

Company Registration Number: 09223515 (England and Wales)

THE WESTBROOK TRUST
(A company limited by guarantee)

Annual report and financial statements
for the year ended 31 August 2017

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THE WESTBROOK TRUST
(A company limited by guarantee)

Contents

| | Page |
|---|---------|
| Reference and administrative details | 1 - 2 |
| Trustees' report | 3 - 11 |
| Governance statement | 12 - 15 |
| Statement on regularity, propriety and compliance | 16 |
| Statement of Trustees' responsibilities | 17 |
| Independent auditors' report on the financial statements | 18 - 20 |
| Independent reporting accountant's assurance report on regularity | 21 - 22 |
| Statement of financial activities incorporating income and expenditure account | 23 |
| Balance sheet | 24 |
| Statement of cash flows | 25 |
| Notes to the financial statements | 26 - 47 |

THE WESTBROOK TRUST
(A company limited by guarantee)

Reference and administrative details
for the year ended 31 August 2017

| | |
|--|---|
| Members | Mr David Bragger Ms Lillian Gould Mrs Jane Heyes (resigned 14 March 2017) Mr John Jones Mr Richard Gibbons (appointed 14 March 2017) Mrs Jemena Glover (appointed 14 March 2017) |
| Trustees | Mr David Bragger (resigned 6 February 2017) Mr John Jones (resigned 6 February 2017) Mrs Samantha White (Formerly Leonard) Ms Lillian Gould (resigned 6 February 2017) Mrs Jane Heyes Mr Richard Gibbons, Chairman Lt. Col Adam Foley Mrs Joanne Alsop Mrs Christine Moses Ms Annette Saunders (appointed 1 October 2017) |
| Company registered number | 09223515 |
| Company name | The Westbrook Trust |
| Principal and registered office | Brompton-Westbrook Primary School Kings Bastion Gillingham Kent ME7 5DQ |
| Company secretary | The Trust has decided not to appoint a Company Secretary at this time |
| Senior management team | Mrs Jane Heyes, CEO / Executive Head Teacher Mrs Susan Mason, Head Teacher Brompton-Westbrook PS Mr Jon Carthy, Head Teacher Byron PS Mrs Paula Fewtrell, Head Teacher St Margaret's IS Mr Oliver Allen, Director of Learning Mr Richard Warnham, Chief Financial Officer Mrs Karen Price, Assistant Head Brompton-Westbrook PS Mr Kevin Presneill, Assistant Head Brompton-Westbrook PS Mr Graham Chantler, Deputy Head Byron PS Mrs Joanne Langthorne, Deputy Head Byron PS Mrs Debbie Amato, Deputy Head St Margaret's IS Mrs Carla Broadaway, Business Manager |

THE WESTBROOK TRUST
(A company limited by guarantee)

**Reference and administrative details
for the year ended 31 August 2017**

Advisers (continued)

| | |
|-----------------------------|---|
| Independent auditors | Williams Giles Limited Chartered Accountants Statutory Auditor 12 Conqueror Court Sittingbourne ME10 5BH |
|-----------------------------|---|

| | |
|----------------|--|
| Bankers | National Westminster 117 High Street Gillingham Kent ME7 1AG |
|----------------|--|

| | |
|-------------------|--|
| Solicitors | Mr Brendan Roodt 67 Lapins Lane West Malling Kent ME19 4LE |
|-------------------|--|

THE WESTBROOK TRUST
(A company limited by guarantee)

Trustees' report
for the year ended 31 August 2017

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period 1 September 2016 to 31 August 2017. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The trust operates three academies in Gillingham, Kent. These are Brompton-Westbrook Primary School, Byron Primary School and St. Margaret's Infant School. The academies have a combined pupil capacity of 1,215 plus 112 nursery places. The schools were over-subscribed at the point of entry. Brompton-Westbrook is not expected to be at full capacity at this stage as it is under a Basic Needs Expansion programme where additional children will be admitted to Foundation Stage 2 each year (60 instead of 45) until all year groups have 60 children.

Structure, governance and management

a. 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 The Westbrook Trust are also the directors of the charitable company for the purposes of company law.

The charitable company is known as The Westbrook Trust.

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

b. Members' liability

Each member of the charitable company undertakes to contribute to the assets of the charitable company in the event of it being wound up while 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.

c. Method of recruitment and appointment or election of Trustees

The Trust must have a minimum of 3 trustees and there is no upper limit. The chief executive must be a trustee. Members decide whether trustees are to be appointed or elected. At The Westbrook Trust, trustees are appointed by the members unless the vacancy is for a parent trustee when members have decided that an election will be held. Only parents/carers with parental responsibility for a child of compulsory school age and whose child attends an academy that is a member of the Trust will be eligible to become a parent trustee and to vote in an election. However, if no eligible parent is nominated for election, members will appoint a trustee with a child of compulsory school age. No more than one third of trustees will be employees. When appointing trustees, members use information obtained from its annual review of governance to identify gaps in skills and experience. They aim to recruit trustees who have a vested interest in the local community. Potential candidates are invited to visit the school and meet with members. A curriculum vitae and references are taken up. All members and directors are approved by the Secretary of State before appointment.

THE WESTBROOK TRUST
(A company limited by guarantee)

Trustees' report (continued)
for the year ended 31 August 2017

d. Policies and procedures adopted for the induction and training of Trustees

The Trust has a policy on Induction and Training. This outlines the procedures which include a series of pre-meetings and basic training as well as the allocation of a mentor for new trustees. The induction is tailored according to the level of experience the new trustee brings to the board and is assessed using a skills audit. Gaps in the knowledge and skills of all Trustees, as identified through an annual Trust evaluation and individual skills audits, are addressed in five ways: support from a mentor; meetings with relevant staff in school; attending specific training sessions; advisory reading, visits to other establishments.

e. Pay policy for key management personnel

All key management personnel are paid in accordance with the School Teacher's Pay and Conditions Document which is updated annually. As set out in these regulations Trustees take into account the circumstances and size of the trust and for each school when agreeing salaries. In accordance with the Appraisal Regulations for School Teachers 2012, personnel work towards achieving performance targets and the approval of incremental pay awards are based upon their success in meeting them. For the Chief Executive and Head Teachers, trustees/governors and an external advisor lead the appraisal process. Other senior leaders, such as deputy head teachers are appraised by their head teacher and the Chief Financial Officer is appraised by the Chief Executive Officer.

f. Organisational structure

The Trust has five people known as members whose role is to maintain the ethos and objectives of the Trust, recommend changes to the constitution and appoint and remove trustees. It is the responsibility of the trustees to realise the ethos and objectives of the Trust, protect its assets, reputation and staff and use resources appropriately. The Trust has a chief executive (executive head teacher), who is also the Trust's Accounting Officer.

Each school in the Trust has a head teacher. A senior leadership team, business manager and layer of middle management supports the leadership at each school. The schools have their own local governing body which have the option to operate in two committees, each of which must be guided by the approved Terms of Reference. Governors may also undertake individual responsibilities such as safeguarding or curriculum and assessment.

The Trust has a Scheme of Delegation and a Finance Policy in place. Both of these documents explain in detail the level of delegated responsibility throughout the structure of the Trust. In addition, there is a document in which the review timetable for Trust policies is set out and this also indicates the level at which each policy must be approved.

There is a Trust Improvement Plan, which is updated annually, and each school has its own school improvement plan which is managed by the head teacher and overseen by governors. The plan details specific delegated responsibilities in respect of the key improvement priorities and the budget plan is linked to realising these objectives.

Trustees have overall responsibility for the Trust's finances and make final decisions about e.g. procurement and budget setting when sums of money are significant (see Finance Policy and Scheme of Delegation). They also have overall responsibility for ensuring that funds are well managed, spent on activities that meet the Trust's objectives and that all legal requirements are met. They delegate responsibility to the Chief Executive (who is also the Accounting Officer) and Chief Financial Officer. The Chief Financial Officer has a clear understanding of the spending priorities of the individual schools and delegates the management of the budget to the head teachers. Day-to-day operational and checking duties are the responsibility of the Business Manager who is supported by finance officers.

The Trust minutes all significant decisions giving reasons for those decisions.

THE WESTBROOK TRUST
(A company limited by guarantee)

Trustees' report (continued)
for the year ended 31 August 2017

g. Related Parties and other Connected Charities and Organisations

Brompton-Westbrook Primary School is designated by the Department of Education as an academy sponsor. This means that the Trust may be asked to sponsor schools requiring special measures and take them into the Trust. The Chief Executive / Executive Head Teacher is a National Leader of Education and Brompton-Westbrook Primary School is a National Support School. Both regularly offer support to other schools to raise standards of achievement.

h. Trustees' indemnities

The Trust has purchased indemnity from Ecclesiastical Insurance Office and RSA Group for Employers and Public liability.

Employers Liability provides indemnity in respect of the school's legal liability to pay damages for death, illness or injury, nervous shock or disease of any employee, including governors, trustees, voluntary workers, any person participating in a study exchange or similar scheme and work experience trainees, arising out of their employment.

Public Liability provides indemnity in respect of the Trust's legal liability to pay damages arising out of claims brought by third parties (including visitors and pupils) in respect of death, bodily injury or damage to property. Persons indemnified by this insurance include governors, trustees, proprietors, principals, employees, pupils, and voluntary helpers whilst acting in connection with the business of the school. Cover applies anywhere in the world in respect of school journeys.

Principal Extensions to Cover

1. Contingent liability for claims arising out of the use on behalf of the school of motor vehicles not owned, hired, or provided by the school.
2. Liability for loss or damage to premises leased or rented by the school.
3. Liability in respect of pupils and staff involved in work experience schemes.
4. Personal liability of resident school principals and members of their family residing with them incurred in connection with the school's business.
5. Indemnity to principals for legal liability which the school would otherwise have been insured for under this policy.

Subject to £250 of each claim for loss or damage to material property.

The limit of indemnity applying to both the Employers and Public Liability sections is for any one occurrence and unlimited in the period of insurance is £25,000,000.

The academy has further purchased Professional Indemnity insurance from Ecclesiastical Insurance Office. In respect of liability arising from any negligent act, error or omission, committed in good faith. The definition of the insured extends to include proprietors, trustees, governors, employees and voluntary helpers whilst acting in connection with the business of the school. It is a requirement that potential claims are notified during the currency of the policy. Cover is also provided for liability for "wrongful acts" and legal costs incurred in connection with official investigations or proceedings. This extension covers only the directors, officers, governors, school principals, proprietors and trustees of the school. This does not cover actions brought against the school as an entity.

Cover in respect of any one claim and in the aggregate in any one period of £ 2,000,000 subject to an excess of £250 for each claim.

THE WESTBROOK TRUST
(A company limited by guarantee)

Trustees' report (continued)
for the year ended 31 August 2017

Strategic report

Objectives and Activities

a. Objects and aims

The object of the Academy Trust is to advance, for the public benefit, education in the UK. To establish, maintain, manage and develop schools with a broad and balanced curriculum.

What do we aim to do?

Our overarching aim is to 'Achieve Together' and to do this we believe we must all focus on the 5 Ps of:

Progress, Performance, Pedagogy, Prospects and Partnership

What that means in real terms is that we must all try as hard as we can to be:

The best that we can...in the best way that we can ...to get where we want to be ... with the help of and helping others.

How do we do it?

Achieving our aims means that we have to focus on our 5 Cs which are:

Core, Curriculum, Collaboration, Coaching and Community

- Core - prioritising reading and basic skills
- Curriculum – teaching that which interests and challenges
- Collaboration – working in teams within and beyond
- Coaching – developing, enabling, supporting, evaluating
- Community – engaging, building capacity and raising aspirations

What helps us?

The Trust believes that the teaching of reading and writing is central to all we do. This is why we use Read, Write Inc. strategies and materials as the cornerstone that guides our work. We apply their 5Ps which should be evident in every lesson in school and they are:

Passion, Participation, Positivity, Pace and Purpose.

b. Objectives, strategies and activities

Objective 1: Trust governance is improved and strengthened

Outcomes: Skills audits were used to identify gaps and the Members and Trustee Boards were re-structured to ensure separation of duties. New self-evaluation materials were used to prepare the improvement plan for 2017-18. Training needs were identified and delivered and a new clerk was appointed to ensure meetings function effectively.

Objective 2: Trust business policies and strategies are complete

Outcomes: A school improvement strategy, business plan, General Data Protection Regulation Plan, a marketing brochure and PowerPoint presentation were completed and where appropriate, actioned.

Objective 3: Outcomes for pupils improve further

Outcomes: Key Performance Indicators were agreed and monitored for all schools. Networking was increased through the Medway Teaching School Alliance with two members of staff working part time for MTSA. The Trust vision of 'Achieve Together' was shared widely and embedded in documents and the work of the Trust and its schools. Accountability measures were strengthened with new documentation and software. The Safeguarding Audit was updated.

THE WESTBROOK TRUST
(A company limited by guarantee)

Trustees' report (continued)
for the year ended 31 August 2017

c. Public benefit

When exercising their powers and duties, the Trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission. They are aware of the guidance and take it into account when making decisions and have not taken any decisions that require them to depart from it. The activities of the Trust have been solely for charitable purposes and benefited the public, more specifically they have benefitted children and their families who have applied to and been successful in acquiring a place at the schools in the Trust. The activities of the Trust have not given rise to anything other than incidental benefits to employees. The Trust has a Gifts and Donations Policy to ensure that this is the case. Overall, pupils at each school in the Trust have achieved well and made good progress and in some cases better than that achieved nationally, thereby demonstrating that the work of the Trust has been for public benefit.

a. Key performance indicators

School Assessment results

Foundation Stage Good Level of Development

Byron 85%, Brompton-Westbrook 78%, St Margaret's 71%, Trust average 78%, National 71%

Year 1 Phonic Screening Check

Byron 78%, Brompton-Westbrook 92%, St Margaret's 92%, Trust average 87%, National 81%

Year 2 Reading, writing and mathematics combined

Byron 82%, Brompton-Westbrook 65%, St Margaret's 69%, Trust average 72%, National 64% (unvalidated)

Year 6 Reading, writing and mathematics combined

Byron 41%, Brompton-Westbrook 68%, St Margaret's N/A, Trust average 55%, National 61% (unvalidated)

Of the 21 potential attainment and progress measures, the Trust is at or above those achieved nationally in 17 or 81% of them.

The Trust has not made any financial investments this academic year.

The Trust has complied with all appropriate financial regulations and undergone all relevant audits.

THE WESTBROOK TRUST
(A company limited by guarantee)

Trustees' report (continued)
for the year ended 31 August 2017

Key Performance Indicators for schools in the Trust in 2016-2017.

- 2 schools rated good and 1 school without designation
- Foundation stage assessments above national outcomes
- Year 2 assessments above national outcomes
- Key Stage 2 attainment above national outcomes at Brompton-Westbrook
- Key Stage 2 progress is a positive figure at Byron Primary School
- The trend for pupils in receipt of Pupil Premium funding is that the gap in attainment is closing
- Pupil attendance is above 95%
- Pupil exclusions are below 1%
- SEN levels are low
- Pupil, staff and parent surveys are positive
- The schools are at or close to capacity for pupil numbers
- Staff attendance is above 96%
- The quality of teaching is good in at least 90% of lessons
- Staff turnover is less than 5%
- The Professional Development offer for staff, governors and trustees was delivered in full
- Governor attendance at meetings was above 96%
- Governors have completed all the tasks on their schedule
- Complaints are at a low level
- School and Trust budgets are in surplus and additional income has been raised
- Staffing costs are below 80% of income
- The schools have all supported colleagues in other schools
- School premises are used by the community
- Work experience pupils and students have been trained in all schools
- Staff vacancies have not all been filled on time
- Not all staff have achieved their appraisal targets

b. 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.

Financial review

Reserves Policy

On the advice of the accountants, the Trustees have added to their Risk Register that there should be sufficient reserves to cover at least one month's running costs. Trustees have agreed that this build up can be managed over a period of five years because there is an expectation that school budgets will decrease over this period. Funds available at 31st August 2017 are £706,397. However, no reserves are freely available for general purposes until the reserves target has been achieved.

The Trust has a pension deficit of £1,992,000 which is low in comparison to most academy trusts and is therefore not considered to be a significant risk to the Trust.

The Trust has £11,981,434 in total as reserves at the end of this financial year.

THE WESTBROOK TRUST
(A company limited by guarantee)

Trustees' report (continued)
for the year ended 31 August 2017

a. Investment Policy

The Trust does not have any material investments at this time. Trustees may invest to further their Trust's charitable aims, but must ensure that investment risk is properly managed; act within their powers as set out in the Memorandum and Articles of Association; have an investment policy to manage; control and track the investment and ensure value for money. Trustees must exercise care in investments and take professional advice, ensuring that security takes precedence over revenue maximisation. Investments must be in the best interests of the trust and command broad public support.

b. Principal Risks and Uncertainties

The Trust has a Risk Register that is reviewed every 6 months unless, during a review, an action is agreed that involves reviewing a particular risk more frequently. The Risk Register is reviewed by trustees and the Chief Financial Officer, strategies to mitigate the risk are planned or put into operation and the risk is then re-rated. The Risk Register includes reference to financial, strategic and reputational, operational and compliance risks,

The principal risks identified in the Trust's Risk Register are:

1. Financial: Potential impact of the new National Funding Formula
 - A Chief Financial Officer has been appointed
 - New and improved finance management software has been put into operation
 - There are plans to centralise financial procedures
2. Operational: Difficulty in recruiting teaching staff
 - Schools embrace flexible working
 - Students are recruited and trained in schools
 - Students are recruited as teachers when their courses end
 - Trust expansion plans will increase the pool of available staff and flexibility
 - A recruitment strategy has been drafted
3. Compliance: Challenges presented by the General Data Protection Regulations due to come into force in May 2018.
 - An action plan has been drafted and is being implemented
 - Funds have been set aside to buy in expert advice

The Trust pension deficit at the time of this report is £1,992,000.

Plans for future periods

Priorities for 2017-2018

Priority 1: Progress and attainment of pupils is in line with or above national benchmarks

Priority 2: Ensure that accountability and communication policies and procedures are clear and show impact throughout the Trust

Priority 3: The Chief Financial Officer appointment secures greater centralisation of services and improvements in management information

Priority 4: Strategies to improve staff skills, recruitment and succession planning provides a consistent pool of good or better teachers across the Trust

Evaluation Procedures used to identify priorities:

Trustees used the following to establish the priorities:

- Regional School's Commissioner's self-evaluation for multi-academy trusts document

THE WESTBROOK TRUST
(A company limited by guarantee)

Trustees' report (continued)
for the year ended 31 August 2017

- Processes outlined in their policy on Appraisal and Self-Evaluation
- Attainment and progress data from all schools
- 360 degree monitoring of teaching and learning from all schools
- Key performance indicator outcomes for all schools
- Governor and trustee skills audits
- Information on the Trust Risk Register
- Knowledge of forthcoming educational changes and other changes that might impact of schools and trusts
- Budget information
- Information about school priorities from their individual plans

Actions planned to achieve priorities:

Priority 1:

- Improve parental understanding of the Trust vision and priorities
- Collate all quality assurance documents and implement the use of the new school improvement software
- Instigate external reviews, including for safeguarding and act on their recommendations
- Prepare an additional 'recovery plan' to add to the School Improvement Strategy
- Ensure that governors understand the assessment changes and understand the data they receive
- Support school improvement plan priorities
- Review policies as per the annual plan paying particular attention to policies on Attendance, Teaching and Learning, Assessment, Curriculum and Able and Talented pupils
- Prepare schools for impending Ofsted inspections
- Increase operational consistency between Trust Schools
- Support special educational needs leaders to further differentiate the curriculum for pupils in the Trust

Priority 2:

- Add further guidance to the documents supporting accountability (e.g. The Scheme of delegation) and further improve documents for reporting throughout the Trust
- Monitor the implementation of the Code of Conduct for governors and trustees
- Create a new Communications Policy to meet the needs of a multi-academy trust

Priority 3:

- Induct the new Chief Finance Officer
- Improve financial forecasting, cash flow, efficiency and income generation
- Centralise finance functions
- Expand the Trust
- Meet the requirements of the general Data protection regulations
- Centralise policy and other compliance issues for Trust schools
- Review Human Resources Policies
- Implement the new Risk Register spreadsheet

Priority 4:

- Establish a school improvement team to support the school improvement work carried out by the Director of Learning
- Support curriculum subject leadership in schools
- Further develop self-evaluation at staff level
- Implement the new policy and procedures established for professional development, wellbeing and succession planning
- Recruit student teachers
- Implement training for governors and trustees based on their skills audits

THE WESTBROOK TRUST
(A company limited by guarantee)

Trustees' report (continued)
for the year ended 31 August 2017

Funds held as custodian trustee on behalf of others

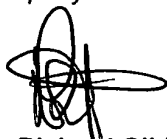
The Trust does not hold funds as a custodian trustee on behalf of other charities. However, Byron Primary School holds funds on behalf of a consortium of local schools which currently amount to less than £10,000.

Disclosure of information to auditors

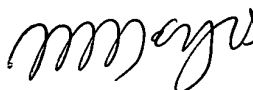
In so far as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustees have taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

The Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 11 December 2017 and signed on its behalf by:



Mr Richard Gibbons
Chair of Trustees



Mrs Jane Heyes
Trustee

THE WESTBROOK TRUST
(A company limited by guarantee)

Governance Statement

Scope of Responsibility

As trustees, we acknowledge we have overall responsibility for ensuring that The Westbrook 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 Chief Executive / Executive Head Teacher, 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 The Westbrook 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 5 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

| Trustee | Meetings attended | Out of a possible |
|---------------------------------------|-------------------|-------------------|
| Mr David Bragger | 3 | 3 |
| Lt. Col Adam Foley | 4 | 5 |
| Mr Richard Gibbons, Chairman | 5 | 5 |
| Ms Lillian Gould | 3 | 3 |
| Mrs Jane Heyes | 4 | 5 |
| Mr John Jones | 3 | 3 |
| Mrs Samantha White (Formerly Leonard) | 4 | 5 |
| Mrs Joanne Alsop | 3 | 5 |
| Mrs Christine Moses | 4 | 5 |
| Ms Annette Saunders | 0 | 0 |

The Board of Members and Trustees were re-structured during the year to ensure separation of duties. Three trustees who were also members resigned their position as trustees but continue as members. An additional member was appointed so that together with the Chair of Trustees, there are now five members. The CEO, who is a trustee, resigned their position as a member. A new chair and vice chair of trustees were elected and an additional trustee was appointed in September 2017 to bring the number up to seven.

Trustees have supported with the preparation of a business plan and the development of policy, procedures and materials for professional development, wellbeing and succession planning. They have also helped to create a more comprehensive and useable risk register and developed useful materials to improve financial efficiency in the Trust. Work to improve advertising have ensured that trustees were able to appoint their clerk and a Chief Financial Officer. Trustees have ensured that the boards were re-structured to ensure separation of duties. they carried out a thorough self-evaluation and attended training as planned for their needs.

The Trustees successfully achieved all of the objectives set out in their improvement plan apart from the following:

- The Trust has not expanded as quickly as planned
- Review of HR policies was deferred to 2017/2018 as a task for the new compliance administrator
- The work on providing further materials and support regarding accountability is ongoing for a second year
- The quality of safeguarding has not yet been evaluated externally
- Work to meet the requirements of the General Data Protection regulations is ongoing for a second year

THE WESTBROOK TRUST
(A company limited by guarantee)

Governance Statement (continued)

There have been no significant challenges other than workload. This is because the Trust is growing and changes are ongoing to facilitate this. In addition, the board was re-structured and new appointments were made.

Trustees have received strong data on the performance of their school and information about the progress of improvement plans. Financial information has been shared regularly but the format in which it has been presented needs to be improved and this will be managed by the new Chief Finance Officer and helped by the installation of new finance software.

The Trust has developed an agreed system for reviewing governance and carries out such reviews annually and in line with its stated policy. Each Trustee has completed an individual skills assessment to identify their personal development needs and indicate the areas of training that are required more broadly for the whole Board. The Board has used three main tools to evaluate its performance and identify priorities. The Regional School's Commissioner's evaluation tool, the National School's Commissioner's list of the characteristics of effective academy trusts and the National Governor's Association skills audit. The Trust is also aware of the National College for Teaching and Leadership materials that can be used for an external review of governance but such a review was not conducted in the year covering this report. The Trust has developed its own materials for governor and trustee appraisal which were used for the first time. The outcomes of the activities outline above have been used to create a Governance Improvement Plan.

The areas identified for further development are as follows:

- A training plan bespoke to their needs
- Induction of new trustees and members
- Support with understanding the new finance information
- Secure succession planning for the board

The Finance and General Purposes Committee is a sub-committee of the main board of trustees. Its purpose is to remain responsible to the Trust board and operate under its terms of reference. The committee must have a deeper oversight of trust finances to carry out its delegated responsibilities and advise the full board. Responsibilities include aspects of policy approval, pay, budget planning and monitoring as well as liaising closely with the Chief Financial Officer and the Accounting Officer. They must have oversight of the budget compliance, controls and spending limits and scrutinise audits reports.

Given the changes being made to the boards of members and trustees during the year, the Finance and General Purposes meetings were held as part of the main trustee meeting. However, separate minutes were taken.

Key tasks undertaken were:

- Scrutiny of audit reports
- Budget approval, monitoring and forecasting
- Risk management
- Appointment of and setting tasks for the Chief Financial Officer
- Improving the Scheme of Delegation
- Monitoring Accounting Officer checks
- Approving the new finance software system
- Receiving and becoming familiar with ESFA guidance materials
- Bidding to the Regional Schools Commissioner's Growth Fund
- Appointment of auditors

THE WESTBROOK TRUST
(A company limited by guarantee)

Governance Statement (continued)

Attendance at meetings in the year was as follows:

| Trustee | Meetings attended | Out of a possible |
|-------------------------------------|-------------------|-------------------|
| Mr David Bragger | 3 | 3 |
| Lt. Col Adam Foley | 4 | 5 |
| Mr Richard Gibbons | 5 | 5 |
| Miss Lillian Gould | 3 | 3 |
| Mrs Jane Heyes | 5 | 5 |
| Mr John Jones | 2 | 5 |
| Mrs Samantha White (Formly Leonard) | 4 | 5 |
| Mrs Jo Alsop | 3 | 5 |
| Mrs Christine Moses | 4 | 5 |
| Mrs Annette Saunders | 0 | 0 |

Review of Value for Money

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

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

1. Taking advantage of opportunities to deploy staff to other schools to bring in additional funds to the trust to set off against employment costs;
2. Growing the Trust to three schools with added benefits including economies of scale and sharing of resources;
3. Carrying out regular checks on the Trust budget and that of the schools to ensure value for money;
4. Employing a Chief Financial Officer to improve financial reporting and monitoring;
5. Achieving good outcomes and progress for pupils.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Westbrook Trust for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The board of trustees has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks, that has been in place for the year 1 September 2016 to 31 August 2017 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 WESTBROOK TRUST
(A company limited by guarantee)

Governance Statement (continued)

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the Trustees 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 to appoint Williams Giles as internal auditor.

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

- Fixed assets/inventory
- Banking & cash handling
- Income & expenditure
- Payroll & recruitment
- Governance & procedures
- Voluntary fund & the school journey

On a quarterly basis, the internal auditor reports to the board of trustees through the finance and general purposes committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

The internal auditors have delivered their schedule of work as planned and no material control issues have been identified during the year.

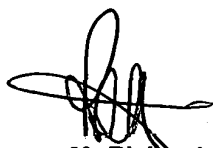
Review of Effectiveness

As Accounting Officer, the Chief Executive / Executive Head Teacher 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 internal auditor;
- the work of the external auditors;
- the work of the executive managers within the academy who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Trustees 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 2017 and signed on their behalf, by:



Mr Richard Gibbons
Chair of Trustees



Mrs Jane Heyes
Accounting Officer

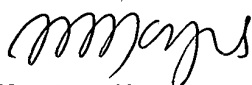
THE WESTBROOK TRUST
(A company limited by guarantee)

Statement on Regularity, Propriety and Compliance

As Accounting Officer of The Westbrook 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 funding, 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 2016.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2016.

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.



Mrs Jane Heyes
Accounting Officer

Date: 11 December 2017

THE WESTBROOK TRUST
(A company limited by guarantee)

Statement of Trustees' responsibilities
for the year ended 31 August 2017

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- 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;
- 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 2017 and signed on its behalf by:



Mr Richard Gibbons
Chair of Trustees

THE WESTBROOK TRUST
(A company limited by guarantee)

Independent auditors' report on the financial statements to the members of The Westbrook Trust

Opinion

We have audited the financial statements of The Westbrook Trust (the 'academy') for the year ended 31 August 2017 which comprise the Statement of financial activities incorporating income and expenditure account, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

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

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2017 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

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

THE WESTBROOK TRUST
(A company limited by guarantee)

Independent auditors' report on the financial statements to the members of The Westbrook Trust

Other information

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

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

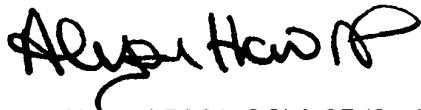
THE WESTBROOK TRUST
(A company limited by guarantee)

Independent auditors' report on the financial statements to the members of The Westbrook Trust

Auditors' responsibilities for the audit of the financial statements

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

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



Alyson Howard FCCA DChA CF (Senior statutory auditor)

for and on behalf of

Williams Giles Limited

Chartered Accountants
Statutory Auditor

12 Conqueror Court
Sittingbourne
ME10 5BH

Date: 21 December 2017

THE WESTBROOK TRUST
(A company limited by guarantee)

Independent reporting accountants' assurance report on regularity to The Westbrook Trust and the Education and Skills Funding Agency

In accordance with the terms of our engagement letter dated 21 March 2016 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Westbrook Trust during the year 1 September 2016 to 31 August 2017 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 The Westbrook Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The Westbrook Trust and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The Westbrook Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of The Westbrook Trust's accounting officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of The Westbrook Trust's funding agreement with the Secretary of State for Education dated 30 September 2014, and the Academies Financial Handbook extant from 1 September 2016, 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 2016 to 2017. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2016 to 31 August 2017 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 2016 to 2017 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- An assessment of the risk of material misstatement and irregularity.
- Testing and review of areas identified through risk assessment including enquiry, inspection and review, observation and re-performance.
- Review of system controls, policies and procedures in place to ensure compliance with the regularity regime.
- Consideration of evidence obtained through the work performed as part of our audit in order to support the regularity conclusion.

THE WESTBROOK TRUST
(A company limited by guarantee)

**Independent reporting accountants' assurance report on regularity to The Westbrook Trust and the
Education and 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 year 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Reporting Accountant

Williams Giles Limited

Chartered Accountants
Statutory Auditor

12 Conqueror Court
Sittingbourne
ME10 5BH

Date: 21 December 2017

THE WESTBROOK TRUST
(A company limited by guarantee)

**Statement of financial activities incorporating income and expenditure account
for the year ended 31 August 2017**

| | Note | Unrestricted funds 2017 £ | Restricted funds 2017 £ | Restricted fixed assets funds 2017 £ | Total funds 2017 £ | Total funds 2016 £ |
|--|------|------------------------------------|----------------------------------|--|-----------------------------|-----------------------------|
| Income from: | | | | | | |
| Donations and capital grants | 2 | 138,929 | (394,000) | 7,773,215 | 7,518,144 | 2,974,644 |
| Charitable activities | 3 | - | 4,596,574 | - | 4,596,574 | 3,405,816 |
| Other trading activities | 4 | 132,703 | 171,978 | - | 304,681 | 185,117 |
| Total income | | 271,632 | 4,374,552 | 7,773,215 | 12,419,399 | 6,565,577 |
| Expenditure on: | | | | | | |
| Raising funds | 5 | 49,884 | - | - | 49,884 | 32,021 |
| Charitable activities | | 193 | 4,810,802 | 332,573 | 5,143,568 | 3,612,160 |
| Total expenditure | 8 | 50,077 | 4,810,802 | 332,573 | 5,193,452 | 3,644,181 |
| Net income / (expenditure) before transfers | | 221,555 | (436,250) | 7,440,642 | 7,225,947 | 2,921,396 |
| Transfers between Funds | 19 | - | (17,980) | 17,980 | - | - |
| Net income / (expenditure) before other recognised gains and losses | | 221,555 | (454,230) | 7,458,622 | 7,225,947 | 2,921,396 |
| Actuarial gains/(losses) on defined benefit pension schemes | 25 | - | 544,000 | - | 544,000 | (841,000) |
| Net movement in funds | | 221,555 | 89,770 | 7,458,622 | 7,769,947 | 2,080,396 |
| Reconciliation of funds: | | | | | | |
| Total funds brought forward | | 197,022 | (1,793,950) | 5,808,415 | 4,211,487 | 2,131,091 |
| Total funds carried forward | | 418,577 | (1,704,180) | 13,267,037 | 11,981,434 | 4,211,487 |

THE WESTBROOK TRUST
(A company limited by guarantee)
Registered number: 09223515

Balance sheet
as at 31 August 2017

| | Note | £ | 2017 £ | 2016 £ |
|--|------|----------------|-------------------|------------------|
| Fixed assets | | | | |
| Tangible assets | 16 | | 13,257,311 | 5,808,415 |
| Current assets | | | | |
| Debtors | 17 | 271,942 | | 92,518 |
| Cash at bank and in hand | | 625,842 | | 379,200 |
| | | <u>897,784</u> | | <u>471,718</u> |
| Creditors: amounts falling due within one year | 18 | (181,661) | | (134,646) |
| Net current assets | | | 716,123 | 337,072 |
| Total assets less current liabilities | | | 13,973,434 | 6,145,487 |
| Defined benefit pension scheme liability | 25 | (1,992,000) | | (1,934,000) |
| Net assets including pension scheme liabilities | | | <u>11,981,434</u> | <u>4,211,487</u> |
| Funds of the academy | | | | |
| Restricted income funds: | | | | |
| Restricted income funds | 19 | 287,820 | | 140,050 |
| Restricted fixed assets funds | 19 | 13,267,037 | | 5,808,415 |
| Restricted income funds excluding pension liability | | 13,554,857 | | 5,948,465 |
| Pension reserve | | (1,992,000) | | (1,934,000) |
| Total restricted income funds | | | 11,562,857 | 4,014,465 |
| Unrestricted income funds | 19 | | 418,577 | 197,022 |
| Total funds | | | <u>11,981,434</u> | <u>4,211,487</u> |

The financial statements on pages 23 to 47 were approved by the Trustees, and authorised for issue, on 11 December 2017 and are signed on their behalf, by:



Richard Gibbons
Chair of Trustees

THE WESTBROOK TRUST
(A company limited by guarantee)

Statement of cash flows
for the year ended 31 August 2017

| | Note | 2017 £ | 2016 £ |
|--|------|-----------------|-----------|
| Cash flows from operating activities | | | |
| Net cash provided by operating activities | 21 | 264,622 | 233,393 |
| Cash flows from investing activities: | | | |
| Purchase of tangible fixed assets | | (17,980) | (40,617) |
| Capital grants from DfE/ESFA | | - | 17,817 |
| Net cash used in investing activities | | (17,980) | (22,800) |
| Change in cash and cash equivalents in the year | | 246,642 | 210,593 |
| Cash and cash equivalents brought forward | | 379,200 | 168,607 |
| Cash and cash equivalents carried forward | 22 | 625,842 | 379,200 |

THE WESTBROOK TRUST
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 August 2017

1. Accounting policies

The Westbrook Trust is a charitable company limited by guarantee and an exempt charity incorporated in England and Wales. The registered office is Brompton - Westbrook Primary School, Kings Bastion, Gillingham, Kent, ME7 5DQ. The principal activity of the academy trust is to provide a primary education for pupils that satisfies the requirements of the Education Act 2002.

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

1.1 Basis of preparation of financial statements

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The Westbrook Trust constitutes a public benefit entity as defined by FRS 102.

1.2 Going concern

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

THE WESTBROOK TRUST
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 August 2017

1. Accounting policies (continued)

1.3 Income

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

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

General Annual Grant is recognised in full in the Statement of financial activities incorporating income and expenditure account in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

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

Sponsorship income provided to the academy which amounts to a donation is recognised in the Statement of financial activities incorporating income and expenditure account in the period in which it is receivable, where receipt is probable and it is measurable.

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

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

1.4 Expenditure

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

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

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

All expenditure is inclusive of irrecoverable VAT.

THE WESTBROOK TRUST
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 August 2017

1. Accounting policies (continued)

1.5 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised and are carried at cost, net of depreciation and any provision for impairment.

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

The land and buildings from which the multi academy trust operates are leased from Kent County Council for a period of 125 years. Rentals payable in respect of this lease are one peppercorn per annum. Under the terms of the lease the risks and rewards of ownership of the buildings have been substantially transferred to the multi academy trust and accordingly to reflect its use, the value of the property has been included in fixed assets with an appropriate credit to voluntary income within the Statement of Financial Activities. The values for these transfers have been taken from the valuations provided by the EFA.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

| | | |
|------------------------------|---|-------------------|
| Long-term leasehold property | - | 2% Straight Line |
| Fixtures and fittings | - | 10% Straight Line |
| Computer equipment | - | 33% Straight Line |

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

1.6 Operating leases

Rentals under operating leases are charged to the Statement of financial activities incorporating income and expenditure account on a straight line basis over the lease term.

1.7 Debtors

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

1.8 Cash at Bank and in hand

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

THE WESTBROOK TRUST
(A company limited by guarantee)

**Notes to the financial statements
for the year ended 31 August 2017**

1. Accounting policies (continued)

1.9 Liabilities and provisions

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

1.10 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 17. Prepayments are not financial instruments. 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 costs as detailed in note 18. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments.

1.11 Taxation

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

1.12 Pensions

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 25, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

THE WESTBROOK TRUST
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 August 2017

1. Accounting policies (continued)

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

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

1.13 Conversion to an academy trust

The conversion from a state maintained school to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the school for £NIL consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The assets and liabilities transferred on conversion from St Margaret's Infant School to an academy trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations - transfer from local authority on conversion in the Statement of financial activities incorporating income and expenditure account and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Further details of the transaction are set out in note 23.

1.14 Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Department for Education 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 and include grants from the Department for Education.

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

THE WESTBROOK TRUST
(A company limited by guarantee)

**Notes to the financial statements
for the year ended 31 August 2017**

1. Accounting policies (continued)

1.15 Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. 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. Income from donations and capital grants

| | Unrestricted funds 2017 £ | Restricted funds 2017 £ | Restricted fixed assets funds 2017 £ | Total funds 2017 £ | Total funds 2016 £ |
|-------------------------|------------------------------------|----------------------------------|--|-----------------------------|-----------------------------|
| Donations | 24,315 | - | - | 24,315 | 32,576 |
| Donations on conversion | 114,614 | (394,000) | 7,763,489 | 7,484,103 | 2,924,251 |
| Government grants | - | - | 9,726 | 9,726 | 17,817 |
| | 138,929 | (394,000) | 7,773,215 | 7,518,144 | 2,974,644 |
| <i>Total 2016</i> | <i>32,576</i> | <i>(468,000)</i> | <i>3,410,068</i> | <i>2,974,644</i> | |

THE WESTBROOK TRUST
(A company limited by guarantee)

**Notes to the financial statements
for the year ended 31 August 2017**

3. Funding for Academy's educational operations

| | Unrestricted funds 2017 £ | Restricted funds 2017 £ | Total funds 2017 £ | Total funds 2016 £ |
|------------------------------------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| DfE/ESFA grants | | | | |
| General Annual Grant (GAG) | - | 3,600,032 | 3,600,032 | 2,630,700 |
| Universal infant free school meals | - | 168,809 | 168,809 | 90,714 |
| Other DfE/EFA grants | - | 269,930 | 269,930 | 195,287 |
| Growth funding | - | 110,000 | 110,000 | - |
| Pupil premium | - | 340,329 | 340,329 | 280,738 |
| | - | 4,489,100 | 4,489,100 | 3,197,439 |
| Other government grants | | | | |
| Other government grants | - | 67,034 | 67,034 | 153,432 |
| | - | 67,034 | 67,034 | 153,432 |
| Other funding | | | | |
| Other grants | - | 40,440 | 40,440 | 54,945 |
| | - | 40,440 | 40,440 | 54,945 |
| | - | 4,596,574 | 4,596,574 | 3,405,816 |
| <i>Total 2016</i> | - | 3,405,816 | 3,405,816 | |

4. Activities for Generating Funds

| | Unrestricted funds 2017 £ | Restricted funds 2017 £ | Total funds 2017 £ | Total funds 2016 £ |
|--------------------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Hire of facilities | 31,195 | - | 31,195 | 3,468 |
| Catering income | - | 19,708 | 19,708 | 26,452 |
| School trip income | 36,487 | - | 36,487 | 21,395 |
| Other income | 65,021 | 152,270 | 217,291 | 133,802 |
| | 132,703 | 171,978 | 304,681 | 185,117 |
| <i>Total 2016</i> | 82,284 | 102,833 | 185,117 | |

THE WESTBROOK TRUST
(A company limited by guarantee)

**Notes to the financial statements
for the year ended 31 August 2017**

5. Costs of raising funds

| | Unrestricted funds 2017 £ | Restricted funds 2017 £ | Total funds 2017 £ | Total funds 2016 £ |
|-------------------------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| School trip expenditure | 28,381 | - | 28,381 | 20,833 |
| Other expenditure | 21,503 | - | 21,503 | 11,188 |
| | <u>49,884</u> | <u>-</u> | <u>49,884</u> | <u>32,021</u> |
| <i>Total 2016</i> | <u>32,021</u> | <u>-</u> | <u>32,021</u> | |

6. Direct costs

| | Educational operations £ | Total 2017 £ | Total 2016 £ |
|--------------------------|--------------------------------|--------------------|--------------------|
| Educational supplies | 72,623 | 72,623 | 42,613 |
| Staff development | 30,396 | 30,396 | 28,706 |
| Educational consultancy | 50,184 | 50,184 | 19,373 |
| Other direct costs | 13,804 | 13,804 | 4,045 |
| Agency supply | 37,425 | 37,425 | 14,410 |
| Wages and salaries | 2,748,631 | 2,748,631 | 1,828,099 |
| National insurance | 188,597 | 188,597 | 151,258 |
| Pension cost | 323,902 | 323,902 | 326,045 |
| | <u>3,465,562</u> | <u>3,465,562</u> | <u>2,414,549</u> |
| <i>At 31 August 2016</i> | <u>2,425,730</u> | <u>2,425,730</u> | |

THE WESTBROOK TRUST
(A company limited by guarantee)

**Notes to the financial statements
for the year ended 31 August 2017**

7. Support costs

| | Educational operations £ | Total 2017 £ | Total 2016 £ |
|---------------------------------------|--------------------------------|--------------------|--------------------|
| LGPS pension cost | 45,000 | 45,000 | 31,000 |
| Maintenance of premises and equipment | 181,776 | 181,776 | 130,432 |
| Cleaning | 34,442 | 34,442 | 37,361 |
| Rent & rates | 18,221 | 18,221 | 16,819 |
| Light & heat | 34,364 | 34,364 | 25,883 |
| Insurance | 67,101 | 67,101 | 53,613 |
| Catering | 156,677 | 156,677 | 75,462 |
| Computer costs | 24,834 | 24,834 | 7,392 |
| Other support costs | 23,306 | 23,306 | 883 |
| Governance | 98,409 | 98,409 | 97,061 |
| Wages and salaries | 319,824 | 319,824 | 436,378 |
| National insurance | 58,484 | 58,484 | 27,590 |
| Pension cost | 294,803 | 294,803 | 129,470 |
| Depreciation | 332,573 | 332,573 | 128,267 |
| Subtotal | <u>1,689,814</u> | <u>1,689,814</u> | <u>1,197,611</u> |
| Other support costs | (11,808) | (11,808) | - |
| | <u>1,678,006</u> | <u>1,678,006</u> | <u>1,197,611</u> |
| At 31 August 2016 | <u>1,197,611</u> | <u>1,197,611</u> | |

During the year ended 31 August 2017, the academy incurred the following Governance costs:
£98,409 (2016 - £97,061) included within the table above in respect of Educational operations.

8. Expenditure

| | Staff costs 2017 £ | Premises 2017 £ | Other costs 2017 £ | Total 2017 £ | Total 2016 £ |
|---|--------------------------|-----------------------|--------------------------|--------------------|--------------------|
| Expenditure on raising voluntary income | - | - | 49,884 | 49,884 | 32,021 |
| Activities: | | | | | |
| Direct costs | 3,298,555 | - | 167,007 | 3,465,562 | 2,414,549 |
| Support costs | 673,111 | 450,852 | 554,043 | 1,678,006 | 1,197,611 |
| | <u>3,971,666</u> | <u>450,852</u> | <u>770,934</u> | <u>5,193,452</u> | <u>3,644,181</u> |
| Total 2016 | <u>2,913,250</u> | <u>258,699</u> | <u>472,232</u> | <u>3,644,181</u> | |

THE WESTBROOK TRUST
(A company limited by guarantee)

**Notes to the financial statements
for the year ended 31 August 2017**

9. Net income/(expenditure)

This is stated after charging:

| | 2017 £ | 2016 £ |
|--|-----------------------------|-----------------------------|
| Depreciation of tangible fixed assets: | | |
| - owned by the charity | 332,573 | 128,267 |
| Operating lease rentals | - | 1,031 |
| | <u> </u> | <u> </u> |

10. Auditors' remuneration

| | 2017 £ | 2016 £ |
|--|-----------------------------|-----------------------------|
| Fees payable to the academy's auditor for the audit of the academy's annual accounts | 8,700 | 8,700 |
| Fees payable to the academy's auditor in respect of: | | |
| Audit-related assurance services | 1,300 | 1,300 |
| Internal audit services | 3,750 | 3,750 |
| All other non-audit services not included above | 3,490 | 3,490 |
| | <u> </u> | <u> </u> |

THE WESTBROOK TRUST
(A company limited by guarantee)

**Notes to the financial statements
for the year ended 31 August 2017**

11. Staff costs

Staff costs were as follows:

| | 2017 £ | 2016 £ |
|--|-------------------------|-------------------------|
| Wages and salaries | 3,068,455 | 2,264,477 |
| Social security costs | 247,081 | 178,848 |
| Operating costs of defined benefit pension schemes | 618,705 | 455,515 |
| | <u>3,934,241</u> | <u>2,898,840</u> |
| Supply teacher costs | 37,425 | 14,410 |
| | <u><u>3,971,666</u></u> | <u><u>2,913,250</u></u> |

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

| | 2017 No. | 2016 No. |
|-------------------|-------------|-------------|
| Teachers | 91 | 47 |
| Admin and Support | 54 | 63 |
| Management | 7 | 8 |
| | <u>152</u> | <u>118</u> |

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

| | 2017 No. | 2016 No. |
|-------------------------------|-------------|-------------|
| In the band £60,001 - £70,000 | 0 | 2 |
| In the band £70,001 - £80,000 | 3 | 1 |

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) received by key management personnel for their services to the academy trust was £651,927 (2016 - £576,918).

THE WESTBROOK TRUST
(A company limited by guarantee)

**Notes to the financial statements
for the year ended 31 August 2017**

12. Central services

The Trust provided a number of central services to its academies during the year, the charges for which were based on the following:

Charges were calculated at 5% of the General Annual Grant, Pupil Premium, Early Years funding and Growth funding.

The actual amounts charged during the year were as follows:

| | 2017 £ | 2016 £ |
|-----------------------------------|----------------|-----------|
| Brompton Westbrook Primary School | 70,351 | - |
| Byron Primary School | 102,438 | - |
| St Margaret's Infant School | 23,512 | - |
| | <hr/> | <hr/> |
| Total | 196,301 | - |
| | <hr/> | <hr/> |

13. 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 other staff members under their contracts of employment, and not in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows:

| | | 2017 £ | 2016 £ |
|----------------|----------------------------|---------------|---------------|
| Mrs Jane Heyes | Remuneration | 75,000-80,000 | 70,000-75,000 |
| | Pension contributions paid | 10,000-15,000 | 10,000-15,000 |

During the year, no Trustees received any benefits in kind (2016 - £NIL).

During the year ended 31 August 2017, no Trustees received any reimbursement of expenses (2016 - £NIL to Trustees).

14. 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 £2,000,000 on any one claim.

THE WESTBROOK TRUST
(A company limited by guarantee)

**Notes to the financial statements
for the year ended 31 August 2017**

15. Net pension interest

| | 2017 £ | 2016 £ |
|--|-----------------|-----------------|
| Interest income on pension scheme assets | 39,000 | 44,000 |
| Interest on pension scheme liabilities | (84,000) | (75,000) |
| | <u>(45,000)</u> | <u>(31,000)</u> |

16. Tangible fixed assets

| | Freehold property £ | Long-term leasehold property £ | Fixtures and fittings £ | Computer equipment £ | Total £ |
|----------------------------------|---------------------------|---|-------------------------------|----------------------------|-------------------|
| Cost | | | | | |
| At 1 September 2016 | 3,387,776 | 2,466,000 | 69,042 | 78,929 | 6,001,747 |
| Additions | - | - | 2,378 | 15,602 | 17,980 |
| Assets transferred on conversion | - | 7,600,000 | 127,076 | 36,413 | 7,763,489 |
| At 31 August 2017 | <u>3,387,776</u> | <u>10,066,000</u> | <u>198,496</u> | <u>130,944</u> | <u>13,783,216</u> |
| Depreciation | | | | | |
| At 1 September 2016 | 45,000 | 94,530 | 11,385 | 42,417 | 193,332 |
| Charge for the year | 49,320 | 219,756 | 19,850 | 43,647 | 332,573 |
| At 31 August 2017 | <u>94,320</u> | <u>314,286</u> | <u>31,235</u> | <u>86,064</u> | <u>525,905</u> |
| Net book value | | | | | |
| At 31 August 2017 | <u>3,293,456</u> | <u>9,751,714</u> | <u>167,261</u> | <u>44,880</u> | <u>13,257,311</u> |
| At 31 August 2016 | <u>3,342,776</u> | <u>2,371,470</u> | <u>57,657</u> | <u>36,512</u> | <u>5,808,415</u> |

17. Debtors

| | 2017 £ | 2016 £ |
|--------------------------------|----------------|---------------|
| Trade debtors | 17,824 | - |
| VAT recoverable | 22,681 | 10,732 |
| Other debtors | 108,553 | - |
| Prepayments and accrued income | 122,884 | 81,786 |
| | <u>271,942</u> | <u>92,518</u> |

THE WESTBROOK TRUST
(A company limited by guarantee)

**Notes to the financial statements
for the year ended 31 August 2017**

18. Creditors: Amounts falling due within one year

| | 2017 £ | 2016 £ |
|--------------------------------------|----------------|----------------|
| Trade creditors | 9,662 | 21,543 |
| Other creditors | 17,401 | 8,507 |
| Accruals and deferred income | 154,598 | 104,596 |
| | <u>181,661</u> | <u>134,646</u> |
| | 2017 £ | 2016 £ |
| Deferred income | | |
| Deferred income at 1 September 2016 | 71,506 | 25,110 |
| Resources deferred during the year | 144,050 | 71,506 |
| Amounts released from previous years | (71,506) | (25,110) |
| Deferred income at 31 August 2017 | <u>144,050</u> | <u>71,506</u> |

Income has been deferred in respect of 2017/18 Universal Infant Free School Meals grants received in for 2016/2017.

19. Statement of funds

| | Balance at 1 September 2016 £ | Income £ | Expenditure £ | Transfers in/out £ | Gains/ (Losses) £ | Balance at 31 August 2017 £ |
|---------------------------------------|---|------------------|--------------------|--------------------------|-------------------------|--------------------------------------|
| Unrestricted funds | | | | | | |
| General Funds - all funds | 197,022 | 271,632 | (50,077) | - | - | 418,577 |
| Restricted funds | | | | | | |
| General annual grant | 140,050 | 3,600,032 | (3,434,282) | (17,980) | - | 287,820 |
| Other DfE/EFA grants | - | 269,930 | (269,930) | - | - | - |
| Pupil premium | - | 340,329 | (340,329) | - | - | - |
| Universal Infant Free School Meals | - | 168,809 | (168,809) | - | - | - |
| Other government grants | - | 67,034 | (67,034) | - | - | - |
| Other grants | - | 40,440 | (40,440) | - | - | - |
| Other generated income | - | 171,978 | (171,978) | - | - | - |
| Growth funding | - | 110,000 | (110,000) | - | - | - |
| Pension reserve | (1,934,000) | (394,000) | (208,000) | - | 544,000 | (1,992,000) |
| | <u>(1,793,950)</u> | <u>4,374,552</u> | <u>(4,810,802)</u> | <u>(17,980)</u> | <u>544,000</u> | <u>(1,704,180)</u> |

THE WESTBROOK TRUST
(A company limited by guarantee)

**Notes to the financial statements
for the year ended 31 August 2017**

19. Statement of funds (continued)

Restricted fixed funds

| | | | | | | |
|------------------------------|------------------|-------------------|--------------------|---------------|----------------|-------------------|
| Assets held for depreciation | 5,808,415 | - | (332,573) | 17,980 | - | 5,493,822 |
| Capital grants | - | 9,726 | - | - | - | 9,726 |
| Assets on conversion | - | 7,763,489 | - | - | - | 7,763,489 |
| | <u>5,808,415</u> | <u>7,773,215</u> | <u>(332,573)</u> | <u>17,980</u> | <u>-</u> | <u>13,267,037</u> |
| Total restricted funds | <u>4,014,465</u> | <u>12,147,767</u> | <u>(5,143,375)</u> | <u>-</u> | <u>544,000</u> | <u>11,562,857</u> |
| Total of funds | <u>4,211,487</u> | <u>12,419,399</u> | <u>(5,193,452)</u> | <u>-</u> | <u>544,000</u> | <u>11,981,434</u> |

Statement of funds - prior year

| | Balance at 1 September 2015 £ | Income £ | Expenditure £ | Transfers in/out £ | Gains/ (Losses) £ | Balance at 31 August 2016 £ |
|---|--|------------------|--------------------|--------------------------|-------------------------|--------------------------------------|
| Unrestricted funds | | | | | | |
| General Funds - all funds | 114,183 | 114,860 | (32,021) | - | - | 197,022 |
| | <u>114,183</u> | <u>114,860</u> | <u>(32,021)</u> | <u>-</u> | <u>-</u> | <u>197,022</u> |
| Restricted funds | | | | | | |
| General annual grant | 37,094 | 2,630,700 | (2,504,944) | - | (22,800) | 140,050 |
| Other DfE/EFA grants | - | 195,287 | (195,287) | - | - | - |
| Pupil Premium | - | 280,738 | (280,738) | - | - | - |
| Universal Infant Free School Meals | - | 90,714 | (90,714) | - | - | - |
| Other government grants | - | 153,432 | (153,432) | - | - | - |
| Other grants | - | 54,945 | (54,945) | - | - | - |
| Other generated income | - | 102,833 | (102,833) | - | - | - |
| Pension deficit transferred on conversion | - | (468,000) | - | - | 468,000 | - |
| Pension reserve | (524,000) | - | (101,000) | - | (1,309,000) | (1,934,000) |
| | <u>(486,906)</u> | <u>3,040,649</u> | <u>(3,483,893)</u> | <u>-</u> | <u>(863,800)</u> | <u>(1,793,950)</u> |

THE WESTBROOK TRUST
(A company limited by guarantee)

**Notes to the financial statements
for the year ended 31 August 2017**

19. Statement of funds (continued)

Restricted fixed funds

| | | | | | | |
|------------------------------|------------------|------------------|--------------------|----------|------------------|------------------|
| Assets held for depreciation | 2,503,814 | 3,392,251 | (128,267) | - | 40,617 | 5,808,415 |
| Capital grants | - | 17,817 | - | - | (17,817) | - |
| | <u>2,503,814</u> | <u>3,410,068</u> | <u>(128,267)</u> | <u>-</u> | <u>22,800</u> | <u>5,808,415</u> |
| Total restricted funds | <u>2,016,908</u> | <u>6,450,717</u> | <u>(3,612,160)</u> | <u>-</u> | <u>(841,000)</u> | <u>4,014,465</u> |
| Total of funds | <u>2,131,091</u> | <u>6,565,577</u> | <u>(3,644,181)</u> | <u>-</u> | <u>(841,000)</u> | <u>4,211,487</u> |

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

Unrestricted funds are applied to the general work of the academy to support activities inside and outside the curriculum.

Restricted funds are applied specifically in accordance with the rules of each grant and support the education provision delivered by the academy.

Restricted fixed asset funds are applied to the maintenance and improvement of all the academy's fixed assets.

Analysis of academies by fund balance

Fund balances at 31 August 2017 were allocated as follows:

| | Total 2017 £ | Total 2016 £ |
|---|-----------------------------|-----------------------------|
| Brompton Westbrook Primary School | 527,504 | 246,307 |
| Byron Primary School | 36,106 | 95,985 |
| St Margarets Infant School | 86,700 | - |
| Trust | 56,087 | (5,220) |
| Total before fixed asset fund and pension reserve | <u>706,397</u> | <u>337,072</u> |
| Restricted fixed asset fund | 13,267,037 | 5,808,415 |
| Pension reserve | (1,992,000) | (1,934,000) |
| Total | <u>11,981,434</u> | <u>4,211,487</u> |

THE WESTBROOK TRUST
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 August 2017

19. Statement of funds (continued)

Analysis of academies by cost

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

| | Teaching and educational support staff costs £ | Other support staff costs £ | Educational supplies £ | Other costs excluding depreciation £ | Total 2017 £ | Total 2016 £ |
|---|---|--------------------------------------|------------------------------|---|--------------------|--------------------|
| Brompton Westbrook Primary School | 1,224,649 | 205,251 | 47,153 | 92,746 | 1,569,799 | 2,025,017 |
| Byron Primary School | 1,573,413 | 205,701 | 34,635 | 371,152 | 2,184,901 | 1,352,656 |
| St Margaret's Infant School | 342,059 | 57,008 | 12,462 | 134,813 | 546,342 | - |
| Trust | 158,434 | 250,151 | 6,754 | 144,498 | 559,837 | 5,220 |
| | <u>3,298,555</u> | <u>718,111</u> | <u>101,004</u> | <u>743,209</u> | <u>4,860,879</u> | <u>3,382,893</u> |

20. Analysis of net assets between funds

| | Unrestricted funds 2017 £ | Restricted funds 2017 £ | Restricted fixed assets funds 2017 £ | Total funds 2017 £ |
|--|------------------------------------|----------------------------------|--|-----------------------------|
| Tangible fixed assets | - | - | 13,257,311 | 13,257,311 |
| Current assets | 600,240 | 287,820 | 9,726 | 897,786 |
| Creditors due within one year | (181,663) | - | - | (181,663) |
| Provisions for liabilities and charges | - | (1,992,000) | - | (1,992,000) |
| | <u>418,577</u> | <u>(1,704,180)</u> | <u>13,267,037</u> | <u>11,981,434</u> |

Analysis of net assets between funds - prior year

| | Unrestricted funds 2016 £ | Restricted funds 2016 £ | Restricted fixed assets funds 2016 £ | Total funds 2016 £ |
|--|------------------------------------|----------------------------------|--|-----------------------------|
| Tangible fixed assets | - | - | 5,808,415 | 5,808,415 |
| Current assets | 197,022 | 274,696 | - | 471,718 |
| Creditors due within one year | - | (134,646) | - | (134,646) |
| Provisions for liabilities and charges | - | (1,934,000) | - | (1,934,000) |
| | <u>197,022</u> | <u>(1,793,950)</u> | <u>5,808,415</u> | <u>4,211,487</u> |

THE WESTBROOK TRUST
(A company limited by guarantee)

**Notes to the financial statements
for the year ended 31 August 2017**

21. Reconciliation of net movement in funds to net cash flow from operating activities

| | 2017 £ | 2016 £ |
|--|----------------|----------------|
| Net income for the year (as per Statement of Financial Activities) | 7,225,947 | 2,921,396 |
| Adjustment for: | | |
| Depreciation charges | 332,573 | 128,267 |
| Increase in debtors | (179,424) | (25,100) |
| Increase in creditors | 47,015 | 49,898 |
| Defined benefit pension scheme obligation inherited from local authority on conversion | - | (17,817) |
| Defined benefit pension scheme obligation inherited | 394,000 | 468,000 |
| Defined benefit pension scheme cost less contributions payable | 208,000 | 70,000 |
| Transfer of assets and liabilities from local authority on conversion | (7,763,489) | 31,000 |
| Net (loss) on assets and liabilities from local authority on conversion | - | (3,392,251) |
| Net cash provided by operating activities | 264,622 | 233,393 |

22. Analysis of cash and cash equivalents

| | 2017 £ | 2016 £ |
|--------------|----------------|----------------|
| Cash in hand | 625,842 | 379,200 |
| Total | 625,842 | 379,200 |

23. Conversion to an academy trust

On 1 April 2017 St Margaret's Infant School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to The Westbrook Trust from Medway Council for £nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair value and recognised in the Balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the Statement of financial activities incorporating income and expenditure account as Donations - transfer from local authority on conversion

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of financial activities incorporating income and expenditure account.

| | Unrestricted funds £ | Restricted funds £ | Restricted fixed assets funds £ | Total funds £ |
|---|----------------------------|--------------------------|--|---------------------|
| Tangible fixed assets | | | | |
| - Freehold/leasehold land and buildings | - | - | 7,600,000 | 7,600,000 |
| - Other tangible fixed assets | - | - | 163,489 | 163,489 |
| Budget surplus/(deficit) on LA funds | 114,614 | - | - | 114,614 |
| LGPS pension surplus/(deficit) | - | (394,000) | - | (394,000) |
| Net assets/(liabilities) | 114,614 | (394,000) | 7,763,489 | 7,484,103 |

THE WESTBROOK TRUST
(A company limited by guarantee)

Notes to the financial statements
for the year ended 31 August 2017

24. Contingent liabilities

During the period of the funding agreement, should any asset for which a capital grant was received be sold or otherwise disposed of, in the event of the Academy not reinvesting the proceeds, it will be required to pay the grant related proportion of the proceeds to the EFA.

Should the funding agreement be terminated for any reason, the Academy shall repay to the EFA the current value of the academy's land and buildings and other assets, to the extent that such assets were funded by sums received from the EFA.

25. Pension commitments

The academy's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Kent County Council. Both are Multi-employer defined benefit pension schemes.

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

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

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

- 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%.

THE WESTBROOK TRUST
(A company limited by guarantee)

**Notes to the financial statements
for the year ended 31 August 2017**

25. Pension commitments (continued)

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 is currently underway based on April 2016 data, 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 £339,871 (2016 - £320,000).

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

Under the definitions set out in FRS 102, the TPS is 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 assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £221,000 (2016 - £175,000), of which employer's contributions totalled £172,000 (2016 - £136,000) and employees' contributions totalled £49,000 (2016 - £39,000). The agreed contribution rates for future years are 20.1% for employers and var% 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:

| | 2017 | 2016 |
|--|---------|---------|
| Discount rate for scheme liabilities | 2.60 % | 2.20 % |
| Expected return on scheme assets at 31 August | - % | 2.20 % |
| Rate of increase in salaries | 4.20 % | 4.10 % |
| Rate of increase for pensions in payment / inflation | 2.70 % | 2.30 % |
| Inflation assumption (CPI) | 2.70 % | 2.30 % |
| Commutation of pensions to lump sums | 50.00 % | 50.00 % |
| RPI increases | 3.60 % | 3.20 % |

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

| | 2017 | 2016 |
|----------------------|------|------|
| Retiring today | | |
| Males | 23 | 22.9 |
| Females | 25.1 | 25.3 |
| Retiring in 20 years | | |
| Males | 25.2 | 25.2 |
| Females | 27.4 | 27.7 |

| | At 31 August 2017 £ | At 31 August 2016 £ |
|--|---------------------------|---------------------------|
| Sensitivity analysis | | |
| Discount rate +0.1% | 3,534,000 | 3,384,000 |
| Discount rate -0.1% | 3,694,000 | 3,548,000 |
| Mortality assumption - 1 year increase | 3,728,000 | 3,553,000 |

THE WESTBROOK TRUST
(A company limited by guarantee)

**Notes to the financial statements
for the year ended 31 August 2017**

25. Pension commitments (continued)

| | | |
|--|-----------|-----------|
| Mortality assumption - 1 year decrease | 3,501,000 | 3,379,000 |
| CPI rate +0.1% | 3,677,000 | 3,529,000 |
| CPI rate -0.1% | 3,551,000 | 3,402,000 |

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

| | Fair value at 31 August 2017 £ | Fair value at 31 August 2016 £ |
|------------------------------|---|---|
| Equities | 1,419,000 | 1,035,000 |
| Gilts | 14,000 | 14,000 |
| Other Bonds | 194,000 | 163,000 |
| Debt instruments | - | - |
| Property | 247,000 | 215,000 |
| Cash and other liquid assets | 64,000 | 37,000 |
| Absolute return fund | 77,000 | 67,000 |
| Total market value of assets | <u>2,015,000</u> | <u>1,531,000</u> |

The actual return on scheme assets was £290,000 (2016 - £168,000).

The amounts recognised in the Statement of financial activities incorporating income and expenditure account are as follows:

| | 2017 £ | 2016 £ |
|--------------------------------|------------------|------------------|
| Current service cost | (335,000) | (206,000) |
| Interest income | 39,000 | 44,000 |
| Interest cost | (84,000) | (75,000) |
| Total | <u>(380,000)</u> | <u>(237,000)</u> |
| Actual return on scheme assets | <u>290,000</u> | <u>168,000</u> |

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

| | 2017 £ | 2016 £ |
|------------------------------------|------------------|------------------|
| Opening defined benefit obligation | 3,465,000 | 1,196,000 |
| Current service cost | 335,000 | 206,000 |
| Interest cost | 84,000 | 75,000 |
| Employee contributions | 49,000 | 39,000 |
| Actuarial (gains)/losses | (691,000) | 965,000 |
| Liabilities acquired on conversion | 442,000 | 984,000 |
| Closing defined benefit obligation | <u>3,684,000</u> | <u>3,465,000</u> |

THE WESTBROOK TRUST
(A company limited by guarantee)

**Notes to the financial statements
for the year ended 31 August 2017**

25. Pension commitments (continued)

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

| | 2017 £ | 2016 £ |
|-------------------------------------|------------------|------------------|
| Opening fair value of scheme assets | 1,487,000 | 672,000 |
| Upon conversion | - | 516,000 |
| Actuarial gains/(losses) | (147,000) | 124,000 |
| Employer contributions | 172,000 | 136,000 |
| Employee contributions | 49,000 | 39,000 |
| | <u>1,561,000</u> | <u>1,487,000</u> |
| Closing fair value of scheme assets | <u>1,561,000</u> | <u>1,487,000</u> |

26. Operating lease commitments

At 31 August 2017 the total of the Academy trust's future minimum lease payments under non-cancellable operating leases was:

| | 2017 £ | 2016 £ |
|-------------------------|--------------|--------------|
| Amounts payable: | | |
| Within 1 year | 2,339 | 1,341 |
| Between 1 and 5 years | 228 | 1,158 |
| | <u>2,567</u> | <u>2,499</u> |
| Total | <u>2,567</u> | <u>2,499</u> |

27. Members' liability

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

28. Related party transactions

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