

# **THE WESTGATE SCHOOL**

**(A Company Limited by Guarantee)**

**Annual Report and Financial Statements**

**Period ended 31 August 2016**

# The Westgate School

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# The Westgate School

## Reference and Administrative Details

### Members

E Picton  
M Mallinson  
J Daly  
D Evans

### Trustees

E Picton (chairman) (appointed 11 May 2015)  
A Brown (appointed 11 May 2015)  
J Daly (appointed 11 May 2015)  
L Donnelly (appointed 11 May 2015)  
D Evans (appointed 11 May 2015)  
H Haines (appointed 11 May 2015)  
T Lake (appointed 11 May 2015)  
S McDowell (appointed 11 May 2015)  
D Nicholas (appointed 11 May 2015 & resigned 31 August 2016)  
K Pankiewicz (appointed 11 May 2015)  
S Parmar (appointed 11 May 2015)  
F Salar (appointed 18 January 2016)  
D Searle (appointed 11 May 2015 & resigned 06 July 2016)  
S Sidhu (appointed 11 May 2015 & resigned 13 December 2015)  
S Rose (appointed 1 September 2016)

### Company Secretary

A Witchell (appointed 1 September 2016)

### Senior Management Team:

- Head Teacher & Accounting Officer
- Deputy Head Teacher
- Business Manager

D Nicholas (resigned 31 August 2016)  
S Rose (appointed 1 September 2016)  
M Cooper  
C Lawrence

### Company Name

The Westgate School

### Principal and Registered Office

Cippenham Lane  
Slough, SL1 5AH

### Company Registration Number

9583593 (England and Wales)

### Independent Auditor

Moore Stephens LLP  
150 Aldersgate Street  
London, EC1A 4AB

### Bankers

Lloyds Bank  
High Street Slough  
PO BOX 1000  
BX1 1LT

### Solicitors

Winckworth Sherwood  
Minerva House  
5 Montague Close  
London, SE1 9BB

# **The Westgate School**

## **Trustees' Report**

The trustees present their annual report together with the financial statements and auditor's report of the charitable company for the period from incorporation 11<sup>th</sup> May 2015 to 31 August 2016. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The School operates one academy school in Cippenham providing state-funded education for the young people of Cippenham aged 11-19 years. The Westgate School has a pupil capacity of 1,000 and had on roll in the census 995 in the census 25th January 2016.

### **Structure, Governance and Management**

#### **Constitution**

The Westgate School is a company limited by guarantee, incorporated under Company number 9583593 and an exempt charity. The charitable company's memorandum and articles of association dated 8 May 2015 are its primary governing documents.

The trustees of the Westgate School are also directors of the charitable company for the purpose of company law.

Details of the trustees who served throughout the period to the date of the report, except as noted, are included in the Reference and Administrative Details on page 1.

#### **Members' Liability**

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

#### **Trustees' Indemnities**

The School's insurers indemnify against any claims in respect of any civil liability which arises out of the conduct of the insured in their personal capacity as a director, governor, trustee or officer of the School.

#### **Method of Recruitment and Appointment or Election of Trustees**

The articles of association require the appointment of at least three trustees and the total number of trustees who are employees shall not exceed one third of the total number of trustees. The Trust should have a minimum of 2 parent trustees, any executive trustees and the Chief Executive officer.

Directors are appointed based on their skills and experience subject to the provisions of the articles of association in relation to parental and staff representation.

#### **Term of office**

The term of office for any director shall be four years. Any director may be re-appointed or re-elected.

#### **Policies and procedures adopted for the induction and Training if Trustees**

All Trustees will be provided with training through the School and by external agencies.

# The Westgate School

## Trustees' Report (continued)

### Organisational Structure

The structure of the organisation has three levels; the Board of Trustees, sub-committees and the senior leadership team. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

As Trustees are responsible for agreeing general policy, adopting the annual plan and the budget. In addition, Trustees monitors the Trust by the use of budgets and make major decisions in relation to:

- The strategic direction of the School;
- Capital expenditure; and
- Senior staff appointments

The leadership team comprises the head teacher, deputy head and the business manager. They operate at an executive level, implementing the policies laid down by the Trustees and reporting back to them. As a group, senior managers are responsible for authorising spending within the agreed budgets and for the appointment of staff. Some spending control is devolved to heads of departments/years, with limits above which a senior leader must countersign.

### Arrangements for setting pay and remuneration of key management personnel

The Trustees received no remuneration for their duties as Directors of The Westgate School. A pay committee has been established to oversee the pay and targets for the Head teacher and this committee manages their performance management process. That committee also agrees the salary range and pay progression for the school's senior management team (SLT). Decisions are made at the annual meeting of the committee regarding the withholding of salary rises where staff have not met their performance targets. Targets for the SLT are set by the Head teacher who line manages those staff. The Pay Committee meet once a year. There is a Pay Policy agreed by the Trustees which guides this whole process.

### Related Parties and other Connected Charities and Organisations

There are no other connected parties or related party transactions other than those recorded in Note 24 to the Financial Statements.

### Objectives and Activities

#### Objects

The principal object of the School is specifically restricted to the following: to advance for the public benefit education in the United Kingdom, in particular, but without prejudice to the generality of the foregoing, by establishing, maintaining, carry on, managing, developing and continuously seeks to improve and enrich educational opportunities for the young people of Cippenham.

#### Aims

The overall aim of the Westgate School is that young people in Cippenham achieve more than they ever thought possible.

# The Westgate School

## Trustees' Report (continued)

### Objectives, Strategies and Activities

In order to achieve the stated aim, the Trust has developed strategies to ensure:

- The school is outstanding
- The students achieve high standards, matching or exceeding national norms in all core subjects;
- That shared aspirations lead to excellence across the curriculum;
- That students develop a range of skills and talents in productive and creative ways;
- That they develop personal, social and health skills that enable them to engage confidently with others and lead healthy lives;
- That the school builds an awareness of respect and diversity in our community;
- That a readiness for all phases across the school is secured;
- That a care and respect for the environment is valued and nurtured;
- That the community it serves holds the school in the highest regard.

### Public Benefit

The trustees acknowledge the duty in section 4 of the Charities Act 2011 to have due regard to the Charity Commission's published general and relevant and relevant sub-sector guidance on public benefit. We have referred to this guidance when reviewing our aims, strategy and in planning future activities. All activities undertaken by the School are for the public benefit.

The School provides a state education to boys and girls aged 11-19 living in the local area and beyond. Accommodation and recreational facilities are made available for use by the community.

# The Westgate School

## Trustees' Report (continued)

### Strategic Report

#### Achievements and Performance

The Westgate School has been graded by OFSTED as outstanding on two occasions. The last inspection being 2014.

The school achieved excellent outcomes for young people in 2015. Progress was good but attainment generally slightly below national average in KS4.

No child reached the end of their compulsory state schooling without securing externally accredited qualifications which benefit them in approaching the next stage of their formal education or in entering the world of work.

#### Key Performance Indicators

	2015/16
Total income, excluding fixed asset grants (£000s)	6,704
Staff costs as a percentage of GAG	91%

#### Non-Financial key performance indicators

Achieve at least 95% pupil attendance	95.1
Good or better Ofsted inspections	Outstanding
Pupil numbers capacity	1,035
Pupil numbers	995

#### Going Concern

After making appropriate enquiries, the governing body has reasonable expectation that the school 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

As reported in Note 27, on 1<sup>st</sup> September 2015 The Westgate School transferred from The Cippenham Schools' Trust and all the operations and assets and liabilities were transferred to The Westgate School from The Cippenham Schools' Trust for £Nil consideration.

The School's principal income is from the Education Funding Agency ("EFA") in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received during the period ended 31 August 2016 and associated expenditure are shown as restricted funds in the Statement of Financial Activities.

The School also receives grants for fixed assets from the EFA and other agencies. These grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted

# The Westgate School

## Trustees' Report (continued)

### Financial Review (continued)

fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets.

Expenditure was used to provide a stimulating education for the students and improve the infrastructure of the school in order to improve learning.

The deficit in the Local Government Pension Scheme (LGPS) is recognised on the balance sheet in accordance with FRS102. At 31 August 2016, the deficit stood at £2,083,000. The existence of the pension scheme deficit does not mean an immediate liability crystallises and is addressed over a series of years through pension contributions recommended by the pension scheme actuaries during subsequent triennial valuations of the scheme. Note 23 details the assumptions and movements during the year on the scheme.

As at the 31 August 2016 the net book value of assets was £15,677,479 and movements in tangible assets are shown in Note 12 of the financial statements. The buildings and land are owned by the School. Any alterations or improvements incurred by the School are shown as fixed assets.

### Reserves Policy

The Trustees' policy on reserves seeks to balance the competing priorities of expending the maximum amount of resources on students, principally through the provision of highly qualified staff, and the need to retain resources to manage future uncertainty. Wherever possible the Trust seek to maintain a minimum of one month operating expenses as a cash balance.

The School current level of free reserves (total funds less the amount held in fixed assets restricted fund and restricted trip income but excluding pension reserve) is £2,191,000.

### Investment Policy

The Trustees will ensure adequate cash balances are maintained to cover day to day transactions. Surplus balances may be placed in investments with no risk of capital loss, but to optimise returns on such investments. All investments would be made in sterling, with UK based financial institutions.

### Principal Risks and Uncertainties

The principal risk for the finances of the School is a reduction in student numbers and the associated funding, but currently this is minimal due to strong demand from the community and high levels of educational achievement.

The trustees have identified the key uncertainties facing the School in the next twelve months to be the extent and impact of changes to government funding and the uncertain economic climate and financial environment.

The trustees have implemented a number of systems to assess risks that the School faces in relation to its operations. Systems and procedures intended to minimise risk have been introduced as necessary.

### Plans for Future Periods

The Westgate School is currently in the process of the final negotiations with Slough Borough Council regarding the proposed expansion which would see an increase in pupil numbers of 60 up to 300 after five years with effect from September 2018. Building work is expected to start in July 2017.



# The Westgate School

## Trustees' Report (continued)

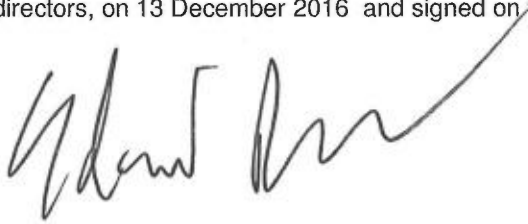
### Auditor

Insofar as the trustees are aware:

- there is no relevant audit information of which the School's auditor is unaware
- 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 13 December 2016 and signed on the board's behalf by:

[Signed]



**Edward Picton**  
Trustee

13<sup>th</sup> December 2016

# The Westgate School

## Governance Statement

### Scope of Responsibility

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

The board of trustees has delegated the day-to-day responsibility to the 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 Westgate School 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 period. Attendance during the period at meetings of the board of trustees was as follows:

Trustee	Meetings attended	Out of a possible
E Picton (Chairman)	5	5
D Nicholas (Head Teacher & Accounting Officer)	5	5
A Brown	4	5
J Daly	4	5
L Donnelly	5	5
D Evans	4	5
H Haines	4	5
T Lake	5	5
S McDowell	1	5
K Pankiewicz	5	5
S Parmar	5	5
F Salar (appointed 18 January 2016)	3	3
D Searle (resigned 06 July 2016)	5	5
S Sidhu(resigned 13 December 2015)	1	1

### Governance reviews:

When recruiting Trustees to fill vacancies, the Board of Trustees identifies which skills and competencies are required in order for the Board to have a broad balance of relevant skills and knowledge. New and existing Trustees are provided access to a range of courses to develop their skills. The Trustees will be reviewing their skill sets in 2016 - 2017.

The Business committee is a sub-committee of the main board of trustees. The primary role of the committee is to ensure that sound business principles, and equality practices, are employed in all decisions regarding the school admissions, finances, personnel and premises matters.

# The Westgate School

## Governance Statement (continued)

Key responsibilities include:

- Reviewing, understanding and challenging the forecast school expenditure for the year
- Reviewing the school financial performance in the context of other similar schools
- Approving the annual school budget
- Assuring the suitability of the school's financial controls and that these financial controls are appropriately applied
- Monitoring the management and use of school funds and ratifying their use against exceptional circumstances
- Monitoring the implementation and review of relevant school policies
- Ensuring that all school resources are being managed in a way that facilitates the delivery of the School Improvement Plan

Attendance at meetings in the period was as follows:

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
K Pankiewicz	2	3
E Picton	2	3
J Daly	1	3
L Donnelly	3	3
D Evans	2	3
D Nicholas	3	3
S Parmar	2	3

### Review of Value for Money

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

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

- Striving to focus on value for money and understanding the value of our assets and how they can be used to increase our students' rate of progress.
- Existing service delivery is proactively challenged and alternative provision is evaluated. Staff costs, being the largest area of spend, are reviewed on a regular basis to ensure the staffing profile is relevant to the school's needs.
- The school promotes fair competition through quotations and tenders in accordance with its Financial Policy thus ensuring that goods and service are secured in the most economic, efficient and effective way.
- All surplus monies are actively managed and invested in term deposits.

# **The Westgate School**

## **Governance Statement (continued)**

### **The Purpose of the System of Internal Control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Westgate School for the period 1 September 2015 to 31 August 2016 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 1 September 2015 to 31 August 2016 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

### **The Risk and Control Framework**

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

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

The board of trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However the trustees have appointed K Brown, to carry out a programme of internal checks.

## The Westgate School Governance Statement (continued)

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

- physically verifying a sample of fixed assets
- testing of purchase systems
- testing of control account/ bank reconciliations

On a termly basis, the reviewer reports to the board of trustees, through the Business on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

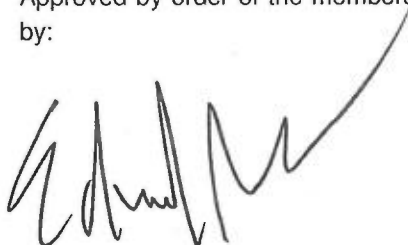
### Review of Effectiveness

As accounting officer 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 internal reviewer
- 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

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Business committee and ensure continuous improvement of the system is in place.

Approved by order of the members of the board of trustees on 13<sup>th</sup> December 2016 and signed on its behalf by:



**Edward Picton**  
Trustee



**Susan Rose**  
Accounting Officer