sheet date the academy trust was holding funds received in advance for student trips and rates.

Company

	2018 £
Deferred income	
Deferred income at 1 September 2017	21,648
Resources deferred in the period	60,376
Amounts released from previous periods	<u>(21,648)</u>
Deferred income at 31 August 2018	<u><u>60,376</u></u>

At the balance sheet date the academy trust was holding funds received in advance for student trips and rates.

17 Creditors: amounts falling due after one year

	Group		Company	
	2018 £	2017 £	2018 £	2017 £
Other creditors	<u>7,500</u>	<u>13,000</u>	<u>7,500</u>	<u>13,000</u>

Included within other creditors is a loan of £7,500 from Salix which is provided on the following terms: The loan is to be paid back within 5 years. Repayments will be recovered by reducing the monthly GAG payments issued by the EFSA.

Westfield Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

18 Funds

Group

	Balance at 1 September 2017 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2018 £
Restricted general funds					
General Annual Grant (GAG)	5,000	3,485,872	(3,586,283)	100,411	5,000
Pupil Premium	-	201,028	(201,028)	-	-
Individually assigned resources	-	42,506	(42,506)	-	-
Other DfE/ESFA grants	-	21,187	(21,187)	-	-
Other restricted funds	-	78,342	(78,342)	-	-
	<u>5,000</u>	<u>3,828,935</u>	<u>(3,929,346)</u>	<u>100,411</u>	<u>5,000</u>
Restricted fixed asset funds					
Transfer on conversion	8,316,951	-	(165,790)	-	8,151,161
DfE/ESFA capital grants	1,220,401	88,000	(34,385)	333,669	1,607,685
Capital expenditure from GAG	<u>1,025,655</u>	<u>35,240</u>	<u>(34,330)</u>	<u>(328,044)</u>	<u>698,521</u>
	10,563,007	123,240	(234,505)	5,625	10,457,367
Restricted pension funds					
Pension reserve	<u>(3,279,000)</u>	-	<u>(284,000)</u>	<u>710,000</u>	<u>(2,853,000)</u>
Total restricted funds	7,289,007	3,952,175	(4,447,851)	816,036	7,609,367
Unrestricted funds					
Unrestricted general funds	<u>260,610</u>	<u>418,820</u>	<u>(254,000)</u>	<u>(106,036)</u>	<u>319,394</u>
Total funds	<u><u>7,549,617</u></u>	<u><u>4,370,995</u></u>	<u><u>(4,701,851)</u></u>	<u><u>710,000</u></u>	<u><u>7,928,761</u></u>

Westfield Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

18 Funds (continued)

A current 12 months and prior year 12 months combined position is as follows;

	Balance at 1 September 2016 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2018 £
Restricted general funds					
General Annual Grant (GAG)	5,000	6,856,120	(7,168,676)	312,556	5,000
Pupil Premium	-	412,070	(412,070)	-	-
Individually assigned resources	-	73,153	(73,153)	-	-
Other DfE/ESFA grants	-	30,078	(30,078)	-	-
Other restricted funds	-	109,203	(109,203)	-	-
	<u>5,000</u>	<u>7,480,624</u>	<u>(7,793,180)</u>	<u>312,556</u>	<u>5,000</u>
Restricted fixed asset funds					
Transfer on conversion	8,482,740	-	(331,579)	-	8,151,161
DfE/ESFA capital grants	1,302,052	88,000	(60,373)	278,006	1,607,685
Capital expenditure from GAG	891,770	51,323	(74,613)	(169,959)	698,521
	10,676,562	139,323	(466,565)	108,047	10,457,367
Restricted pension funds					
Pension reserve	<u>(3,582,000)</u>	-	<u>(577,000)</u>	<u>1,306,000</u>	<u>(2,853,000)</u>
Total restricted funds	7,099,562	7,619,947	(8,836,745)	1,726,603	7,609,367
Unrestricted funds					
Unrestricted general funds	<u>353,762</u>	<u>819,218</u>	<u>(432,983)</u>	<u>(420,603)</u>	<u>319,394</u>
Total funds	<u><u>7,453,324</u></u>	<u><u>8,439,165</u></u>	<u><u>(9,269,728)</u></u>	<u><u>1,306,000</u></u>	<u><u>7,928,761</u></u>

Westfield Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

18 Funds (continued)

Company

	Balance at 1 September 2017 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2018 £
Restricted general funds					
General Annual Grant (GAG)	5,000	3,485,872	(3,586,283)	100,411	5,000
Pupil Premium	-	201,028	(201,028)	-	-
Individually assigned resources	-	42,506	(42,506)	-	-
Other DfE/ESFA grants	-	21,187	(21,187)	-	-
Other restricted funds	-	78,342	(78,342)	-	-
	<u>5,000</u>	<u>3,828,935</u>	<u>(3,929,346)</u>	<u>100,411</u>	<u>5,000</u>
Restricted fixed asset funds					
Transfer on conversion	8,316,951	-	(165,790)	-	8,151,161
DfE/ESFA capital grants	1,220,401	88,000	(34,385)	333,669	1,607,685
Capital expenditure from GAG	1,025,655	35,240	(34,330)	(328,044)	698,521
	10,563,007	123,240	(234,505)	5,625	10,457,367
Restricted pension funds					
Pension reserve	(3,279,000)	-	(284,000)	710,000	(2,853,000)
Total restricted funds	7,289,007	3,952,175	(4,447,851)	816,036	7,609,367
Unrestricted funds					
Unrestricted general funds	260,610	418,820	(254,000)	(106,036)	319,394
Total funds	<u>7,549,617</u>	<u>4,370,995</u>	<u>(4,701,851)</u>	<u>710,000</u>	<u>7,928,761</u>

Westfield Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

18 Funds (continued)

A current 12 months and prior year 12 months combined position is as follows;

	Balance at 1 September 2016 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2018 £
Restricted general funds					
General Annual Grant (GAG)	5,000	6,856,120	(7,168,676)	312,556	5,000
Pupil Premium	-	412,070	(412,070)	-	-
Individually assigned resources	-	73,153	(73,153)	-	-
Other DfE/ESFA grants	-	30,078	(30,078)	-	-
Other restricted funds	-	109,203	(109,203)	-	-
	<u>5,000</u>	<u>7,480,624</u>	<u>(7,793,180)</u>	<u>312,556</u>	<u>5,000</u>
Restricted fixed asset funds					
Transfer on conversion	8,482,740	-	(331,579)	-	8,151,161
DfE/ESFA capital grants	1,302,052	88,000	(60,373)	278,006	1,607,685
Capital expenditure from GAG	891,770	51,323	(74,613)	(169,959)	698,521
	10,676,562	139,323	(466,565)	108,047	10,457,367
Restricted pension funds					
Pension reserve	<u>(3,582,000)</u>	-	<u>(577,000)</u>	<u>1,306,000</u>	<u>(2,853,000)</u>
Total restricted funds	7,099,562	7,619,947	(8,836,745)	1,726,603	7,609,367
Unrestricted funds					
Unrestricted general funds	<u>353,762</u>	<u>819,218</u>	<u>(432,983)</u>	<u>(420,603)</u>	<u>319,394</u>
Total funds	<u><u>7,453,324</u></u>	<u><u>8,439,165</u></u>	<u><u>(9,269,728)</u></u>	<u><u>1,306,000</u></u>	<u><u>7,928,761</u></u>

Westfield Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

18 Funds (continued)

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

Restricted general funds

General Annual Grant (GAG) – Income from the ESFA which is to be used for the normal running costs of the academy trust, including education and support costs.

Pupil Premium – Income from the ESFA which is to be used to address the current inequalities by ensuring that funding to tackle disadvantage reaches the pupils who need it most.

Individually assigned resources – Funding received from the Local Authority to fund further support for students with additional needs.

Other DfE/ESFA grants – Represents other grants received that do not fall within GAG such as rates.

Other restricted funds – Represents other income received with restrictions.

Transfer between funds – The net transfers between funds amounts to £100,411. An amount of £5,625 has been transferred to the restricted fixed asset fund which relates to capital expenditure purchased from the GAG. An amount of £106,036 has been transferred from unrestricted funds to restricted general funds to cover the deficit in the restricted general fund.

Restricted fixed asset funds

Transfers on conversion – This fund has been set up to recognise the tangible assets gifted to the academy trust upon conversion by the Local Authority which represents the school site inherited from the Local Authority including the leasehold land and buildings and all material items of plant and machinery included therein. Depreciation charged on those inherited assets is allocated to the fund.

DfE/ESFA capital grants – This represents devolved capital grants received during the period.

Capital expenditure from GAG – This represents fixed assets which were funded from general GAG funding. Resources expended represents depreciation charges on these assets for the year ended 31 August 2018.

Restricted pension funds

Pension reserve – This represents the defined benefit pension scheme liability at 31 August 2018.

Unrestricted funds

Unrestricted general funds – This represents income received that do not have restrictions.

Transfer between funds – The net transfers between funds amounts to £106,036 of which relates to restricted fund to cover deficit.

Under the funding agreement with the Secretary of State, the academy trust was subject to a limit on the amount of GAG that it could carry forward at 31 August 2017. Note 2 discloses whether the limit was exceeded.

Westfield Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

19 Analysis of net assets between funds

Group

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	10,450,767	10,450,767
Current assets	319,394	330,407	6,600	656,401
Current liabilities	-	(317,907)	-	(317,907)
Creditors over 1 year	-	(7,500)	-	(7,500)
Pension scheme liability	-	(2,853,000)	-	(2,853,000)
Total net assets	<u>319,394</u>	<u>(2,848,000)</u>	<u>10,457,367</u>	<u>7,928,761</u>

Company

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	10,450,767	10,450,767
Current assets	319,394	330,407	6,600	656,401
Current liabilities	-	(317,907)	-	(317,907)
Creditors over 1 year	-	(7,500)	-	(7,500)
Pension scheme liability	-	(2,853,000)	-	(2,853,000)
Total net assets	<u>319,394</u>	<u>(2,848,000)</u>	<u>10,457,367</u>	<u>7,928,761</u>

Westfield Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

20 Commitments under operating leases

Operating leases

Group

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

	2018	2017
	£	£
Amounts due within one year	47,690	53,379
Amounts due between one and five years	48,895	96,585
	<u>96,585</u>	<u>149,964</u>

Company

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

	2018	2017
	£	£
Amounts due within one year	47,690	53,379
Amounts due between one and five years	48,895	96,585
	<u>96,585</u>	<u>149,964</u>

Westfield Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

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

	2018	2017
	£	£
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(330,856)	(499,707)
Depreciation (note 12)	234,505	232,060
Capital grants from DfE and other capital income	(123,240)	(16,083)
Interest receivable (note 6)	(909)	(1,556)
Defined benefit pension scheme finance costs (note 26)	200,000	215,000
Defined benefit pension scheme cost less contributions payable (note 26)	84,000	78,000
Decrease/(increase) in stocks	(2,412)	(956)
(Increase)/decrease in debtors	(80,746)	205,873
Increase/(decrease) in creditors	134,869	(20,687)
Net cash provided by operating activities	115,211	191,944

22 Cash flows from financing activities

2018
£

23 Cash flows from investing activities

	2018	2017
	£	£
Dividends, interest and rents from investments	909	1,556
Purchase of tangible fixed assets	(122,265)	(452,174)
Capital grants from DfE/ESFA	123,240	16,083
Net cash provided by/(used in) investing activities	1,884	(434,535)

24 Analysis of cash and cash equivalents

	At 31 August	At 31 August
	2018	2017
	£	£
Cash at bank and in hand	502,078	384,983
Total cash and cash equivalents	502,078	384,983

Westfield Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

25 Members' liability

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

26 Pension and similar obligations

The academy trust'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 . 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 2013.

Contributions amounting to £49,903 were payable to the schemes at 31 August 2018 (2017: £54,384) and are included within creditors.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014.

Westfield Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

26 Pension and similar obligations (continued)

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%))
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS will be as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £238,802 (2017: £246,867).

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 a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £243,000 (2017 - £226,000), of which employer's contributions totalled £188,000 (2017 - £171,000) and employees' contributions totalled £55,000 (2017 - £55,000). The agreed contribution rates for future years are per cent for employers and per cent for employees.

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

Principal actuarial assumptions

	At 31 August 2018 %	At 31 August 2017 %
Rate of increase in salaries	3.80	4.20
Rate of increase for pensions in payment/inflation	2.30	2.70
Discount rate for scheme liabilities	2.70	2.60
Inflation assumptions (CPI)	2.30	2.70
RPI increases	<u>3.30</u>	<u>3.60</u>

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

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Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

26 Pension and similar obligations (continued)

	At 31 August 2018	At 31 August 2017
Retiring today		
Males	24.00	23.90
Females	25.20	25.10
Retiring in 20 years		
Males	26.30	26.20
Females	<u>27.50</u>	<u>27.40</u>
Sensitivity analysis		
	At 31 August 2018	At 31 August 2017
	£	£
Discount rate +0.1%	-137,000.00	-140,000.00
Discount rate -0.1%	141,000.00	144,000.00
Mortality assumption – 1 year increase	173,000.00	177,000.00
Mortality assumption – 1 year decrease	-168,000.00	-171,000.00
CPI rate +0.1%	21,000.00	28,000.00
CPI rate -0.1%	<u>-21,000.00</u>	<u>-56,000.00</u>

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

	At 31 August 2018	At 31 August 2017
	£	£
Equities instruments	1,735,000	1,491,000
Gilts	129,000	115,000
Other bonds	218,000	208,000
Property	214,000	189,000
Cash and other liquid assets	<u>114,000</u>	<u>91,000</u>
Total market value of assets	<u>2,410,000</u>	<u>2,094,000</u>
Surplus in the scheme	<u>2,410,000</u>	<u>2,094,000</u>

The actual return on scheme assets was £93,000 (2017 - £220,000).

Westfield Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

26 Pension and similar obligations (continued)

Amounts recognised in the statement of financial activities

	2018	2017
	£	£
Current service cost (net of employee contributions)	200,000	215,000
Total operating charge	<u>200,000</u>	<u>215,000</u>

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

	2018	2017
	£	£
At 1 September	5,373,000	5,138,000
Current service cost	388,000	386,000
Interest cost	140,000	113,000
Employee contributions	55,000	55,000
Actuarial gain	(674,000)	(305,000)
Benefits paid	<u>(19,000)</u>	<u>(14,000)</u>
At 31 August	<u>5,263,000</u>	<u>5,373,000</u>

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

	2018	2017
	£	£
At 1 September	2,094,000	1,556,000
Interest income	57,000	37,000
Actuarial gains	36,000	291,000
Employer contributions	188,000	171,000
Employee contributions	55,000	55,000
Benefits paid	<u>(20,000)</u>	<u>(16,000)</u>
At 31 August	<u>2,410,000</u>	<u>2,094,000</u>

27 Related party transactions

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

During the year the academy made the following related party transactions:

WA Community Enterprises Limited

(Subsidiary of Westfield Academy Trust)

No disclosure is required in the consolidated financial statements of intragroup transactions and balances eliminated on consolidation. A parent undertaking is not required to provide related party disclosures in its own financial statements when those statements are presented with consolidated financial statements of its own group. WA Community Enterprises Limited is a wholly owned subsidiary of Westfield Academy Trust. Transactions between group entities have not been disclosed as is allowed under FRS102.

Westfield Academy Trust

Notes to the Financial Statements for the Year Ended 31 August 2018 (continued)

28 Statement of financial activities for prior year

	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	Total 2017 £
Income and endowments from:				
Donations and capital grants	3,162	2,446	16,083	21,691
<i>Charitable activities:</i>				
Funding for the academy trust's educational operations	-	3,620,828	-	3,620,828
Other trading activities	395,794	28,301	-	424,095
Investments	1,442	114	-	1,556
Total	<u>400,398</u>	<u>3,651,689</u>	<u>16,083</u>	<u>4,068,170</u>
Expenditure on:				
Raising funds	-	6,254	-	6,254
Commercial trading operations	19,140	-	-	19,140
<i>Charitable activities:</i>				
Academy trust educational operations	159,843	4,150,580	232,060	4,542,483
Total	<u>178,983</u>	<u>4,156,834</u>	<u>232,060</u>	<u>4,567,877</u>
Net income/(expenditure)	221,415	(505,145)	(215,977)	(499,707)
Transfers between funds	(314,567)	212,145	102,422	-
Other recognised gains and losses				
Actuarial (losses) / gains on defined benefit pension schemes	-	596,000	-	596,000
Net movement in (deficit)/funds	(93,152)	303,000	(113,555)	96,293
Reconciliation of funds				
Total funds/(deficit) brought forward at 1 September 2016	353,762	(3,577,000)	10,676,562	7,453,324
Total funds/(deficit) carried forward at 31 August 2017	<u>260,610</u>	<u>(3,274,000)</u>	<u>10,563,007</u>	<u>7,549,617</u>