
Westminster Academy Trust
(A Company Limited by Guarantee)
Annual Report and Financial Statements
Year ended 31 August 2018

Company Registration Number
10571263 (England and Wales)

Feltons
Chartered Accountants

Birmingham
B1 3JR

Report and Financial Statements
Year ended 31 August 2018

Contents	Page
Reference and Administrative Details	1
Directors' Report	2
Governance Statement	8
Statement on Regularity, Propriety and Compliance	11
Statement of Trustees' Responsibilities	12
Independent Auditor's Report on the Financial Statements	13
Independent Reporting Accountant's Report on Regularity	17
Statement of Financial Activities incorporating Income & Expenditure Account	19
Balance Sheet	20
Statement of Cash Flows	21
Notes forming part of the Financial Statements, incorporating:	
Statement of Accounting Policies	22
Other Notes to the Financial Statements	27

Westminster Academy Trust
(A Company Limited by Guarantee)

Reference and Administrative Details

Members	Appointment Date
Roy Fackrell	16 January 2017
Edward Wright	16 January 2017
Lynda Ratcliff	16 January 2017
Paul Griffiths	16 January 2017
Sajid Gulzar	16 January 2017 (Resigned 9 January 2018)
Trustees	Appointment Date
Roy Fackrell (Chair)	18 January 2017
Maneer Samad (CEO)	18 January 2017
Nadeem Bhatti	01 February 2018
(Director of school improvement)	
Surinder Dhillon (Director of HR)	18 January 2017 (Resigned 24 September 2018)
Steven Griffin	18 January 2017
(Director of Finance)	
Lynda Ratcliff	18 January 2017 (Resigned 29 November 2018)
Edward Wright	18 January 2017
Sajid Gulzar	18 January 2017 (Resigned 9 January 2018)
Senior management team	
• Headteacher	Maneer Samad
• Deputy Headteacher	Vivienne Smith
• Assistant Headteacher	Yasmin Sherbaz
• Assistant Headteacher	Benjamin Hughes
• Assistant Headteacher	Yogita Patel
• Lead Practitioner	Daniel Hemmings
• Business Manager	Tahira Parveen
Company name	Westminster Academy Trust
Principal and registered office	Stamford Road, Birmingham B20 3PN
Company registration number	10571263
Independent auditor	Feltons 8 Sovereign Court 8 Graham Street Birmingham B1 3JR
Bankers	Lloyds Bank 162 Soho Road Birmingham B21 9LN
Solicitors	Anthony Collins PLP 134 Edmund Street Birmingham B3 2ES

Directors' report

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

The trust operates an academy for pupils aged 3 to 11 serving a catchment area in Handsworth, Birmingham. It has a pupil capacity of 459 full time equivalent and had a roll of 465 in the school census of August 2018.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

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

Details of the trustees who served during the period are included in the Reference and Administrative details on page 1.

Members' liability

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

Directors' indemnities

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 unlimited cover on any one claim.

Method of recruitment and appointment or election of Directors

The Trustees are recruited by members who will determine the recruitment process, ensuring skills and experience of potential candidates are matched to the requirements of the board.

Policies and Procedures Adopted for the Induction and Training of Directors

New trustees are invited to meet with the Clerk and the Chair of Trustees prior to their first meeting. The trust has subscribed to the NGA

Organisational structure

The board of trustees has established committees and appoints trustees to serve on each of the committees annually. The committees for the period of the report were:

- Finance and General Purposes
- Curriculum
- Human Resources (to be constituted as and when required)
- Head Teacher Performance Management

Directors' report

The written terms of reference of the committees include the monitoring of the preparation and management of the academy's budget and implementation of the academy's financial management policies, including risk assessment.

The board of trustees also appoints a responsible officer and this role has been fully implemented in accordance with the academy trust's financial procedures.

Decisions relating to monitoring of the preparation and management of the budget are reserved for the board of trustees. Those responsibilities delegated to management include implementation of the curriculum.

Arrangements for setting pay and remuneration of key management personnel

The setting of pay and remuneration of the academy's key management personnel is done in accordance with the Pay Policy adopted by the trustees and with regard to the leadership paycales adopted by the Trust. The trustees have adopted the model policy issued by Birmingham Local Authority. The performance of all personnel and any progression within the Leadership Payscale is subject to the process of Performance Management. The Performance Management of the Head Teacher is carried out by a committee of the Trust Board with an independent external advisor.

Trade union facility time

Information in accordance with Schedule 2 of the Trade Union (Facility Time Publication Requirements) Regulations 2017 is as follows:

Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent number
3	3

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	3
1% - 50%	0
51% - 99%	0
100%	0

Percentage of pay bill spent on facility time

Total cost of facility time	£1,751
Total pay bill	£1,904,335
Facility time as percentage of total pay bill	0.09

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	0
---	---

Related parties and other Connected Charities and Organisations

DRB Schools and Academies Limited supply financial services to the academy. One of the directors is an employee of the DRB Schools and Academies.

Directors' report

OBJECTIVES AND ACTIVITIES

Objectives and aims

The strategic goal of Westminster Academy Trust is to provide a broad and balanced curriculum to all pupils in accordance with the funding agreement between the academy trust and the Department for Education.

Objectives, strategies and activities

The main objectives for the period are:

- To provide a holistic, quality education, thus equipping children with the skills to be successful socially and economically in the future
- To ensure that all member schools provide an excellent education, with a reputation for impactful innovation and high standards

The strategies adopted for achieving these objectives are:

- To ensure that the capacity to provide an excellent education and to improve continuously is supported by impactful professional development.
- To continue to develop leaders from within, equipping them with necessary skills, knowledge and experience to support the future activities of the MAT.
- To develop the Trust Board through pertinent training.

Significant activities linked to the trust's charitable activities, and how they further its aims, has been:

- a particular focus on the precision of teaching with respect to reading. This resulted in an 11% rise in reading attainment and a 12% rise in combined reading/writing/mathematics attainment. The latter is now 3% higher than the national average and indicates a trajectory in line with the trust's objectives of providing a high quality education and high standards.

Public benefit

In setting our objectives and planning our activities, the board of trustees has given careful consideration to the general guidance on public benefit published by the Charity Commission on their website at www.gov.uk/topic/running-charity/managing-charity in exercising their powers or duties.

Westminster Academy Trust is an equal opportunity employer, and strives to give full and fair consideration to all applicants for employment, training and promotions, irrespective of disability, gender, race, colour or sexual orientation.

Directors' report

Strategic Report

Achievements and Performance

Westminster Primary School continues to be a very popular school that is significantly oversubscribed with waiting lists in every year group from one to six.

Key Performance Indicators

Pupil achievement in 2018

EYFS: GLD

School	NAT
68%	72%

Phonics check:

School	NAT
90%	82%

Key Stage 1:

	School		NAT	
	Exp	GD	Exp	GD
RDG	70%	15%	75%	26%
WTG	70%	12%	70%	16%
MATHS	72%	13%	76%	22%

Key Stage 2:

	School		NAT	
	Exp	GD	Exp	GD
RDG	73 %	15 %	75%	28%
WTG	78 %	8 %	78%	20%
MATHS	82 %	18 %	76 %	24%
SPAG	87%	45 %	78 %	34%
Comb	67 %	8%	64 %	10%

- Reading outcomes improved by 11% from 2017.
- Combined reading/writing/mathematics outcomes rose by 12% from 2017
- Combined reading/writing/mathematics were 3% higher than the national average

The most recent Ofsted judgements (March 2015) rated the school as 'good' with 'outstanding' early years provision.

School Attendance 2017/18 was 95.2% (National 2016/17 = 96%)

This includes the impact of absence for religious observance of the Eid festival, taken by the vast majority of pupils. Excluding this festival, attendance was 96.2%

Directors' report

- Direct costs as a percentage of total costs were 66.7% (2017: 73.8%)
- Support costs as a percentage of total costs were 33.3% (2017: 26.2%)
- Total payroll costs as a percentage of recurring income were 77.3% (2017: 74.5%)

Going concern

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

Financial Review

The financial results of Westminster Academy Trust are detailed in the following pages. It is considered that the finances are sound and well established. The principal financial management policies adopted are laid down by the Finance Handbook for Academies published by the ESFA and requirements as laid down by the Academy's Financial Handbook.

The principal funding source is grant income from the ESFA. All expenditure of this grant income is planned to fulfil the objectives and strategies of the academy.

During the year ended 31 August 2018 total resources expended were £2,575,316 and the excess of expenditure over income was £29,129 which included depreciation of £120,112.

At 31 August 2018 the net book value of fixed assets was £5,037,210. The assets were used exclusively on providing education and the associated support services to the students of the Trust.

Reserves Policy

The trustees continually monitor the reserves of the charitable company. This process encompasses the nature of income and expenditure streams and the need to match commitments with income and nature of reserves.

It is the board of trustees' general policy to continue to build reserves which can be used for future educational purposes.

The academy had total funds at 31 August 2018 of £3,778,699 which included £102,341 of restricted funds not available for general purposes of the academy trust, £149,300 of free reserves defined as unrestricted funds available for general purposes and £5,100,058 which can only be realised by the disposal of tangible fixed assets.

The balance on restricted general funds (excluding pension reserve) plus the balance on unrestricted funds was a surplus of £251,641.

In addition, the deficit on the restricted pension fund of £1,573,000 arises from an actuarial deficit on the local government pension scheme which will be dealt with as advised by the actuary.

Investment Policy

The Trustees will consider the investment of any surplus funds in a deposit account.

These investments will be carried out in accordance with the powers vested in the board of trustees.

Directors' report

Principal Risks and Uncertainties

The trustees have considered the major risks and uncertainties facing the charitable company which include changes in legislation and regulations and cash flow management and have put in place procedures to deal with these matters.

Attention has also been focussed on non-financial risks arising from fire, health and safety. These risks are managed by ensuring accreditation is up to date, having robust policies in place, and regular awareness training for staff working in these operational areas.

Plans for Future Periods

The Trust is expecting to grow beyond the current position of responsibility for only Westminster Primary School.

Funds held as custodian

There are no funds that are held by the MAT that are not owned by them.

Auditor

Insofar as the Directors are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 18 December 2018 and signed on the board's behalf by:



..... R Fackrell - Chair of Directors

Governance statement

Scope of Responsibility

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

The board of trustees has delegated the day-to-day responsibility to the Principal, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Westminster Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Directors' Report and in the Statement of Directors' Responsibilities. The board of directors has formally met 5 times during the year. Attendance during the year at meetings of the board of directors was as follows:

Trustee	Meetings attended	Out of a possible
Roy Fackrell (Chair)	5	5
Maneer Samad	5	5
Steven Griffin	3	5
Sajid Gulzar	1	2
Edward Wright	2	5
Lynda Ratcliff	1	5
Paul Griffiths	3	5
Surinder Dhillon	2	5
Nadeem Bhatti	2	3

The trust intends to conduct its next self-evaluation/external review in Summer 2019

Governance statement (continued)

The finance committee is a sub-committee of the main board of trustees. Its purpose is to report to the Trust Board the outcomes of budget monitoring.

Trustee	Meetings attended	Out of a possible
Roy Fackrell (Chair)	3	3
Maneer Samad	3	3
Steven Griffin	3	3

Review of value for money

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

The accounting officer considers how the trust's use of 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 available. The accounting officer for the academy trust has delivered improved value for money during the period by:

- Continuing to apply best value principles with regard to procurement. An example of this is the sourcing of supply staff from multiple agencies in order to obtain the most cost effective personnel.

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

The Risk and Control Framework

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the finance and general purposes committee of reports which indicate financial

Governance statement (continued)

performance against the forecasts and of major purchase plans, capital works and expenditure programmes;

- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However the trustees have appointed

- Baldwins, the external auditor, to perform additional checks.

His/her role will include giving advice on financial matters and performing a range of checks on the academy trust's financial systems. In particular the checks carried out during the external audit in the current period included:

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

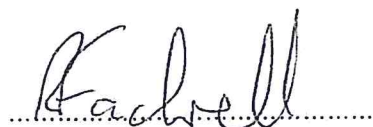
The board of trustees are currently awaiting the first report from Baldwins, the external auditor.

Review of Effectiveness

As accounting officer, Maneer Samad (the principal) has responsibility for reviewing the effectiveness of the system of internal control. During the period in question the review has been informed by:

- the work of the external auditor;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

Approved by order of the members of the board of trustees on 18 December 2018 and signed on its behalf by:



Roy Fackrell
Chair of Trustees



Maneer Samad
Accounting Officer

Statement of regularity, propriety and compliance

As accounting officer of Westminster Academy 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 2018.

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 2018.

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 the ESFA.



Maneer Samad – Accounting Officer

18 December 2018

Statement of Trustees' Responsibilities

The trustees (who act as governors of Westminster Academy 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 published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

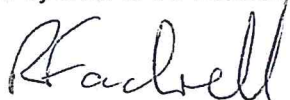
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards [FRS 102] have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

The trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from the 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 18 December 2018 and signed on its behalf by:



Roy Fackrell – Chair of Trustees

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

Opinion

We have audited the financial statements of Westminster Academy Trust (the 'academy trust') for the period ended 31 August 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency.

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

In our opinion the financial statements :

- give a true and fair view of the state of the academy trust's affairs as at 31 August 2018, and of its incoming resources and application of resources, including its income and expenditure, for the period then ended
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- have been prepared in accordance with the requirements of the Companies Act 2006
- have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction

Basis for opinion

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

Conclusions relating to going concern

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

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the academy trust'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.

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

Other information

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

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

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

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

- the information given in the trustees' report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' 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 trust and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' 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
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

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

Responsibilities for the financial statements

As explained more fully in the trustees' responsibilities statement (set out on page 12), the trustees (who are also the directors of the academy trust 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 trust'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 trust or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the academy trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the academy trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the academy trust to cease to continue as a going concern.

Westminster Academy Trust
(A Company Limited by Guarantee)

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

Auditor's responsibilities for the audit of the financial statements (continued)

Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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



David W Farnsworth FCA (Senior Statutory Auditor)

For and on behalf of Feltons, Statutory Auditor

8 Sovereign Court

8 Graham Street

Birmingham B1 3JR

18 December 2018

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

In accordance with the terms of our engagement letter dated 10 February 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by the Westminster Academy Trust during the period 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The accounting officer is responsible, under the requirements of Westminster Academy Trust's funding agreement with the Secretary of State for Education dated 31 January 2017 and the Academies Financial Handbook, extant from 1 September 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

Approach

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

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

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

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

The work undertaken to draw our conclusion includes :

- Consideration of the applicable legislation and the academy trust's funding agreement
- Review and evaluation of the academy trust's system of internal controls
- Examination and assessment of the Accounting Officer's statement on Regularity, Propriety and Compliance
- Examination, on a test basis, of third party evidence supporting income and expenditure
- Review of exceptional and unusual items

Westminster Academy Trust
(A Company Limited by Guarantee)

Independent Reporting Accountant's Assurance Report on Regularity to Westminster Academy 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 period 1 September 2017 to 31 August 2018 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



David W Farnsworth FCA (Reporting Accountant)

For and on behalf of Feltons, Statutory Auditor

8 Sovereign Court

8 Graham Street

Birmingham B1 3JR

18 December 2018

Westminster Academy Trust
(A Company Limited by Guarantee)

Statement of financial activities for the year ended 31 August 2018
(including income and expenditure account)

	Notes	Unrestricted funds £	Restricted pension fund £	Restricted general funds £	Restricted fixed asset funds £	Total 2017/2018 £	7 months to 31/08/2017 £
Income from :							
Donations and capital grants	2	-	-	-	140,734	140,734	8,970
Transfer from local authority on conversion		-	-	-	-	-	3,501,007
Funding for the academy trust's educational operations	3	100,481	-	2,304,698	-	2,405,179	1,522,389
Investments	4	274	-	-	-	274	103
Total		100,755	-	2,304,698	140,734	2,546,187	5,032,469
Expenditure on :							
Charitable activities:							
Academy trust's educational operations	5	88,576	74,000	2,292,628	120,112	2,575,316	1,440,641
Total		88,576	74,000	2,292,628	120,112	2,575,316	1,440,641
Net income/(expenditure) before transfers		12,179	(74,000)	12,070	20,622	(29,129)	3,591,828
Net income/(expenditure) after transfers		12,179	(74,000)	12,070	20,622	(29,129)	3,591,828
Other recognised gains/(losses)							
Actuarial gains/(losses) on defined benefit pension schemes	13, 21	-	331,000	-	-	331,000	(115,000)
Net movement in funds		12,179	257,000	12,070	20,622	301,871	3,476,828
Reconciliation of funds							
Total funds brought forward	13	137,121	(1,830,000)	90,271	5,079,436	3,476,828	-
Total funds carried forward		149,300	(1,573,000)	102,341	5,100,058	3,778,699	3,476,828

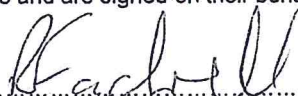
All of the Academy's activities derive from continuing operations during the above two financial periods.

Westminster Academy Trust
(A Company Limited by Guarantee)

Company number : 10571263
Balance sheet as at 31 August 2018

	Notes	2018		2017	
		£	£	£	£
Fixed assets					
Tangible assets	10		5,037,210		5,070,466
Current assets					
Debtors	11	105,105		61,815	
Cash at bank and in hand		<u>331,315</u>		<u>296,273</u>	
		436,420		358,088	
Liabilities					
Creditors: amounts falling due within one year	12	<u>121,931</u>		<u>121,726</u>	
Net current assets			314,489		236,362
Net assets excluding pension liability			<u>5,351,699</u>		<u>5,306,828</u>
Defined benefit pension scheme liability	21		<u>(1,573,000)</u>		<u>(1,830,000)</u>
Total net assets			<u><u>3,778,699</u></u>		<u><u>3,476,828</u></u>
Funds of the academy trust :					
Restricted funds					
Fixed asset fund	13	5,100,058		5,079,436	
General fund	13	102,341		90,271	
Pension reserve	13	<u>(1,573,000)</u>		<u>(1,830,000)</u>	
Total restricted funds			3,629,399		3,339,707
Unrestricted income funds	13		149,300		137,121
Total funds			<u><u>3,778,699</u></u>		<u><u>3,476,828</u></u>

The financial statements on pages 19 to 40 were approved by the trustees, and authorised for issue on 18 December 2018 and are signed on their behalf by:



Roy Fackrell - Chair of Trustees

Statement of cash flows for the year ended 31 August 2018

	Notes	2018 £	2017 £
Cash flows from operating activities			
Net cash provided by / (used in) operating activities	17	(19,110)	192,725
Cash flows from investing activities	18	54,152	9,073
Cash transferred on conversion to academy trust		-	94,475
Change in cash and cash equivalents in the reporting period		<u>35,042</u>	<u>296,273</u>
Cash and cash equivalents at 1 September 2017		296,273	-
Cash and cash equivalents at 31 August 2018	19	<u>331,315</u>	<u>296,273</u>

Notes to the financial statements for the year ended 31 August 2018

1. Statement of accounting policies

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

Basis of preparation

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

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

Going concern

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

Income

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

Grants

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

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

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

Notes to the financial statements for the year ended 31 August 2018 (continued)

1. Statement of accounting policies (continued)

Income (continued)

Donations

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

Other income

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the academy trust has provided the goods or services.

Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. Upon sale the fair value of the goods is charged against, and the proceeds are recognised as, 'Income from other trading activities'.

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

Expenditure

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

Expenditure on raising funds

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

Charitable activities

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

All resources expended are inclusive of irrecoverable VAT.

Notes to the financial statements for the year ended 31 August 2018 (continued)

1. Statement of accounting policies (continued)

Tangible fixed assets

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

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

Depreciation is provided on all tangible fixed assets other than freehold land and assets under construction, at rates calculated to write off the cost of each asset over its expected useful life as follows:

Long leasehold buildings	- straight line over 50 years
Fittings and equipment	- 10% straight line
Computer hardware	- 33% straight line

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

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

Liabilities

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

Leased assets

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

Westminster Academy Trust
(A Company Limited by Guarantee)

Notes to the financial statements for the year ended 31 August 2018 (continued)

1. Statement of accounting policies (continued)

Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

Cash at bank - classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

Taxation

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

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

Pension benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

Notes to the financial statements for the year ended 31 August 2018 (continued)

1. Statement of accounting policies (continued)

Pension benefits (continued)

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

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

Fund accounting

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

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

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

Critical accounting estimates and areas of judgement

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

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Notes to the financial statements for the year ended 31 August 2018 (continued)

2. Donations and capital grants

	Unrestricted funds £	Restricted general fund £	Restricted fixed asset funds £	Total 2017/2018 £	7 months to 31/08/2017 £
Capital grants	-	-	140,734	140,734	8,970
	-	-	140,734	140,734	8,970
2017 total	-	-	8,970	8,970	

3. Funding for the Academy Trust's educational operations

	Unrestricted funds £	Restricted general fund £	Restricted fixed asset funds £	Total 2017/2018 £	7 months to 31/08/2017 £
DfE/ESFA grants					
General Annual Grant (GAG)	-	1,911,681	-	1,911,681	1,129,422
Other DfE Group grants	-	279,287	-	279,287	164,757
	-	2,190,968	-	2,190,968	1,294,179
Other government grants					
Local authority grants	-	113,730	-	113,730	83,620
	-	113,730	-	113,730	83,620
Other income from the academy trust's educational operations					
	100,481	-	-	100,481	144,590
	100,481	113,730	-	214,211	228,210
	100,481	2,304,698	-	2,405,179	1,522,389
2017 total	144,590	1,377,799	-	1,522,389	

4. Investment income

	Unrestricted funds £	Restricted funds £	Total 2017/2018 £	7 months to 31/08/2017 £
Short term deposits	274	-	274	103
2017 total	103	-	103	

Westminster Academy Trust
(A Company Limited by Guarantee)

Notes to the financial statements for the year ended 31 August 2018 (continued)

5. Expenditure

	Staff costs £	Non pay expenditure Premises £	Other £	Total 2017/2018 £	7 months to 31/08/2017 £
Academy's educational operations					
Direct costs	1,532,740	76,994	108,644	1,718,378	1,063,758
Allocated support costs	436,123	138,399	282,416	856,938	376,883
	<u>1,968,863</u>	<u>215,393</u>	<u>391,060</u>	<u>2,575,316</u>	<u>1,440,641</u>
2017 total	<u>1,141,208</u>	<u>119,909</u>	<u>179,524</u>	<u>1,440,641</u>	

Net income/(expenditure) for the period includes :

		2017/2018 £	31/08/2017 £
Operating leases	- plant and machinery	5,806	4,078
Depreciation		120,112	70,066
Fees payable to auditor	- audit	8,750	8,450
	- other services	-	425

6. Charitable activities

	Unrestricted funds £	Restricted pension fund £	Other restricted funds £	Total 2017/2018 £	7 months to 31/08/2017 £
Educational operations					
Direct costs	46,514	-	1,671,864	1,718,378	1,063,758
Support costs	42,062	74,000	740,876	856,938	376,883
	<u>88,576</u>	<u>74,000</u>	<u>2,412,740</u>	<u>2,575,316</u>	<u>1,440,641</u>
2017 total	<u>102,047</u>	<u>(19,000)</u>	<u>1,357,594</u>	<u>1,440,641</u>	

Analysis of support costs

Support staff costs	-	74,000	362,123	436,123	180,532
Depreciation	-	-	43,118	43,118	25,721
Premises costs	-	-	101,087	101,087	56,011
Other support costs	42,062	-	224,513	266,575	105,344
Governance costs	-	-	10,035	10,035	9,275
Total support costs	<u>42,062</u>	<u>74,000</u>	<u>740,876</u>	<u>856,938</u>	<u>376,883</u>
2017 total	<u>24,226</u>	<u>(19,000)</u>	<u>371,657</u>	<u>376,883</u>	

Notes to the financial statements for the year ended 31 August 2018 (continued)

7. Staff

a) Staff costs

Staff costs during the period were:

	Total 2017/2018 £	7 months to 31/08/2017 £
Wages and salaries	1,432,268	836,922
Social security costs	123,974	75,326
Pension costs	348,093	149,105
	<u>1,904,335</u>	<u>1,061,353</u>
Agency staff costs	64,528	79,855
	<u>1,968,863</u>	<u>1,141,208</u>

b) Staff numbers

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

	2017/2018 Number	2016/2017 Number
Teachers	20	20
Administration and support	51	54
Management	7	5
	<u>78</u>	<u>79</u>

c) Higher paid staff

	2017/2018 Number	2016/2017 Number
The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 (2017 : annualised) was :		
£60,001 - £70,000	-	1
£90,001 - £100,000	<u>1</u>	<u>1</u>

d) Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £384,388 (2017: £229,547).

Westminster Academy Trust
(A Company Limited by Guarantee)

Notes to the financial statements for the year ended 31 August 2018 (continued)

8. Related Party Transactions - Trustees' remuneration and expenses

One or more trustees has been paid remuneration or has received other benefits from employment with the academy trust. The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment.

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

Mr M Samad (principal and trustee)	
Remuneration	£90,000 - £95,000 (2017 : £55,000 - £60,000)
Employer's pension contributions paid	£10,000 - £15,000 (2017 : £5,000 - £10,000)

During the year ended 31 August 2018, travel and subsistence expenses totalling £nil (2017 : £nil) were reimbursed or paid directly to no (2017 : nil) trustees.

9. Trustees' and officers' insurance

The academy trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000. It is not possible to quantify the trustees and officers indemnity element from the overall cost of the RPA scheme.

10. Tangible fixed assets

	Leasehold land and buildings £	Fittings and equipment £	Computer hardware £	Assets under construction £	Total £
Cost or valuation					
At 1 September 2017	5,051,160	45,234	44,138	-	5,140,532
Additions	-	-	-	86,856	86,856
At 31 August 2018	<u>5,051,160</u>	<u>45,234</u>	<u>44,138</u>	<u>86,856</u>	<u>5,227,388</u>
Depreciation					
At 1 September 2017	58,930	2,639	8,497	-	70,066
Charge for the year	<u>101,023</u>	<u>4,523</u>	<u>14,566</u>	<u>-</u>	<u>120,112</u>
At 31 August 2018	<u>159,953</u>	<u>7,162</u>	<u>23,063</u>		<u>190,178</u>
Net book values					
At 31 August 2018	<u>4,891,207</u>	<u>38,072</u>	<u>21,075</u>	<u>86,856</u>	<u>5,037,210</u>
At 31 August 2017	<u>4,992,230</u>	<u>42,595</u>	<u>35,641</u>	<u>-</u>	<u>5,070,466</u>

Westminster Academy Trust
(A Company Limited by Guarantee)

Notes to the financial statements for the year ended 31 August 2018 (continued)

10. Tangible fixed assets (continued)

Leasehold property was valued at 1 February 2017 by The Valuation Office Agency – DVS and the fittings and equipment and computer hardware were valued as at the same date by the trustees. The basis on which the valuations were made was depreciated replacement cost.

Cost or valuation at 31 August 2018 is represented by :

	Leasehold land and buildings £	Fittings and equipment £	Computer hardware £	Assets under construction	Total £
Valuation in 2017	5,051,160	45,234	44,138	-	5,140,532
Cost	-	-	-	86,856	86,856
	<u>5,051,160</u>	<u>45,234</u>	<u>44,138</u>	<u>86,856</u>	<u>5,227,388</u>

11. Debtors

	Total 2018 £	Total 2017 £
VAT recoverable	29,112	11,496
Prepayments and accrued income	<u>75,993</u>	<u>50,319</u>
	<u>105,105</u>	<u>61,815</u>

12. Creditors

	Total 2018 £	Total 2017 £
Amounts falling due within one year :		
Accruals and deferred income	117,917	102,526
Other creditors	<u>4,014</u>	<u>19,200</u>
	<u>121,931</u>	<u>121,726</u>
Deferred income		
Deferred income at 1 September 2017	33,012	-
Resources deferred in the year	31,738	33,012
Amounts released from previous years	<u>(33,012)</u>	<u>-</u>
Deferred income at 31 August 2018	<u>31,738</u>	<u>33,012</u>

At the balance sheet date the academy trust was holding funds received in advance for universal infant free school meals.

Notes to the financial statements for the year ended 31 August 2018 (continued)

13. Funds

	Balance at 1 September 2017 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2018 £
Restricted general funds					
General Annual Grant (GAG)	90,271	1,911,681	(1,899,611)	-	102,341
Pupil Premium	-	279,287	(279,287)	-	-
Other grants	-	113,730	(113,730)	-	-
	<u>90,271</u>	<u>2,304,698</u>	<u>(2,292,628)</u>	<u>-</u>	<u>102,341</u>
Restricted fixed asset funds					
Transfer on conversion	5,070,466	-	(120,112)	-	4,950,354
DfE Group capital grants	8,970	140,734	-	-	149,704
	<u>5,079,436</u>	<u>140,734</u>	<u>(120,112)</u>	<u>-</u>	<u>5,100,058</u>
Pension reserve	<u>(1,830,000)</u>	<u>-</u>	<u>(74,000)</u>	<u>331,000</u>	<u>(1,573,000)</u>
Total restricted funds	<u>3,339,707</u>	<u>2,445,432</u>	<u>(2,486,740)</u>	<u>331,000</u>	<u>3,629,399</u>
Unrestricted funds					
Other income	137,121	100,755	(88,576)	-	149,300
Total unrestricted funds	<u>137,121</u>	<u>100,755</u>	<u>(88,576)</u>	<u>-</u>	<u>149,300</u>
Total funds	<u>3,476,828</u>	<u>2,546,187</u>	<u>(2,575,316)</u>	<u>331,000</u>	<u>3,778,699</u>

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

Restricted general funds

These comprise all restricted funds other than restricted fixed asset funds and include grants from The Education and Skills Funding Agency and Birmingham City Council.

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2018.

Unrestricted funds

These comprise resources that may be used towards meeting any of the charitable objects of the academy trust at the discretion of the trustees.

Restricted fixed asset funds

These comprise resources which are to be applied to specific capital purposes imposed by The Education and Skills Funding Agency and Birmingham City Council where the asset acquired or created is held for a specific purpose.

Notes to the financial statements for the year ended 31 August 2018 (continued)

13. Funds (continued)

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

	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2017 £
Restricted general funds				
General Annual Grant (GAG)	1,129,422	(1,039,151)	-	90,271
Pupil Premium	164,757	(164,757)	-	-
Other grants	83,620	(83,620)	-	-
	<u>1,377,799</u>	<u>(1,287,528)</u>	<u>-</u>	<u>90,271</u>
Restricted fixed asset funds				
Transfer on conversion	5,140,532	(70,066)	-	5,070,466
DfE Group capital grants	8,970	-	-	8,970
	<u>5,149,502</u>	<u>(70,066)</u>	<u>-</u>	<u>5,079,436</u>
Pension reserve	<u>(1,734,000)</u>	<u>19,000</u>	<u>(115,000)</u>	<u>(1,830,000)</u>
Total restricted funds	<u>4,793,301</u>	<u>(1,338,594)</u>	<u>(115,000)</u>	<u>3,339,707</u>
Unrestricted funds				
Other income	239,168	(102,047)	-	137,121
Total unrestricted funds	<u>239,168</u>	<u>(102,047)</u>	<u>-</u>	<u>137,121</u>
Total funds	<u>5,032,469</u>	<u>(1,440,641)</u>	<u>(115,000)</u>	<u>3,476,828</u>

A current year 12 months and prior year 7 months combined position is as follows :

	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2018 £
Restricted general funds				
General Annual Grant (GAG)	3,041,103	(2,938,762)	-	102,341
Pupil Premium	444,044	(444,044)	-	-
Other grants	197,350	(197,350)	-	-
	<u>3,682,497</u>	<u>(3,580,156)</u>	<u>-</u>	<u>102,341</u>
Restricted fixed asset funds				
Transfer on conversion	5,140,532	(190,178)	-	4,950,354
DfE Group capital grants	149,704	-	-	149,704
	<u>5,290,236</u>	<u>(190,178)</u>	<u>-</u>	<u>5,100,058</u>
Pension reserve	<u>(1,734,000)</u>	<u>(55,000)</u>	<u>216,000</u>	<u>(1,573,000)</u>
Total restricted funds	<u>7,238,733</u>	<u>(3,825,334)</u>	<u>216,000</u>	<u>3,629,399</u>

Notes to the financial statements for the year ended 31 August 2018 (continued)

13. Funds (continued)

A current year 12 months and prior year 7 months combined position is as follows (continued) :

Unrestricted funds				
Other income	339,923	(190,623)	-	149,300
Total unrestricted funds	339,923	(190,623)	-	149,300
Total funds	7,578,656	(4,015,957)	216,000	3,778,699

14. Analysis of net assets between funds

Fund balances at 31 August 2018
are represented by:

	Unrestricted funds £	Restricted pension funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	-	5,037,210	5,037,210
Current assets	149,300	-	198,339	88,781	436,420
Current liabilities	-	-	(121,931)	-	(121,931)
	149,300	-	76,408	5,125,991	5,351,699
Pension scheme liability	-	(1,573,000)	-	-	(1,573,000)
Total net assets	149,300	(1,573,000)	76,408	5,125,991	3,778,699
			25,933	(25,933)	

Comparative information in
respect of the preceding period is

	Unrestricted funds £	Restricted pension funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	-	5,070,466	5,070,466
Current assets	137,121	-	211,997	8,970	358,088
Current liabilities	-	-	(121,726)	-	(121,726)
	137,121	-	90,271	5,079,436	5,306,828
Pension scheme liability	-	(1,830,000)	-	-	(1,830,000)
Total net assets	137,121	(1,830,000)	90,271	5,079,436	3,476,828

Notes to the financial statements for the year ended 31 August 2018 (continued)

15. Capital commitments

	2018 £	2017 £
Contracted for but not provided in the financial statements	45,000	-

16. Commitments under operating leases

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

	Total 2018 £	Other Total 2017 £
Amounts due within one year	5,429	5,806
Amounts due between one and five years	5,304	10,734
	10,733	16,540

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

	Total 2017/18 £	7 months to 2016/17 £
Net income/(expenditure) for reporting period (as per the SoFA)	(29,129)	3,591,828
Adjusted for :		
Depreciation (note 10)	120,112	70,066
Capital grants from DfE and other capital income	(140,734)	(8,970)
Cash transferred on conversion to academy trust	-	(94,475)
Assets transferred on conversion to academy trust	-	(5,140,532)
Interest receivable (note 4)	(274)	(103)
Defined benefit pension scheme obligation inherited	-	1,734,000
Defined benefit pension scheme cost less contributions payable (note 22)	29,000	(48,000)
Defined benefit pension scheme finance cost/(income) (note 22)	45,000	29,000
Decrease / (increase) in debtors	(43,290)	(61,815)
Increase / (decrease) in creditors	205	121,726
Net cash provided by / (used in) operating activities	(19,110)	192,725

18. Cash flows from investing activities

	Total 2017/18 £	7 months to 2016/17 £
Interest received	274	103
Purchase of tangible fixed assets	(86,856)	-
Capital grants from DfE Group	140,734	8,970
Net cash provided by / (used in) investing activities	54,152	9,073

Notes to the financial statements for the year ended 31 August 2018 (continued)

19. Analysis of cash and cash equivalents

	At 31 August 2018 £	At 31 August 2017 £
Cash at bank and in hand	331,315	296,273
	<u>331,315</u>	<u>296,273</u>

20. Member's 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.

21. Pension and similar obligations

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by West Midlands Pension Fund. Both are multi-employer defined-benefit schemes.

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

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

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies 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.

Notes to the financial statements for the year ended 31 August 2018 (continued)

21. Pension and similar obligations (continued)

Teachers' Pension Scheme (continued)

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

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS 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 year amounted to £113,222 (2017 : £68,094).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £201,000 (2017 : £188,000), of which employer's contributions totalled £174,000 (2017 : £166,000) and employees' contributions totalled £27,000 (2017 : £22,000). The agreed contribution rates for future years are 20.6% for employers and between 5.5% and 6.8% 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.

Notes to the financial statements for the year ended 31 August 2018 (continued)

21. Pension and similar obligations (continued)

Teachers' Pension Scheme (continued)

The trustees have agreed that the trust will make additional contributions in addition to normal funding levels over the next 32 years.

Principal actuarial assumptions	At 31 August 2018	At 31 August 2017
Rate of increase in salaries	3.80%	4.20%
Rate of increase for pensions in payment / inflation	2.30%	2.70%
Discount rate for scheme liabilities	2.70%	2.60%
Inflation assumption (CPI)	2.30%	2.70%
Commutation of pensions to lump sums	50.00%	50.00%

Sensitivity analysis	As disclosed	Discount rate	CPI rate	In life expectancy
	£'000s	+ 0.1% pa £'000s	+ 0.1% pa £'000s	+ 1 year £'000s
Present value of total obligation	1,970	1,909	2,021	2,033
Projected service cost	169	164	174	174
	£'000s	- 0.1% pa £'000s	- 0.1% pa £'000s	- 1 year £'000s
Present value of total obligation	1,970	2,033	1,921	1,909
Projected service cost	169	174	164	164

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

	At 31 August 2018	At 31 August 2017
Retiring today		
Males	21.9	21.8
Females	24.4	24.3
Retiring in 20 years		
Males	24.1	24.0
Females	26.7	26.6

Notes to the financial statements for the year ended 31 August 2018 (continued)

21. Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

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

	Fair value at 31 August 2018 £	Fair value at 31 August 2017 £
Equities	251,000	126,000
Government bonds	29,000	14,000
Other bonds	15,000	8,000
Property	32,000	14,000
Cash/liquidity	15,000	10,000
Other	55,000	26,000
Total market value of assets	397,000	198,000

The actual return on scheme assets was £4,000 (2017 : £10,000).

	2017/2018 £	2016/2017 £
Amount recognised in the statement of financial activities		
Current service cost (net of employee contributions)	203,000	118,000
Net interest cost	45,000	29,000
Total amount recognised in the SoFA	248,000	147,000

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

	2017/2018 £	2016/2017 £
At 1 September 2017	2,028,000	-
Conversion of academy trusts	-	1,734,000
Current service cost	203,000	118,000
Interest cost	53,000	31,000
Changes in financial assumptions	(335,000)	123,000
Benefits paid net of transfers in	(6,000)	-
Contributions by participants	27,000	22,000
At 31 August 2018	1,970,000	2,028,000

Westminster Academy Trust
(A Company Limited by Guarantee)

Notes to the financial statements for the year ended 31 August 2018 (continued)

21. Pension and similar obligations (continued)

Local Government Pension Scheme (continued)

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

	2017/2018 £	2016/2017 £
At 1 September 2017	198,000	-
Interest income	8,000	2,000
Return on assets less interest	(4,000)	8,000
Employer contributions	174,000	166,000
Contributions by participants	27,000	22,000
Benefits paid net of transfers in	(6,000)	-
At 31 August 2018	397,000	198,000
Net pension scheme liability	(1,573,000)	(1,830,000)

22. Related party transactions

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

The following related party transaction took place during the period:

Expenditure Related Party Transaction

drb Schools and Academies Services Ltd

A company in which S Griffin (trustee) was formerly an employee (left 7/2/18)

Services provided to the academy during the year

2018 £	2017 £
5,005	-

**Aspire Training Solutions (UK) Limited
Aspire Sports Health & Fitness Limited**

A company in which P Griffiths (member) has a direct interest

Services provided to the academy during the year

2018 £	2017 £
1,215	-

In entering into the transaction the trust has complied with the requirements of the Academies Financial Handbook 2017.