



WEST KIRBY SCHOOL AND COLLEGE

# West Kirby Residential School

Report of the Directors

And

Financial Statements

Annual Report

For the Period End

31 August 2021

Company No: 00200018

Charity No: 207790

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*WEST KIRBY RESIDENTIAL SCHOOL  
139th ANNUAL REPORT  
FOR THE YEAR ENDING 31 AUGUST 2021*

**INDEX**

	<b>PAGE</b>
Introduction by the President	1
Report of the Trustees (Directors)	2 – 9
Report of the Auditor	10 – 13
Statement of Financial Activities	14
Statement of Other Comprehensive Income	15
Balance Sheet	16
Cash Flow Statement	17
Notes to the Financial Statements	18 – 32

## **INTRODUCTION BY THE PRESIDENT**

As always it is a privilege to write an introduction to the West Kirby School's Annual Report. To the needs of a normal year the COVID 19 pandemic has added extra challenges this year. However, the School has coped and staff and pupils are to be congratulated on the results they have produced under unusual working conditions.

The variety and range of experiences young people have at school is a major contributor to equipping them to face adulthood. The West Kirby School has always been proud of the range of activities it offers and once again the academic subjects taught have been added to and the number of non-academic activities available and encouraged has increased.

Teamwork amongst key people is required for any organisation to be successful. Under the leadership of Miss Sian Thomas, a strong and effective team has been built and all are to be congratulated and thanked for what they do often under difficult circumstances.

Parents' recognition of what the School is doing and the pressures it faces is important and that West Kirby parents recognize this is appreciated. This helps their children see the steps that are being taken to help them and their enthusiasm contributes to the School's achievements.

Finally, a warm acknowledgement is due to the Directors and Governors for the time they give voluntarily. Changes are imminent, notably the retirement from the Chair of Mr John Wylie whose commitment to the School for over 20 years has been outstanding. A very big 'thank you' is due. I am confident that positive progress will continue and that the West Kirby School has more success ahead of it.

Anthony Shone D.L.  
President

May 2022

## **REPORT OF THE TRUSTEES (DIRECTORS)**

### **REFERENCE AND ADMINISTRATIVE DETAILS**

Charity name:	West Kirby Residential School
Charity registration number:	207790
Company registration number:	00200018
Registered office and operational address:	Meols Drive, West Kirby, Wirral, CH48 5DH

### **Board of Directors**

John Wylie	(Resigned after year end 31/12/21)	Chair Person
Brian Boumphrey	(Resigned after year end 31/12/21)	Director
Neville Lumb	(Resigned in year 31/8/21)	Director
Mark Dickinson	(Resigned after year end 31/12/21)	Director
Elizabeth Thorne	(Resigned in year 31/8/21)	Director
Deborah Gould	(Appointed in year 30/7/21)	Director
Julie Merry	(Appointed in year 30/7/21)	Director
Stephen Peacock	(Appointed in year 30/7/21)	Director
Victoria Storey	(Appointed in year 30/7/21)	Director
Sian Thomas	(Appointed in year 25/5/21)	Director
Lynda Powner	(Appointed in year)	Staff Governor
Dominic Kirkbridge	(Appointed after year end 2/9/21)	

### **Company Secretary**

Luke Cowell

### **REFERENCE AND ADMINISTRATIVE DETAILS**

#### **Principal**

Sian Thomas

#### **Operations Director**

Luke Cowell

### **Senior Leadership Team**

Stephen Hulme	Assistant Headteacher
Peter Smith	Deputy Headteacher
Sarah Wilkinson	Deputy Headteacher
Elizabeth Wynne	Deputy Headteacher



***REPORT OF THE TRUSTEES (DIRECTORS) /cont'd***

**Auditors**

McEwan Wallace Limited, Chartered Accountants, 68 Argyle Street, Wirral, CH41 6AF

**Bankers**

Handelsbanken (Heswall Branch) Ground Floor, Unit A1, Oaklands Office Park, Hooton Road  
Hooton, Wirral CH66 7NZ.

**Solicitors**

Brabners LLP, Horton House, Exchange Flags, Liverpool. L2 3YL

## REPORT OF THE TRUSTEES (DIRECTORS) /cont'd

### STRUCTURE, GOVERNANCE AND MANAGEMENT

#### Governing document

West Kirby Residential School (the School) was established in 1881 as the Children's Convalescent Home and was incorporated in 1924. The Memorandum and Articles of Association of the School were revised and approved in 2021.

The School is a company limited by guarantee, Registered Number 00200018, and has no share capital. It is also a charity registered under the Charities Act 1960, Registered Number 207790. In the event of the company being wound up members are required to contribute an amount not exceeding £10.

#### Recruitment and appointment of the Directors

The Directors of the company are also the Charity Trustees for the purposes of charity law. The Directors must be Members of the School and be re-appointed at the Annual General Meeting on a rotating basis. They can also be appointed at any other time throughout the year subject to Board approval. Directors may at any time resign their office by a notice in writing or be retired by a resolution of at least three-fourths of the members present. Directors shall ipso facto vacate their office if they cease to be a member of the School. A Terms of Reference Document was agreed in 2019 to support the role of the Directors of the school.

#### Trustee induction and training

There is a Recruitment Policy and Procedure in place for all Directors of the School (revised summer 2018). The Chairman and Officers provide induction and training, through reading material and attendance at courses. The Recruitment Policy and Procedure in place for the appointment of all officers and staff to the school follows all current Safeguarding guidelines.

New Directors are inducted in the workings of the charity and the School, including Board Policy and Procedures, through initial meetings with the Chair, Principal and Operations Director. Ongoing training and updates are made available through various presentations at Board meetings, inset days and accessing specific training courses provided by the Wirral Metropolitan Borough Council and/or others.

#### Organisational Structure

##### **Board of Directors**

The Board of Directors is responsible for managing the company and all financial aspects of the School and ensuring that the school meets all obligations placed upon it by the Charity Commission, Company and Employment Law and the Health and Safety Executive. This includes:

- Planning and conducting its affairs to remain solvent.
- Establishing proper financial management arrangements, accounting procedures and maintaining a sound system of internal controls.
- Ensuring that funding from sources other than fees is used only in accordance with the conditions attached.

## REPORT OF THE TRUSTEES (DIRECTORS) /cont'd

The full Board of Directors meets regularly throughout the year, with meetings scheduled to meet financial and other deadlines.

The Board of Trustees of the School is also responsible for ensuring that the School meets all obligations placed upon it by the Secretary of State for Education and the Commission for Social Care Inspectorate. The full Board of Trustees meets at least once a term.

### **The Principal**

The Principal has overall responsibility to the Board of Directors for the ongoing success of the school including its day-to-day financial management. Whilst the Principal retains ultimate responsibility, in practice, much of this day-to-day financial management is delegated to the school's Operations Director.

### **The Operations Director**

The Operations Director is responsible to the Principal and the Board of Directors for ensuring that financial management and procedures are implemented.

### **Risk Management Policy**

The Directors annually review the risks, which the charity faces, and there are procedures to continuously monitor risk situations. All high-risk areas have been identified and the Directors have ensured that appropriate action plans or contingency arrangements are in place.

### **Whistle Blowing Policy**

The Policy outlines the School's commitment to tackling fraud and other forms of malpractice and treats these issues seriously. The School recognises that some concerns may be extremely sensitive and has therefore developed a system, which allows for the confidential raising of concerns within the school environment.

## OBJECTIVES AND ACTIVITIES

The objects of the charity are the education and care of children with complex special needs, who are recognised by their Local Education Authority as having learning, social, emotional, mental health and behavioural challenges.

In order to meet those objectives, the Trustees set out in the Annual School Development Plan a set of strategic aims:

1. To share the high expectation that children and young people at the school achieve at least five GCSEs or equivalent (depending on ability).
2. To ensure young people leave school with a good reading level.
3. To support, enable and develop CYP who have previously struggled to access education (including being PEX) to self-regulate and manage their social emotional, mental health and physical needs both within the school environment and in life.
4. To encourage CYP to become respectful members of society who are community minded, contribute to charitable causes understand Protected Characteristics and uphold British Values.

## REPORT OF THE TRUSTEES (DIRECTORS) /cont'd

5. To enable young people to be proactive, enterprising, aspirational and career minded.
6. To ensure that CYP and their parents/carers feel pride in their achievements and a developed/developing self-esteem.
7. To develop independence and resilience in pupils.
8. To enable staff to feel pride in and be aspirational for their pupils and for themselves.

### **Community Support**

The majority of staff in school is salaried. However, a number of local people attend giving voluntary service to the School during term both in the classrooms, on the residential units or on school visits and camps. The School would like to take this opportunity to say how much their continuing and valuable support for our pupils is appreciated. Staff at the School are extremely grateful to all those who give their time voluntarily in supporting the children and young people; not least of those are the Directors.

### **Public Benefit**

The Trustees have carefully considered the Charity Commission's general guidance on public benefit and in particular its supplementary public benefit guidance on advancing education and on fee-charging. The Trustees consider that the school meets the 'Public Benefit' requirement through the advancement of education, which provides benefit to both pupils and the wider community, and that there are no unreasonable restrictions on participation.

## **ACHIEVEMENTS AND PERFORMANCE**

The strategic aims are met through departmental objectives, which are set out by the Senior Leadership Team. From these objectives the School Development Plan for the current year is prepared and approved by the Board. Ongoing progress monitoring is carried out by the Senior Leadership Team, reviewed termly and an evaluation report presented to the Board annually.

Children continue to perform up to and above their expected progress. The school's onsite therapeutic services have meant that our pupils with more challenging behaviours have been able to access the full curriculum delivered by the teaching staff.

The school has embarked upon a journey of refreshing and modernising its premises this year (externally and internally) and this work will continue to provide pupils and staff with high quality surroundings to do their best work.

## REPORT OF THE TRUSTEES (DIRECTORS) /cont'd

### FINANCIAL REVIEW

The Directors, as Trustees, have a prime directive to protect the assets of the charity.

The School's principal funding source is through fees charged to Local Authorities. These are reviewed annually by the Directors and set at a level to enable the School to meet current commitments, support future development and ensure the School remains at the forefront of providing for children and young people with complex difficulties and Special Educational Needs. The increased complexity of some of our young people requires additional staffing support in some areas and a fee banding structure is in place.

We continue to work closely with Local Authorities to help them understand what services are provided for the fees paid, and we are committed to reviewing the fee structures further.

As the employer, the Trustees remain ever mindful of the pension scheme liability despite closing the scheme to future accrual in July 2010. Following the Triennial review as at 1 April 2019, a revised Recovery Plan was put in place. The next official Triennial Valuation was due at the end of March 2022 but due to the changing of the Schools year end this was brought forward to the 31st August 2021.

The Trustees are happy to report that the charity's accounts remain more than satisfactory with a net income, before adjustments, of £875,559 (previous 17 month period £1,497,467). The reported overall surplus of £1,662,629 includes an actuarial loss of £250,000 from the WKRS pension scheme.

#### Investment policy

Investments, which are held as fixed assets, are included in the financial statements at market value. No restrictions apply to the School's investment powers in respect of school funds. Currently the School holds a small investment in COIF, the remaining available funds being invested in deposit accounts.

#### **Reserves Policy**

Due to fundamental uncertainties surrounding the school's income and the ever-increasing expenditure requirements, the Directors believe that the free reserves should, where possible, be a minimum of six months of anticipated operating expenditure before pension adjustments. At 2020/21 levels, this would be £2,645,579. At 30 August 2021, the free reserves amounted to £2,750,315, representing 12.5 months of anticipated expenditure. The free reserves used to derive these figures are the 'other net current assets' of the General Fund (see note 23 to the accounts).

## **REPORT OF THE TRUSTEES (DIRECTORS) /cont'd**

### **PLANS FOR THE FUTURE**

In these very challenging times the school has been able to maintain its momentum, started by the new Principal, and delivered on the aims of the School Development Plan through good planning and the hard work of the School Leadership Team and then the whole school staff. The Trustees have allocated resources to the school in the new budget to enable it to meet the aims of the new School Development Plan including a new Bakery, Animal Husbandry Centre and Play resource. We were also presented by the Principal with a Business Case for an expansion and opening of a new primary provision which the Board were excited about and look forward to discussing it further. The Trustees are aware of the impact that the pandemic has had on education and we cannot know what further issues might arise from it but they have every confidence in the school leaders in overcoming any such issues. The school's aim is to 'change children's lives' and the charity has striven to give as much targeted resources as possible and the coming year will see that aim maintained.

### **TRUSTEES RESPONSIBILITIES**

The Directors, who are Trustees for the purposes of charity law, are required by company law to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the charitable company as at the balance sheet date and of its incoming resources and application of resources, including income and expenditure, for the financial year. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; 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 Directors are responsible for keeping adequate accounting records, safeguarding assets, and taking reasonable steps for the prevention and detection of fraud or other irregularities. They must also, in determining how amounts are analysed within items in the Statement of Financial Activities, Income and Expenditure Account and Balance Sheet, have regard to the substance of the reported transaction or arrangement, in accordance with generally accepted accounting principles or practice.

**REPORT OF THE TRUSTEES (DIRECTORS) /cont'd**

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the Directors are aware, there is no relevant audit information (as defined by section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each trustee has taken all the steps that they ought to have taken as a trustee in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of the information.

**ON BEHALF OF THE BOARD:**

Signed ..... Date: 23.05.22  
M. S. THOMAS



## **REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS**

### **Opinion**

We have audited the financial statements of West Kirby Residential School for the year ended 31 August 2020 which comprise specify the titles of the primary statements such as the Statement of Financial Activities, the Summary Income and Expenditure Account, the Balance Sheet and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company 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 charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### **Other information**

The trustees are responsible for the other information. The other information comprises the information in the Report of the Trustees, but does not include the financial statements and our Report of the Auditors thereon. Our opinion on the financial statements does not cover the other information and 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, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Opinion on other matters prescribed by the Companies Act 2006**

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

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



**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

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

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

**Responsibilities of trustees**

As explained more fully in the Statement of Trustees' Responsibilities set out on page 9, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine 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 charitable company'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 company or to cease operations, or have no realistic alternative but to do so.

**Auditors' responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;

we identified the laws and regulations applicable to the charity through discussions with trustees and other management, and from our commercial knowledge and experience of the charity's sector and activities;

we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charity, including the Charities Act 2011, data protection, anti-bribery and employment legislation;

we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and

identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the charity's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

*WEST KIRBY RESIDENTIAL SCHOOL (COMPANY NUMBER 00200018)*  
*139th ANNUAL REPORT*  
*FOR THE YEAR ENDING 31 AUGUST 2021*

making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and

considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations

To address the risk of fraud through management bias and override of controls, we:

performed analytical procedures to identify any unusual or unexpected relationships;

tested journal entries to identify unusual transactions;

assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and

investigated the rationale behind significant or unusual transactions

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

agreeing financial statement disclosures to underlying supporting documentation;

reading the minutes of meetings of those charged with governance;

enquiring of management as to actual and potential litigation and claims; and

reviewing correspondence with HMRC, relevant regulators and the charity's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the trustees and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

**Use of our report**

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

A handwritten signature in black ink, appearing to read 'Alastair Gould', with a stylized flourish at the end.

Alastair Gould FCA  
For and on behalf of McEwan Wallace Limited  
Statutory auditor  
68 Argyle Street  
Birkenhead  
CH41 6AF

Date: 23 May 2022

**WEST KIRBY RESIDENTIAL SCHOOL (COMPANY NUMBER 00200018)**  
**139th ANNUAL REPORT**  
**FOR THE YEAR ENDING 31 AUGUST 2021**

**STATEMENT OF FINANCIAL ACTIVITIES**  
**(INCLUDING INCOME AND EXPENDITURE ACCOUNT)**

	Notes	2021 Unrestricted Fund £	2021 Other Restricted Fund £	2021 Endowment Fund £	2021 Total Funds £	17 month period ended Aug 2020 Total Funds £
<b>Incoming Resources</b>						
Donations and legacies		-	-	-	-	11,570
Hiring of facilities		4,928	-	-	4,928	11,080
Income from investments		-	-	4,640	4,640	5,736
<b>Income from charitable activities:</b>						
School Fees	3.1	5,953,781	-	-	5,953,781	7,723,532
Grants Received	3.2	146,146	-	-	146,146	298,545
Contribution to school trips		-	-	-	-	251
<b>Other Income</b>						
Other income	3.3	27,395	-	-	27,395	2,339
Property Rental Income		11,549	-	-	11,549	5,138
Expected Return on Pension Scheme Assets		-	-	-	-	200,000
<b>Total income and endowments</b>		<b>6,143,799</b>	<b>-</b>	<b>4,640</b>	<b>6,148,439</b>	<b>8,258,191</b>
<b>Resources expended</b>						
<b>Expenditure on raising funds</b>						
Costs of generating voluntary income	5	-	-	-	-	399
Costs of generating funds	6	-	-	-	-	2,561
<b>Expenditure on charitable activities</b>	4	<b>5,271,144</b>	<b>20,014</b>	<b>-</b>	<b>5,291,158</b>	<b>6,769,340</b>
<b>Total Resources Expended</b>		<b>5,271,144</b>	<b>20,014</b>	<b>-</b>	<b>5,291,158</b>	<b>6,772,300</b>
<b>Net gains/(losses) on investments</b>	9	<b>-</b>	<b>-</b>	<b>18,278</b>	<b>18,278</b>	<b>11,576</b>
<b>Net income/(expenditure)</b>		<b>872,655</b>	<b>(20,014)</b>	<b>22,918</b>	<b>875,559</b>	<b>1,497,467</b>
<b>Transfer between funds</b>		<b>(6,557)</b>	<b>-</b>	<b>6,557</b>	<b>-</b>	<b>-</b>
<b>Other recognised gains/losses</b>						
Actuarial gains/(losses) on defined benefit pension scheme	24	(250,000)	-	-	(250,000)	(515,000)
(Shortfall)/Gain on expected return on assets	24	924,000	-	-	924,000	609,000
Gain on disposal of fixed assets		113,070	-	-	113,070	-
<b>Net movement in funds</b>		<b>1,653,168</b>	<b>(20,014)</b>	<b>29,475</b>	<b>1,662,629</b>	<b>1,591,467</b>
<b>Total funds brought forward</b>	24	<b>6,447,951</b>	<b>717,793</b>	<b>241,334</b>	<b>7,407,077</b>	<b>5,815,611</b>
<b>Total funds carried forward</b>		<b>8,101,119</b>	<b>697,779</b>	<b>270,809</b>	<b>9,069,707</b>	<b>7,407,077</b>

The charity has neither acquired or commenced any new activities during the year nor discontinued any operations and it has no gains or losses other than those recognised in the statement of financial activities

The notes set out on pages 18 - 32 form part of these financial statements

*WEST KIRBY RESIDENTIAL SCHOOL (COMPANY NUMBER 00200018)*  
*139th ANNUAL REPORT*  
*FOR THE YEAR ENDING 31 AUGUST 2021*

**STATEMENT OF OTHER COMPREHENSIVE INCOME**

	Notes	2021 £	17 month period ended Aug 2020 £
<b>SURPLUS FOR THE FINANCIAL YEAR</b>		875,559	1,497,467
Actuarial gain / (loss)	24	( 250,000)	( 515,000)
(Shortfall)/Gain on expected return on assets	24	924,000	609,000
Gain on disposal of fixed assets		113,070	
<b>TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR</b>		<u>1,662,629</u>	<u>1,591,467</u>

**WEST KIRBY RESIDENTIAL SCHOOL (COMPANY NUMBER 00200018)**  
**139th ANNUAL REPORT**  
**FOR THE YEAR ENDING 31 AUGUST 2021**

**BALANCE SHEET**

	Notes	2021 £	17 month period ended Aug 2020 £
<b>FIXED ASSETS</b>			
Tangible Assets	10	7,077,517	6,494,428
Fixed Asset Investments	9	124,693	106,415
		<u>7,202,210</u>	<u>6,600,843</u>
<b>CURRENT ASSETS</b>			
Debtors	11	236,721	153,476
Cash at bank and in hand	18	3,528,945	2,803,114
		<u>3,765,666</u>	<u>2,956,590</u>
Less			
Creditors falling due within one year	12	439,348	67,249
<b>NET CURRENT ASSETS</b>		<u>3,326,318</u>	<u>2,889,341</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>10,528,528</b>	<b>9,490,184</b>
Less			
Creditors falling due after more than one year	13	821	4,107
<b>NET ASSETS excluding pension liability</b>		<b>10,527,707</b>	<b>9,486,077</b>
Pension liability	19	1,458,000	2,079,000
<b>NET ASSETS including pension liability</b>		<u><b>9,069,707</b></u>	<u><b>7,407,077</b></u>
<b>CAPITAL AND RESERVES</b>			
<b>Unrestricted funds</b>			
General Fund	23	8,101,119	6,447,951
<b>Restricted Funds</b>			
Restricted Funds	14	697,779	717,793
Endowment Fund	23	270,809	241,334
		<u>9,069,707</u>	<u>7,407,077</u>

Approved by the Board on:

23.05.22

Date



Director

M. S. T. T. M. T. J.

The notes set out on pages 18 - 32 form part of these financial statements.

**WEST KIRBY RESIDENTIAL SCHOOL (COMPANY NUMBER 00200018)**  
**139th ANNUAL REPORT**  
**FOR THE YEAR ENDING 31 AUGUST 2021**

**CASH FLOW STATEMENT**

	Notes	2021 £	17 month period ended Aug 2020 £
<b>Cash flow from operating activities</b>			
Cash generated from operations	17	1,481,121	608,923
Interest and dividends received		4,640	5,736
Net cash from operating activities		<u>1,485,761</u>	<u>614,659</u>
<b>Cash flow from investing activities</b>			
Purchase of tangible fixed asset		(1,099,755)	(195,000)
Purchase of fixed asset investment		-	-
Sale of tangible fixed assets		339,824	-
Net cash from investing activities		<u>(759,931)</u>	<u>(195,000)</u>
<b>Cash flow from financing activities</b>			
Net cash from financing activities		<u>-</u>	<u>-</u>
(Decrease)/increase in cash and cash equivalents		725,830	419,659
Cash and cash equivalents at the beginning of year	18	2,803,114	2,383,455
Cash and cash equivalents at the end of year	18	<u>3,528,945</u>	<u>2,803,114</u>

The notes set out on pages 18 - 32 form part of these financial statements

## NOTES TO THE FINANCIAL STATEMENTS

### 1. STATUTORY INFORMATION

West Kirby Residential School is a private charitable company, limited by guarantee, registered in England and Wales. The company's registered number and registered office address can be found on the Reference and Administrative Details page within the Trustees Report.

The presentation currency of the financial statements is in Pound Sterling (£).

### 2. ACCOUNTING POLICIES

#### Basis of accounting

The financial statements, incorporating a Statement of Financial Activities, have been prepared in accordance with Financial Reporting Standards 102 "The Financial Reporting Standards applicable in the UK and Republic of Ireland", the Companies Act 2006 and Accounting and Reporting by Charities Statement of Recommended Practice (FRS 102).

The financial statements have been prepared on a going concern basis, as the trustees believe that no material uncertainties exist.

#### Significant judgements and estimates

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 company 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;

When an asset is purchased it is categorised into an asset class, the depreciation policy of each class estimates the economic life of all assets within the class. The depreciation policy of each asset class is determined by management and reviewed regularly for appropriateness. The depreciation policy adopted is based on historical experience as well as considering the future events which may impact the useful economic life of all assets within each class, such as changes in market demands.

In addition, FRS 102 requires an entity to assess at each reporting date whether there is any indication that assets within a class may be impaired i.e. the recoverable amount of the asset is less than the carrying amount. If any such indication exists, management are required to estimate the recoverable amount of the individual assets concerned.

Management judgement is applied to determine if revenue and costs should be recognised in the current period.

#### Depreciation

Depreciation is calculated to write off the cost of fixed assets on a straight-line basis over their estimated useful lives as follows:

Plant	15 years
Motor Vehicles	5 years
ICT Equipment	3 years
Furniture & Equipment	10 years
Freehold Buildings	50 years
Leased Assets	Over the period of the lease
Land	Not depreciated

Fixed assets are not capitalised if the value is less than £1,000.

Fixed assets are reviewed for impairments annually. Disposals are authorised at the year end.

#### Operating Leases

Rentals payable under operating leases are charged on a straight-line basis over the terms of the leases.



## **ACCOUNTING POLICIES - continued**

### **Finance Lease Agreements**

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated in accordance with the above depreciation policies. Future instalments under such leases, net of finance charges, are included within creditors. Rentals payable are apportioned between the finance element, which is charged to the Income and Expenditure Account on a straight line basis, and the capital element which reduces the outstanding obligation for future instalments.

### **Taxation**

The company is a registered charity. No UK Taxation arises on the normal activities of the company. All costs are inclusive of VAT.

### **Fund Accounting**

- The School holds endowments, the permanent element of which it is legally prevented from spending and must remain as part of the School's capital. The income arising from the assets of the endowments is available to meet the expenses of the School.
- The general fund is an unrestricted fund and is available to meet the expenses of the School.
- In May 1998 The Charity Commission approved the loan of £196,704 from Special Funds to the General Fund to assist in Building Development Works repayable over a 30-year term. The balance of the outstanding loan is £43,164 (2020 - £49,721).
- The restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular purposes.

### **Resources Expended**

The cost headings comprise expenditure, including staff costs, directly attributable to the organisation's activity. Where costs cannot be directly attributed they have been allocated to activities based on actual staff time spent.

- Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services.
- Governance costs include those costs associated with meeting the statutory requirements of the charity and include the audit fee and costs linked to the strategic management of the charity.
- Costs of generating funds comprise costs associated with attracting voluntary income and the costs of resources.

### **Income and expenditure**

All income and expenditure is accounted for on the accruals basis.

All incoming resources are included in the Statement of Financial Activities (SOFA) when the charity is entitled to the income and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

- Incoming resources from charitable activities are received by way of school fees, grants received and contributions to school trips. They are all credited to the statement of financial activities in accordance with the period they relate to, regardless of when actually received. Any amounts received in advance are treated as deferred income, and arrears are treated as debtors at the year end. Grants received for specific purposes are credited to the statement of financial activities on receipt and allocated to restricted funds.
- Donated goods are included at the value to the charity where this can be quantified.
- Income from investments is included in the statement of financial activities in the year in which it is receivable.

### **Fixed asset investments**

Fixed asset investments are included at closing market value at the balance sheet date. Any gain or loss on revaluation is taken to the statement of financial activities.

*WEST KIRBY RESIDENTIAL SCHOOL (COMPANY NUMBER 00200018)*  
*139th ANNUAL REPORT*  
*FOR THE YEAR ENDING 31 AUGUST 2021*

**ACCOUNTING POLICIES - continued**

**Financial instruments**

The following assets and liabilities are classified as financial instruments - trade debtors, other debtors, prepayments, trade creditors, other creditors, accruals and deferred income.

Financial instruments are measured at the undiscounted amount of the cash or other consideration expected to be paid or received.

Financial assets and liabilities that are measured at amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Financial Activity, and the historic cost is included in the notes to the accounts.

**Pension Scheme**

The charity operates a defined benefits pension scheme. The assets of the scheme are held and managed separately from those of the charity. The costs of administering the pension scheme are charged to the SOFA. The current pension deficit has been provided for in accordance with FRS 102.

The charity also operates a stakeholder pension scheme and teachers' pension scheme. These costs are charged to the income and expenditure account.

**Reporting Period**

The financial statements were prepared for an extended 17 month period to 31 August 2020 in the comparative. The current period to 31 August 2021 is a 12 month period.

*WEST KIRBY RESIDENTIAL SCHOOL (COMPANY NUMBER 00200018)*  
**139th ANNUAL REPORT**  
**FOR THE YEAR ENDING 31 AUGUST 2021**

**NOTES TO THE FINANCIAL STATEMENTS**

**3 FEES AND GRANTS**

**3.1 School Fees**

The main source of incoming resources for the year is the amount derived from fees for pupils attending school. Fees are invoiced in advance and treated as deferred income when received in relation to terms commencing after the year end.

**3.2 Grants receivable**

	Unrestricted	Restricted	2021	17 month period ended Aug 2020
	£	£	£	£
Education and skills funding	-	-	-	-
Pupil Premium	45,414	-	45,414	15,215
LACPP	-	-	-	-
Teachers' Grant NMSS	44,260	-	44,260	-
Bursary Income	-	-	-	1,965
Other grants	49,318	-	49,318	281,365
Department of Education	7,154	-	7,154	-
Sundry	-	-	-	-
	<u>146,146</u>	<u>-</u>	<u>146,146</u>	<u>298,545</u>

**3.3 Other income**

	Unrestricted	Restricted	2021	17 month period ended Aug 2020
	£	£	£	£
Uniform Sales	2,079	-	2,079	968
Receipts from insurance claims	24,744	-	24,744	-
Enterprise and fundraising income	572	-	572	1,371
	<u>27,395</u>	<u>-</u>	<u>27,395</u>	<u>2,339</u>

**WEST KIRBY RESIDENTIAL SCHOOL (COMPANY NUMBER 00200018)**  
**139th ANNUAL REPORT**  
**FOR THE YEAR ENDING 31 AUGUST 2021**

**NOTES TO THE FINANCIAL STATEMENTS**

**4 CHARITABLE EXPENDITURE**

	2021	2021	2021	17 month period ended Aug 2020
	General	Restricted	Total	Total
	Fund	Fund	Funds	Funds
	£	£	£	£
<b>Direct Education</b>				
Salaries	2,190,731	-	2,190,731	2,576,843
Equipment	182,975	-	182,975	179,195
Activities & Exam fees	11,716	-	11,716	5,427
Further Education	14,552	-	14,552	26,188
	<u>2,399,974</u>	<u>-</u>	<u>2,399,974</u>	<u>2,787,653</u>
<b>Childcare Services</b>				
Salaries Child Care	746,142	-	746,142	1,330,007
Salaries Medical/Therapeutic	97,073	-	97,073	102,679
	<u>843,215</u>	<u>-</u>	<u>843,215</u>	<u>1,432,686</u>
<b>Establishment Expenses</b>				
Salaries	280,506	-	280,506	247,210
Gardens & Landscaping	15,522	-	15,522	20,341
Buildings & Plant	236,465	-	236,465	234,018
Rent	-	-	-	-
Equipment & Repairs	80,256	-	80,256	114,040
Provisions	129,491	-	129,491	174,687
Services	82,486	-	82,486	91,669
Cleaning, Laundry & Hygiene	31,287	-	31,287	41,077
Depreciation	274,896	20,014	294,910	325,407
	<u>1,130,909</u>	<u>20,014</u>	<u>1,150,923</u>	<u>1,248,449</u>
<b>Support Costs</b>				
Salaries	358,356	-	358,356	415,733
Printing, Stationery, Postage & Telephone	33,940	-	33,940	46,916
Advertising	9,869	-	9,869	4,982
Insurance	47,030	-	47,030	43,157
General/Life Insurance (Pensions)	52,802	-	52,802	62,454
Travel	33,453	-	33,453	53,258
Sundries	27,326	-	27,326	16,834
Training	36,937	-	36,937	52,351
Payroll Bureau	8,676	-	8,676	12,000
Professional Fees	123,602	-	123,602	206,149
Rent/Rate/Bank Charges & other interest	664	-	664	940
Bad debts	602	-	602	9,529
	<u>733,257</u>	<u>-</u>	<u>733,257</u>	<u>924,303</u>
<b>Governance costs</b>				
Salaries	-	-	-	-
Auditors remuneration for Audit Services	10,506	-	10,506	19,829
Auditors remuneration for Other Services	960	-	960	4,420
	<u>11,466</u>	<u>-</u>	<u>11,466</u>	<u>24,249</u>
<b>School pension costs</b>				
Pensions administration	152,323	-	152,323	69,000
Past service costs	-	-	-	-
	<u>152,323</u>	<u>-</u>	<u>152,323</u>	<u>69,000</u>
<b>Total</b>	<u>5,271,144</u>	<u>20,014</u>	<u>5,291,158</u>	<u>6,769,340</u>

**WEST KIRBY RESIDENTIAL SCHOOL (COMPANY NUMBER 00200018)**  
**139th ANNUAL REPORT**  
**FOR THE YEAR ENDING 31 AUGUST 2021**

**NOTES TO THE FINANCIAL STATEMENTS**

**5 COSTS OF GENERATING VOLUNTARY INCOME**

	Unrestricted	Restricted	2021	17 month period ended Aug 2020
	£	£	£	£
Salaries	-	-	-	399
	-	-	-	399

**6 COST OF GENERATING FUNDS**

	Unrestricted	Restricted	2021	17 month period ended Aug 2020
	£	£	£	£
Salaries	-	-	-	2,561
	-	-	-	2,561

**7 NET INCOME FOR THE YEAR**

The net income for the year are stated after charging:

	2021	17 month period ended Aug 2020
	£	£
Depreciation – owned assets	294,910	325,407
Pension costs	402,323	352,000

**8 INCOME FROM UK INVESTMENTS**

	2021	17 month period ended Aug 2020
	£	£
Income from unlisted fixed asset investments	4,640	5,736
Interest on deposits	-	-
	4,640	3,715

**9 FIXED ASSET INVESTMENTS**

		2021	2021	17 month period ended Aug 2020
		Special Fund	Total	Total
		£	£	£
Valuation 1 September 2020	- unlisted	106,415	106,415	94,839
Addition	- unlisted	-	-	-
(Decrease) / Increase in market value		18,278	18,278	11,576
Valuation 31 August 2021	- unlisted	124,693	124,693	106,415
Book value 31 August 2021		124,693	124,693	106,415

Included in the charity's investments at the balance sheet date in the share capital of companies include the following:

**WKRS Pension Trustees Limited**

Nature of Business: non trading company

31.08.21                      31.08.20

Aggregate capital and reserves

£                      £  
1                      1

**WEST KIRBY RESIDENTIAL SCHOOL (COMPANY NUMBER 00200018)**  
**139th ANNUAL REPORT**  
**FOR THE YEAR ENDING 31 AUGUST 2021**

**NOTES TO THE FINANCIAL STATEMENTS**

**10 TANGIBLE FIXED ASSETS**

	Land	Freehold Property	Plant	Motor Vehicles	Furniture & Equipment	TOTAL
	£	£	£	£	£	£
<b>Cost:</b>						
At beginning of year	30,000	8,326,458	767,135	91,033	277,112	9,491,738
Additions	-	643,030	304,315	44,830	107,580	1,099,755
Disposals	-	(299,916)	-	(40,609)	(16,133)	(356,658)
At end of year	30,000	8,669,572	1,071,450	95,254	368,559	10,234,835
<b>Depreciation:</b>						
At beginning of year	-	2,254,836	526,264	83,415	132,795	2,997,310
Charge for year	-	165,553	93,545	5,155	25,659	289,912
On disposal	-	(76,613)	-	(40,609)	(12,682)	(129,904)
At end of year	-	2,343,776	619,809	47,961	145,772	3,157,318
<b>Net book value:</b>						
At 31 August 2021	30,000	6,325,796	451,641	47,293	222,787	7,077,517
At 31 August 2020	30,000	8,071,622	240,871	7,618	144,317	8,494,428

**11 DEBTORS**

	2021	17 month period ended Aug 2020
	£	£
Trade debtors	73,944	59,641
Amounts owed by fellow group undertakings	1	1
Other debtors	52,010	6,274
Prepayments and accrued income	110,766	87,560
	<u>236,721</u>	<u>153,476</u>

**12 CREDITORS FALLING DUE WITHIN ONE YEAR**

	2021	17 month period ended Aug 2020
	£	£
Fees and grants charged / received in advance (see note 20)	-	-
Trade Creditors	326,062	18,582
Accruals	51,814	17,000
Other creditors	58,186	28,381
Hire purchase contracts	3,286	3,286
	<u>439,348</u>	<u>67,249</u>

**13 CREDITORS FALLING DUE AFTER MORE THAN ONE YEAR**

	2021	17 month period ended Aug 2020
	£	£
Hire purchase contracts	821	4,107

**WEST KIRBY RESIDENTIAL SCHOOL (COMPANY NUMBER 00200018)**  
**139th ANNUAL REPORT**  
**FOR THE YEAR ENDING 31 AUGUST 2021**

**14 RESTRICTED FUNDS**

	At 31-Aug-20	Grants & Donations	Depreciation	Expenses	Transfer to Unrest. Funds	At 31-Aug-21
	£	£	£	£		£
A Capital grant	140,761	-	3,120	-	-	137,641
B Capital allocation	151,983	-	4,000	-	-	147,983
C Donation	58,564	-	1,700	-	-	56,864
D Art / Home Economics Grant	44,809	-	3,839	-	-	40,970
E DFC NMSS	54,714	-	1,255	-	-	53,459
F Devolved Formula Capital Grant	70,035	-	1,788	-	-	68,247
G Wooden Spoon	6,173	-	160	-	-	6,013
H Donation - Miss French	190,753	-	4,152	-	-	186,601
	<u>717,792</u>	<u>-</u>	<u>20,014</u>	<u>-</u>	<u>-</u>	<u>697,778</u>

- A The capital grant is to be spent purely on the charity's buildings and depreciation is charged to this fund as the cost of the building is gradually written off.
- B The capital allocation was received for the creation of a music room, larger dark room facilities and extending the CDT facilities. Depreciation is being charged to this fund annually as the funded assets are gradually written down.
- C A donation of £85,000 was received in 2006 and was spent on the refurbishment of the boys' bathroom. Depreciation is charged to the fund.
- D The Art / Home Economics Grant was received to facilitate refurbishment of those classrooms. Depreciation is charged to the fund.
- E The DFC NMSS income was provided to meet the capital and maintenance costs of the school's jubilee project. Depreciation is charged to the fund.
- F The Devolved Formula Capital Grant was provided to fund building improvements carried out at the school in the period 2009-11. Depreciation is charged to this fund as the funded assets are gradually written down.
- G Wooden Spoon funded the creation of a sensory room at the school in 2009. Depreciation is charged to this fund as the asset is gradually written down.
- H A donation of £207,579 was received in the will of Miss Margaret Emily French which is to be used solely for 'the benefit of the schoolchildren'. £66,000 of this was allocated in 2016 to the purchase of the new playground. The remaining £141,579 was used on the Occupational Therapy Suite in 2017. Depreciation is charged to the fund.

**15 UNRESTRICTED FUNDS**

Unrestricted funds are incoming resources receivable or generated for the objects of the charity without further specified purpose and are available as general funds

**16 RECONCILIATION OF MOVEMENT IN THE SCHOOL FUNDS**

	2021	17 month period ended Aug 2020
	£	£
Surplus/(deficit) for the year	1,662,629	1,591,467
Funds at beginning of year	7,407,077	5,815,610
Funds at end of year	<u>9,069,707</u>	<u>7,407,077</u>

**WEST KIRBY RESIDENTIAL SCHOOL (COMPANY NUMBER 00200018)**  
**139th ANNUAL REPORT**  
**FOR THE YEAR ENDING 31 AUGUST 2021**

**NOTES TO THE FINANCIAL STATEMENTS**

**17 RECONCILIATION OF PROFIT TO CASH GENERATED  
FROM OPERATIONS**

	2021	17 month period ended Aug 2020
	£	£
Net income/(expenditure)	1,662,629	1,497,467
Depreciation	289,912	325,408
(Gain)/ on disposal of fixed assets	( 113,070)	-
Return on pension scheme assets	( 924,000)	( 200,000)
Investment income	( 4,640)	( 5,736)
Pension scheme interest on pension liabilities	250,000	283,000
Pension scheme past service costs	-	-
Pension scheme administration expenses	153,000	69,000
(Gain)/loss on investment	( 18,278)	( 11,576)
	<u>1,295,553</u>	<u>1,957,563</u>
Decrease/(increase) in trade and other debtors	( 83,245)	191,959
(Decrease)/increase in trade and other creditors	368,813	( 635,599)
Payments to reduce pension deficit	( 100,000)	( 905,000)
Net cash inflow from operating activities	<u>1,481,121</u>	<u>608,923</u>

**18 CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

**Year ended 31 August 2021**

	2021	17 month period ended Aug 2020
	£	£
Cash and cash equivalents	3,528,945	2,803,114

**Period ended 31 August 2020**

	17 month period ended Aug 2020	2019
	£	£
Cash and cash equivalents	2,803,114	2,383,455
(Decrease)/increase in cash and cash equivalents	725,831	419,659

**19 PENSION LIABILITY**

	2021	17 month period ended Aug 2020
	£	£
Shortfall of pension scheme assets to liabilities		
Brought forward	2,079,000	2,926,000
Movement in year	( 621,000)	( 847,000)
Balance as at 31.08.21	<u>1,458,000</u>	<u>2,079,000</u>



**WEST KIRBY RESIDENTIAL SCHOOL (COMPANY NUMBER 00200018)**  
**139th ANNUAL REPORT**  
**FOR THE YEAR ENDING 31 AUGUST 2021**

**NOTES TO THE FINANCIAL STATEMENTS**

**20 DEFERRED INCOME**

	2021	17 month period ended Aug 2020
Brought forward	£	£
Received during the year	-	329,364
Released in the year	-	( 329,364)
Balance as at 31.08.21	-	-

**21 STAFF**

Average number of persons employed, excluding Directors, analysed by function was:

	2021	17 month period ended Aug 2020
Teaching, including Teaching Assistants	50	44
Childcare, Care home & Clinical Services	30	35
Administration & Finance	12	12
Establishment	15	11
	107	102

Staff costs comprise:

	£	£
Salaries & wages	3,052,555	3,964,923
Social Security costs	279,911	330,684
Pension scheme costs	340,342	379,825
	3,672,808	4,675,432

The Directors receive no remuneration, or fees, or reimbursement of expenses for their services to the charity.

	2021	17 month period ended Aug 2020
No of employees Salary Band £60,000 - £69,999	1	1
No of employees Salary Band £80,000 - £89,999	1	1
No of higher paid employees accruing benefits under a defined benefits scheme	1	1
One higher paid employee has benefits accruing under a money purchase scheme		

**22 FINANCIAL COMMITMENTS**

At 31 August 2021 the school was committed to making the following payments in the next twelve months under non-cancellable operating leases:

	2021	17 month period ended Aug 2020
Operating leases which expire:	Office Equipment	Office Equipment
Within 1 year	£	£
In 1-5 years	3,286	7,267
5 years plus	821	5,274
	-	-
	4,107	12,541

**WEST KIRBY RESIDENTIAL SCHOOL (COMPANY NUMBER 00200018)**  
**139th ANNUAL REPORT**  
**FOR THE YEAR ENDING 31 AUGUST 2021**

**NOTES TO THE FINANCIAL STATEMENTS**

**23 RETIREMENT BENEFITS**

The school operates a defined benefit scheme for employees (excluding teaching staff), the assets of which are held in a separate trustee administered fund.

In May 2002 the scheme was closed to new members; and in June 2010 future accrual ceased. In January 2015 the pensionable salary link to final salary also ceased.

An independent qualified actuary, in collaboration with the Trustees of the pension scheme and the School (employer), carries out an actuarial valuation of the scheme every three years. Following the valuation, a recovery plan is agreed between the Trustees and the school in order to make good any shortfall in the scheme's funding.

The current recovery plan was agreed after the valuation carried out as at 1 April 2016.

The financial figures relating to scheme and reflected in these accounts are prepared under UK GAAP (FRS102) assumptions and are revised annually. These assumptions, although similar, are derived in a different way to those used for the actuarial valuation. The assumption for the triennial valuation being generally more prudent than the GAAP assumptions.

Teaching staff are members of the defined benefit scheme operated by the Department of Education, to which the school pays a fixed percentage of teachers' pensionable pay, which fully discharges its liability to the teachers' pension scheme.

The school has in place defined contribution pension scheme arrangements for all employees not in the teachers' pension scheme. This is a stakeholder pension arrangement that also includes the school's auto-enrolment provision.

The total contributions paid by West Kirby Residential School for the period end 31 August 2021 were as follows:

	Year-end August 2021	17 month period ended August 2020
	£	£
Teacher's Pension	247,720	352,892
Stakeholder Pension	92,621	222,881
Deficit Pension Payments	<u>100,000</u>	<u>905,000</u>
	440,341	1,480,773

**24 PENSION COMMITMENTS**

Section 28 of FRS 102 Employee Benefits requires pension fund valuations to be updated at each balance sheet date. The fund valuation has been updated by an independent qualified actuary, on an FRS 102 basis, as at 31 August 2021.

The assumptions used by the actuary are the best estimates chosen from a range of possible actuarial assumptions, which, due to the timescale covered, may not be borne out in practice.

The market value of the scheme's assets at 31 August 2021, which are not intended to be realised in the short term and may be subject to significant change before they are realised, and the present value of the scheme's liabilities which are derived from cash flow projections over long periods and are thus inherently uncertain, were:

	2021	2020	2019	2018	2017	2016
	£'000	£'000	£'000	£'000	£'000	£'000
The actuarial value of assets at 31 August	7,667	7,094	5,901	5,681	5,688	5,100
The actuarial value of liabilities at 31 August	<u>(9,125)</u>	<u>(9,173)</u>	<u>(8,827)</u>	<u>(8,546)</u>	<u>(8,969)</u>	<u>(7,429)</u>
This produces an actuarial deficit of	(1,458)	(2,079)	(2,926)	(2,865)	(3,281)	(2,329)

The actuarial value of assets represent 84.02% (2020: 77.34%) of the actuarial liabilities.

**WEST KIRBY RESIDENTIAL SCHOOL (COMPANY NUMBER 00200018)**  
**139th ANNUAL REPORT**  
**FOR THE YEAR ENDING 31 AUGUST 2021**

**24 PENSION COMMITMENTS – continued**

The major assumptions used for the calculations were:

		<u>2021</u>	<u>17 month period ended August 2020</u>
Discount rate		1.6%	1.5%
RPI inflation		3.3%	2.9%
CPI inflation		2.8%	2.3%
Rate of increase of deferred pensions		2.8%	2.3%
Rate of increase in pensions in payment	pre 1 April 2006	3.2%	2.9%
	Post 31 March 2006	2.6%	2.4%
Mortality (pre retirement)		Nil	Nil
Mortality (post retirement)		S3PMA/S3PFA	S3PMA/S3PFA

The mortality rates are base rates in accordance with the S3PMA and S3PFA tables published by the Actuarial Profession. An allowance has been made for future improvements in longevity in accordance with the medium cohort effect with a minimum annual increase or underpin of 1.25% for both men and women.

Longevity at age 65 for current pensioners:		<u>2021</u>	<u>17 month period ended August 2020</u>
	men	21.9 years	21.9 years
	women	24.3 years	24.2 years
Longevity at age 65 for future pensioners now aged 45:			
	men	23.2 years	23.2 years
	women	25.7 years	25.6 years

The fair value of the assets in the scheme, expected rates of return and the present value of the defined benefit obligations in the scheme were:

The assets of the Plan are invested in a diversified portfolio.

	<u>2021</u>	<u>2021</u>	<u>2020</u>	<u>2020</u>	<u>2019</u>	<u>2019</u>
	%	£'000	%	£'000	%	£'000
Equity, property and other growth seeking a	41	3,170	46	3,297	54	3,140
Cash	24	1,854	18	1,271	0	14
Liability Driven Investments	18	1,388	17	1,208	23	1,384
Buy in Policy	16	1,255	19	1,318	23	1,363
Total fair value of assets:		7,667		7,094		5,901
Present value of defined benefit obligations		9,125		9,173		8,827
(Deficit) in the scheme		(1,458)		(2,079)		(2,926)

A 0.5% allowance has been applied to the defined benefit obligations to allow for the potential impact of GMP equalisation.

**WEST KIRBY RESIDENTIAL SCHOOL (COMPANY NUMBER 00200018)**  
**139th ANNUAL REPORT**  
**FOR THE YEAR ENDING 31 AUGUST 2021**

**24 PENSION COMMITMENTS – continued**

<b>Changes in the present value of schemes liabilities</b>	<b><u>2021</u></b>	<b><u>17 month period</u></b>
	<b>£'000</b>	<b>ended August 2020</b>
		<b>£'000</b>
Opening defined benefit obligation at 1 April	9,173	8,546
Interest cost	135	283
Past service costs		-
Actuarial (gains)/losses	250	515
Contribution by members		-
Expenses paid		-
Benefits paid	(433)	(452)
Closing defined benefit obligation at 31 August	9,125	9,173

**Reconciliation of fair value of scheme assets**

Opening fair value of scheme assets at 1 April	7,094	5,901
Expected return on scheme assets		200
Actuarial gains (losses)		-
Interest income/ cost	103	
Administration expenses	(121)	(69)
Contribution by employers	100	905
Return of assets excluding interest income	924	609
Benefits paid	(433)	(452)
Closing defined benefit obligation at 31 August	7,667	7,094

**Analysis of the amounts recognised in the SoFA**

Administration costs	121	69
Past service costs	-	-
Net interest	32	83
Amount charged/(credited) to SoFA	153	152

**Analysis of amount recognised in Other Comprehensive Income**

Actuarial gains/(losses)	(250)	(515)
Return of assets excluding interest income	924	609
Closing defined benefit obligation at 31 August	674	94

**Future funding obligation**

The Trustee is required to carry out an actuarial valuation every 3 years. The most recent actuarial valuation of the Plan was performed by the Scheme Actuary for the Trustee as at 1 April 2019. This valuation revealed a funding shortfall of £2.2 million. To remove this shortfall, the School agreed to pay contributions to the Plan as follows:

- a contribution of £126,075 by 31 March 2020;
- a contribution of £500,000 by 30 June 2020;
- a contribution of £175,000 by 31 March 2021; and
- Annual contributions of £175,000 payable monthly in arrears over the period 1 April 2021 to 31 March 2028.

In addition, to cover the ongoing expenses of running the Plan (excluding the PPF levy), the School agreed to pay £65,000 per annum over the period to 31 March 2028, with the first payment of £65,000 due on or before 31 March 2021. With effect from 1 April 2021, these contributions will be paid monthly in arrears on or before the 19th of the calendar month following that to which the payment relates. The School paid the £175,000 shortfall contribution due by 31 March 2021 and the £65,000 expense contribution due before 31 March 2021 during the period ended 31 August 2020. The School therefore expects to pay £240,000 to the Plan during the accounting year beginning 1 September 2021.

**WEST KIRBY RESIDENTIAL SCHOOL (COMPANY NUMBER 00200018)**  
**139th ANNUAL REPORT**  
**FOR THE YEAR ENDING 31 AUGUST 2021**

**NOTES TO THE FINANCIAL STATEMENTS**  
**25 ANALYSIS OF FUNDS BY NET ASSETS**

	<u>Unrestricted funds</u>	<u>Restricted funds</u>		
	General Fund	Restricted Fund	Endowment Fund	Total
	£	£	£	£
Opening balance at 01.09.20	6,447,951	717,793	241,334	7,407,078
Net (outgoing)/incoming resources before transfers and investment gains	872,655	( 20,014)	22,918	875,559
Transfers:				
Pension actuarial gain/(deficit)	( 250,000)	-	-	( 250,000)
Gain on disposal of fixed assets	113,070	-	-	113,070
(Shortfall)/Gain on expected return on assets	924,000	-	-	924,000
Repayment of loan from endowment funds	( 6,557)	-	6,557	-
<b>Closing balance at 31.08.21</b>	<b>8,101,119</b>	<b>697,779</b>	<b>270,809</b>	<b>9,069,707</b>
Represented by:				
Tangible fixed assets	6,379,738	697,779		7,077,517
Investments	-		124,693	124,693
Other net assets	3,179,381		146,116	3,325,497
Provision for pension shortfall	( 1,458,000)			( 1,458,000)
<b>Closing balance at 31.08.21</b>	<b>8,101,119</b>	<b>697,779</b>	<b>270,809</b>	<b>9,069,707</b>
Prior year:				
Tangible fixed assets	5,776,636	717,792	-	6,494,428
Investments	-	-	106,415	106,415
Other net assets	2,750,315	-	134,919	2,885,234
Provision for pension shortfall	( 2,079,000)	-	-	( 2,079,000)
<b>Closing balance at 31.08.20</b>	<b>6,447,951</b>	<b>717,792</b>	<b>241,334</b>	<b>7,407,077</b>

**26 RESERVES NOTE**

	2021	2020
	£	£
Reserves excluding pension liability	10,527,707	9,486,077
Pension reserve	( 1,458,000)	( 2,079,000)
<b>Reserves</b>	<b>9,069,707</b>	<b>7,407,077</b>

**27 RELATED PARTY**

There were no disclosable related party transactions during the year (2020-none).

*WEST KIRBY RESIDENTIAL SCHOOL (COMPANY NUMBER 00200018)*  
**139th ANNUAL REPORT**  
**FOR THE YEAR ENDING 31 AUGUST 2021**

**NOTES TO THE FINANCIAL STATEMENTS**

**28 COMMITMENTS**

Under the current recovery plan the charity is committed to make annual deficit repair payments to the pension plan of £175,000 for the period 1 April 2021 to March 2028. In arrears and increasing by 2.5% pa over the period 1 April 2017 to 31 March 2040 inclusive. In addition, the School agreed to pay £65,000 per annum to cover the ongoing expenses of running the Plan (excluding PPF levy). The School therefore expects to pay at least £240,000 to the plan during the accounting year beginning 1 September 2021.

**29 CONTINGENT LIABILITIES**

The school has no significant liabilities other than those included in the financial statements.

**30 ULTIMATE CONTROLLING PARTY**

The charity was controlled throughout the current and previous periods by the trustees.

**31 PRIOR YEAR STATEMENT OF FINANCIAL ACTIVITIES**

	2020	2020	2020	17 month period ended Aug 2020	2019
	Unrestricted	Other Restricted	Endowment	Total	Total
	Fund	Fund	Fund	Funds	Funds
	£	£	£	£	£
<b>Incoming Resources</b>					
Donations and legacies	11,570	-	-	11,570	4,178
Hiring of facilities	11,080	-	-	11,080	7,744
Income from investments	932	-	4,804	5,736	3,715
<b>Income from charitable activities:</b>					
School Fees	7,723,532	-	-	7,723,532	5,338,219
Grants Received	298,545	-	-	298,545	15,096
Contribution to school trips	251	-	-	251	225
<b>Other income</b>					
Other income	2,339	-	-	2,339	951
Property Rental Income	5,138	-	-	5,138	-
Expected Return on Pension Scheme Assets	200,000	-	-	200,000	145,000
<b>Total income and endowments</b>	<b>8,253,387</b>	<b>-</b>	<b>4,804</b>	<b>8,258,191</b>	<b>5,515,128</b>
<b>Resources expended</b>					
<b>Expenditure on raising funds</b>					
Costs of generating voluntary income	399	-	-	399	387
Costs of generating funds	2,561	-	-	2,561	2,486
<b>Expenditure on charitable activities</b>	<b>6,740,987</b>	<b>28,353</b>	<b>-</b>	<b>6,769,340</b>	<b>5,219,826</b>
<b>Total Resources Expended</b>	<b>6,743,947</b>	<b>28,353</b>	<b>-</b>	<b>6,772,300</b>	<b>5,222,700</b>
<b>Net gains/(losses) on investments</b>	<b>-</b>	<b>-</b>	<b>11,576</b>	<b>11,576</b>	<b>6,936</b>
<b>Net income/(expenditure)</b>	<b>1,509,440</b>	<b>(28,353)</b>	<b>16,380</b>	<b>1,497,467</b>	<b>299,364</b>
<b>Transfer between funds</b>	<b>(9,289)</b>	<b>-</b>	<b>9,289</b>	<b>-</b>	<b>-</b>
<b>Other recognised gains/losses</b>					
Actuarial gains/(losses) on defined benefit pension scheme	(515,000)	-	-	(515,000)	(332,000)
(Shortfall)/Gain on expected return on assets	609,000	-	-	609,000	276,000
Gain on disposal of fixed assets	-	-	-	-	60
<b>Net movement in funds</b>	<b>1,594,151</b>	<b>(28,353)</b>	<b>25,669</b>	<b>1,591,467</b>	<b>243,424</b>
<b>Total funds brought forward</b>	<b>4,853,799</b>	<b>746,146</b>	<b>215,665</b>	<b>5,815,610</b>	<b>5,572,186</b>
<b>Total funds carried forward</b>	<b>6,447,950</b>	<b>717,793</b>	<b>241,334</b>	<b>7,407,077</b>	<b>5,815,610</b>