
WESTBROOK HAY EDUCATIONAL TRUST LIMITED
(A company limited by guarantee)

GOVERNORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

WESTBROOK HAY EDUCATIONAL TRUST LIMITED
(A company limited by guarantee)

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WESTBROOK HAY EDUCATIONAL TRUST LIMITED
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2016**

Governors

K R Duncan (resigned 17 November 2015)¹
M Godden
S L Hampstead¹
S S James¹
A P Laurenson
A Lock
A M Newland, Chairman¹
D Robinson (appointed 13 October 2015)¹
H Thornton
M A Woolf¹

¹ Member of the Finance Committee

Website

www.westbrookhay.co.uk

**Company registered
number**

01925994

**Charity registered
number**

292537

Registered office

Westbrook Hay
London Road
Hemel Hempstead
Hertfordshire
HP1 2RF

Company Secretary

M A Evans (Resigned 08/05/2016)
S E Whitehead (Appointed 06/06/16)

**Estates and Facilities
Bursar**

M Swietochowski

Finance Bursar

A Wharfe

Headmaster

K D Young B.Ed

Independent auditor

Hillier Hopkins LLP
Chartered Accountants
Statutory Auditor
Radius House
51 Clarendon Road
Watford
Herts
WD17 1HP

WESTBROOK HAY EDUCATIONAL TRUST LIMITED
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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2016**

Advisers (continued)

Bankers Allied Irish Bank (GB)
West London BC, Ealing Cross
Uxbridge
London
W5 5TH

Solicitors Harrowell and Atkins
Boxwell House
275 High Street
Berkhamsted
HP4 1BW

WESTBROOK HAY EDUCATIONAL TRUST LIMITED
(A company limited by guarantee)

GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2016

The Governors (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of Westbrook Hay Educational Trust Limited (the company) for the year ended 31 August 2016. The Governors confirm that the annual report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities".

Since the company qualifies as small under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

STRUCTURE, GOVERNANCE and MANAGEMENT

a. Constitution

The Company is governed by its Memorandum and Articles of Association, dated 15 May 1985 and last amended on 20 April 2009.

The company is a registered charity - number 292537

b. Method of Appointment or Election of Governors

The Governors, who are also required under the Articles to serve as Directors of the Company and members of the Trust, are elected at a full Governors' Meeting on the basis of professional or business experience, specialist skills and personal competence.

At each Annual General Meeting, one-fifth of the Governors, or the number nearest to this, retire from office by rotation, and are eligible for re-election. Mr James and Mr Hampstead will retire by rotation at the next annual general meeting and offer themselves for re election.

c. Policies adopted for the Induction and Training of Governors

New Governors are inducted into the workings of the Trust as a school and also as a registered charity, including its Board Policy and Procedures.

d. Organisational Structure and Decision Making

The Governors meet as a Board at least once a term to determine the general policy of the Company and review its overall management and control, for which they are legally responsible. The Finance Committee is chaired by Mr James. The Committee meets at least once a term, prior to the full Governors' Meeting, specifically to review the budgets, termly finance reports, annual report and accounts and long term forecasts. The Education Committee, chaired by Mr Lock, considers matters relating to education. Specific Governors have designated responsibility for oversight of Early Years, Child Protection and Health and Safety. Day to day management of the School is delegated to the Headmaster, Finance Bursar and the Estates and Facilities Bursar, supported by other members of the Senior Management Team.

e. Related Party Relationships

Westbrook Hay is an active member of the Independent Association of Prep Schools (IAPS) for the promotion and maintenance of preparatory school standards generally and also takes part in peer group studies for the evaluation of quality and performance improvement methods. Teaching members of the Senior Management Team regularly both run and attend discussion forums with their peers from other preparatory schools in the area in order to enhance the quality and scope of the lessons given within the School.

WESTBROOK HAY EDUCATIONAL TRUST LIMITED
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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

Westbrook Hay is a member of AMDIS (Association of Marketing Development for Independent Schools), through which the School is able to benefit from best practice in the marketing of Independent Schools.

Westbrook Hay has built good relationships with several local child-care nurseries. The benefit of this is sharing best practice in the area of child care provision and early years' education. It also increases the awareness of Westbrook Hay amongst parents looking for schools for their children. The school holds events inviting children from local nurseries – in September 2015 the school hosted a Teddy Bears' Picnic which was well attended by Nursery age children.

The Westbrook Hay Association traditionally hosts a series of events throughout the year for the parents and families of children at the school. Firework Night, Easter Egg Hunt, Family Fun Days and the Christmas Fayre can be enjoyed by a much wider audience, local families and prospective families are also invited to attend.

The School's links with the neighbouring land owner, The Box Moor Trust, have enabled pupils to visit regularly their farm land and laboratories, and gain experience and an understanding of how to care for the environment.

The school supports Dacorum under 11 football through use of training and match facilities.

The Former Pupils' Association continues to thrive and our former pupils are regularly in contact with the school through e-mail, the School's website and social media. We also host an annual reunion which is well attended.

The children have joined with other local schools to sing at St John's Church in Boxmoor for the Unisong workshop and the choir took part in the Young Voices concert at the O2 Arena with many other schools from around the country. Our musicians competed at the local Watford Festival over several weekends in the Spring. The children have also sung to the patients at the Hospice of St Francis and at Christmas sung to the residents of a Little Gaddesden Nursing Home.

We co-operate with as many local charities as we can, despite the school's isolated situation, in our ongoing endeavours to widen public access to the schooling we can provide, to optimize the educational use of our cultural and sporting facilities and to awaken in our pupils an awareness of the wider social context of the education they receive at the School. There is one major project a year to which the proceeds of several events are donated as well as numerous other opportunities to assist with local and national charities.

Throughout the year, the School supported:

The Hospice of St Francis appeal and raised £2000

Dacorum Fellowship for Children which received £1381

Salvation Army: all the produce donated from the Harvest Festival service

The Royal British Legion Poppy Appeal: sale of poppies and a collection at Remembrance service totaling £305.

Westbrook Hay also benefits from the fund raising activities of parents and staff of the School through the Westbrook Hay Association, whose hard work and support is greatly appreciated.

f. Risk Management

The Governors have assessed the major risks to which the charity is exposed, in particular those related to the operations and finances of the Charity, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

OBJECTIVES

a. Mission and aims

The Objective of the Company, in accordance with its Memorandum of Association, is the education of children up to age 13. In the furtherance of the Objective the Directors, as the charity trustees, have complied with the duty in s.4 of the Charities Act 2011 to have due regard to the Charity Commission's published general and relevant sub-sector guidance concerning the operation of the Public Benefit requirement under that Act.

The Board's strategic aim is to reach its annual objective for the public benefit as a charitable Independent School in the attainment of the highest academic levels consistent with our wider access admissions policy for helping pupils from lower income or otherwise disadvantaged families to benefit from our fee-based schooling, whilst allowing all pupils to benefit from our extra-curricular programme. This is intended to draw out their abilities and academic potential, awaken and develop wider interests in life for eventual participation in society and motivate them for a successful outcome at their chosen senior school.

b. Strategies

The Board's main objective is to provide an excellent education so that pupils will be fully able to benefit from their chosen senior school for the completion of their education in due course.

Our strategy for achieving this is to maintain a high teacher to pupil ratio, tailoring our services as appropriate in each case to suit individual needs, to build up our own bursary funds as well as our referrals network of external funding sources for those in need of help with our school fees and to make use of internet facilities, safeguarding as necessary, where appropriate.

c. Activities for Achieving Objectives

Westbrook Hay's principal activity continues to be the provision of education for rising 3 to 13 year old pupils to enable them to progress to the senior school of their choice. The site comprises a 26 acre parkland setting overlooking the Bourne Valley. It benefits from easy access to the major road network which enables the School to have a catchment area between Leighton Buzzard and N & W London.

d. Extra Curricular Activities

The School continues to offer an exceptionally wide range of extra curricular activities. Pupils from Year 2 upwards have Games and/or PE timetabled on four days a week, with every child having the opportunity to play for the school at least once a term. Other activities include aikido, computing, design and technology, drama, golf, horse riding, orienteering, shooting, and skiing.

e. Bursaries and Scholarships

During the year 20 pupils benefited from Scholarships (Art/Sports/Academic) and Bursaries, the latter being awarded on a means tested basis. The levels of the awards are determined by the Headmaster in consultation with the Finance Bursar. These awards amounted to a total of £135,879 (4.05% of net fees) and have been deducted from annual fee income.

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

f. Volunteers

The staff and parents, through the Westbrook Hay Association, continue to give generously of their time and energies in voluntary work on the school's behalf. The Association runs a number of events throughout the year, both for existing and prospective parents and for others within the local community. The combined effort produces additional support for the school in a variety of projects and donations and is greatly appreciated by the School and the Board of Governors.

ACHIEVEMENTS AND PERFORMANCE

a. ISI Inspection

The Independent Schools Inspectorate carried out a Standard Inspection in May and June 2011. The pupils' overall achievement and personal development were both found to be excellent. The Governors are delighted by the findings which can be found at www.isi.net/schools/7232/

b. Results

The School's successful track record continues, with outstanding results in Senior School Entrance Examinations, allied to a very strong performance from the girls who leave at 11. The School continues to enjoy success in the 11+ tests to Bucks Grammar Schools, although it was encouraging to see how many chose the option to remain at the School until 13.

FINANCIAL REVIEW

a. Results for the Year

The Trust's net incoming resources for the year of £545,717 are disclosed on the Statement of Financial Activities (2015: net incoming resources £700,316). This represents a return on total incoming resources of 15%.

b. Reserves Policy

The Governors have a long standing policy to use revenue surpluses to improve the facilities and the overall educational service provided. All the school funds except 10K are unrestricted and its assets are sufficient to meet its obligations. General funds now stand at £4.153m. £90,000 of this balance has been designated as The Road Repairs Fund, which has been set up to provide for the future resurfacing and other repairs of the School drive. The school provides regular budgets, management accounts and forecasts to ensure that it has sufficient reserves and school fee income to continue to operate.

c. Capital Expenditure

The school's capital expenditure of £706,044 is summarised in Note 10 to the accounts. This includes the cost of refitting the kitchen (£18,453), replacement of and additions to computer equipment (£24,954) under a rolling programme, and further furniture and fittings of £29,045. The school has invested a further £633,592 in completing the new Performing Arts Centre.

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

d. Freehold Properties

In the opinion of the Governors the value of the freehold land and permanent buildings is not less than the book value and no useful purpose would be served by undertaking a revaluation.

e. Investment Policy

In accordance with the School's cash management policy, cash balances are reviewed on a weekly basis by the Finance Bursar and all cash that is surplus to immediate day to day requirements is deposited in interest bearing, on-demand deposits with established banks or used to offset the building loan interest charges.

f. The Teachers Pension Scheme

The School participates in the Teachers' Pension Scheme (England and Wales) ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £176,625 (2015: £133,211) and at the year-end £nil (2015 - £nil) was accrued in respect of contributions to this scheme.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by the Teachers' Pension Scheme Regulations 2014. Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The employer contribution rate is set following scheme valuations undertaken by the Government Actuary's Department. The latest actuarial valuation of the TPS was prepared as at 31 March 2012 and the valuation report, which was published in June 2014, confirmed an employer contribution rate for the TPS of 16.4% from 1 September 2015. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 16.48%.

This employer rate will be payable until the outcome of the next actuarial valuation, which is due to be prepared as at 31 March 2016, with any resulting changes to the employer rate expected to take effect from 1 April 2019. This valuation will also determine the opening balance of the cost cap fund and provide an analysis of the cost cap as required by the Public Service Pensions Act 2013.

PLANS FOR THE FUTURE

a. Future Developments

The Governors are committed to an ongoing programme of refurbishment and further improvement of facilities at the school.

Construction of the School's Performing Arts Centre is now complete and the facility is in use. Facilities include an auditorium and dance studio as well as music teaching and practice areas. Recent performances of Bugsy Malone, Robin Hood, the annual dance display and the house music competition have been well attended by parents. The official opening of the PAC and also a memorial service for a previous Head, Trafford Allen, were attended by a wider audience including past and present staff, pupils and parents, the Governors and invited guests.

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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2016

MEMBERS' LIABILITY

Each Member of the company guarantees to contribute an amount not exceeding £1 to the assets of the charity in the event of winding up.

GOVERNORS' RESPONSIBILITIES STATEMENT

The Governors (who are also directors of Westbrook Hay Educational Trust Limited for the purposes of company law) are responsible for preparing the Governors' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Governors to prepare financial statements for each financial year. Under company law the Governors 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 the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Governors 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.

DISCLOSURE OF INFORMATION TO AUDITOR

Each of the persons who are Governors at the time when this Governors' report is approved has confirmed that:

- so far as that Governor is aware, there is no relevant audit information of which the auditors are unaware, and
- they have taken all the steps that ought to have been taken as Governor in order to be aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITOR

The auditors, Hillier Hopkins LLP, have indicated their willingness to continue in office. The Governors will propose a motion re-appointing the auditors at a meeting of the Governors.

This report was approved by the Governors on

and signed on their behalf by:



A M Newland, Chairman

24/11/16

WESTBROOK HAY EDUCATIONAL TRUST LIMITED
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WESTBROOK HAY EDUCATIONAL TRUST LIMITED

We have audited the financial statements of Westbrook Hay Educational Trust Limited for the year ended 31 August 2016 set out on pages 11 to 26. 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).

This report is made solely to the Charity'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 Charity'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 Charity's members, as a body, for our audit work, for this report, or for the opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF GOVERNORS AND AUDITOR

As explained more fully in the Governors' responsibilities statement, the Governors (who are also the directors of the charitable company 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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Governors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Governors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

OPINION ON FINANCIAL STATEMENTS

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 2016 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.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Governors' report, incorporating the Strategic report, for the financial year for which the financial statements are prepared is consistent with the financial statements.

WESTBROOK HAY EDUCATIONAL TRUST LIMITED
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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WESTBROOK HAY EDUCATIONAL TRUST LIMITED

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Alexander Bottom ACA (Senior statutory auditor)
for and on behalf of

Hillier Hopkins LLP

Chartered Accountants

Statutory Auditor

Radius House

51 Clarendon Road

Watford

Herts

WD17 1HP

Date: *9th December 2016*

WESTBROOK HAY EDUCATIONAL TRUST LIMITED
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**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2016**

	Note	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
INCOME FROM:					
Donations and legacies	2	42,201	-	42,201	35,896
Charitable activities	5	3,548,413	-	3,548,413	3,544,579
Other trading activities	3	34,461	-	34,461	33,371
Investments	4	4,940	-	4,940	18,664
TOTAL INCOME		3,630,015	-	3,630,015	3,632,510
EXPENDITURE ON:					
Charitable activities	7	3,084,297	-	3,084,297	2,932,194
TOTAL EXPENDITURE	6	3,084,297	-	3,084,297	2,932,194
NET INCOME BEFORE OTHER RECOGNISED GAINS AND LOSSES		545,718	-	545,718	700,316
NET MOVEMENT IN FUNDS		545,718	-	545,718	700,316
RECONCILIATION OF FUNDS:					
Total funds brought forward		3,607,591	10,000	3,617,591	2,917,275
TOTAL FUNDS CARRIED FORWARD		4,153,309	10,000	4,163,309	3,617,591

All activities relate to continuing operations.

The notes on pages 14 to 26 form part of these financial statements.

WESTBROOK HAY EDUCATIONAL TRUST LIMITED
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REGISTERED NUMBER: 01925994

BALANCE SHEET
AS AT 31 AUGUST 2016

	Note	£	2016 £	£	2015 £
FIXED ASSETS					
Tangible assets	10		5,363,917		4,853,489
CURRENT ASSETS					
Debtors	11	80,264		79,999	
Cash at bank and in hand		1,165,508		1,068,589	
		<u>1,245,772</u>		<u>1,148,588</u>	
CREDITORS: amounts falling due within one year	12	(533,412)		(377,576)	
NET CURRENT ASSETS			<u>712,360</u>		<u>771,012</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>6,076,277</u>		<u>5,624,501</u>
CREDITORS: amounts falling due after more than one year	13		(1,912,968)		(2,006,910)
NET ASSETS			<u><u>4,163,309</u></u>		<u><u>3,617,591</u></u>
CHARITY FUNDS					
Restricted funds	14		10,000		10,000
Unrestricted funds	14		4,153,309		3,607,591
TOTAL FUNDS			<u><u>4,163,309</u></u>		<u><u>3,617,591</u></u>

The financial statements were approved by the Governors on behalf, by:

24/11/16

and signed on their


Stephen James, Governor


Andrew Newland, Chairman

The notes on pages 14 to 26 form part of these financial statements.

WESTBROOK HAY EDUCATIONAL TRUST LIMITED
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**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2016**

	Note	2016 £	2015 £
Cash flows from operating activities			
Net cash provided by operating activities	17	<u>886,104</u>	<u>657,729</u>
Cash flows from investing activities:			
Net interest (paid)/received		(8,848)	1,053
Purchase of tangible fixed assets		<u>(706,045)</u>	<u>(2,205,905)</u>
Net cash used in investing activities		<u>(714,893)</u>	<u>(2,204,852)</u>
Cash flows from financing activities:			
Repayments of borrowings		(90,612)	(88,280)
Interest accrued on borrowing		<u>16,320</u>	<u>16,000</u>
Net cash used in financing activities		<u>(74,292)</u>	<u>(72,280)</u>
Change in cash and cash equivalents in the year		96,919	(1,619,403)
Cash and cash equivalents brought forward		<u>1,068,589</u>	<u>2,687,992</u>
Cash and cash equivalents carried forward		<u><u>1,165,508</u></u>	<u><u>1,068,589</u></u>

WESTBROOK HAY EDUCATIONAL TRUST LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with 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) (effective 1 January 2015) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006

Westbrook Hay Educational Trust Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

1.2 Tangible fixed assets and depreciation

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold land and buildings of permanent construction	-	2% straight line
Freehold Buildings of non permanent construction	-	4% straight line
Motor vehicles	-	25% reducing balance
Fixtures & fittings	-	10% straight line
Computer and associated equipment	-	25% straight line
Assets under construction	-	not depreciated

1.3 Reconciliation with previous Generally Accepted Accounting Practice

In preparing these accounts, the Governors have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP FRS 102 the restatement of comparative items was required.

No restatements were required.

1.4 Company status

The company is a company limited by guarantee. The members of the company are the Governors named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

WESTBROOK HAY EDUCATIONAL TRUST LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

1. ACCOUNTING POLICIES (continued)

1.5 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Governors in furtherance of the general objectives of the company and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Governors for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

1.6 Income

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

For legacies, entitlement is taken as the earlier of the date on which either: the company is aware that probate has been granted, the estate has been finalised and notification has been made by the executor(s) to the Trust that a distribution will be made, or when a distribution is received from the estate. Receipt of a legacy, in whole or in part, is only considered probable when the amount can be measured reliably and the company has been notified of the executor's intention to make a distribution. Where legacies have been notified to the company, or the company is aware of the granting of probate, and the criteria for income recognition have not been met, then the legacy is treated as a contingent asset and disclosed if material.

1.7 Operating leases

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

WESTBROOK HAY EDUCATIONAL TRUST LIMITED
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

1. ACCOUNTING POLICIES (continued)

1.8 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.

Governance costs are those incurred in connection with administration of the company and compliance with constitutional and statutory requirements.

Charitable activities and Governance costs are costs incurred on the company's educational operations, including support costs and costs relating to the governance of the company apportioned to charitable activities.

1.9 Pensions

The School contributes to the Teachers' Pension Defined Benefits Scheme at rates set by the Scheme actuary and advised to the School by the Scheme Administrator. The Scheme is a multi-employer pension scheme and it is not possible to identify the assets and liabilities of the Scheme which are attributable to the School. In accordance with FRS 17 the Scheme is accounted for as a defined benefit scheme and contributions are accounted for when advised as due by the Scheme Administrator.

The School offers membership of a defined contributions pension scheme to non-teaching staff.

The School's contributions to the pension schemes are charged to the income and expenditure account as they fall due.

1.10 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the company; this is normally upon notification of the interest paid or payable by the Bank.

1.11 Financial instruments

The company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

2. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted funds 2016 £	<i>Total funds 2015 £</i>
Donations	42,201	35,896

In 2015, of the total income from donations and legacies, £25,896 was to unrestricted funds and £10,000 was to restricted funds

3. ACTIVITIES FOR GENERATING FUNDS

	Unrestricted funds 2016 £	<i>Total funds 2015 £</i>
School Shop Commission	3,971	4,844
Hire of School Facilities	30,490	28,527
	34,461	33,371

In 2015, of the total income from other trading activities, £33,371 was to unrestricted funds and £ NIL was to restricted funds.

4. INVESTMENT INCOME

	Unrestricted funds 2016 £	Total funds 2016 £	<i>Total funds 2015 £</i>
Interest received	4,940	4,940	18,664

In 2015, of the total investment income, £17,229 was to unrestricted funds and £ NIL was to restricted funds.

5. INCOME FROM CHARITABLE ACTIVITIES

	Unrestricted funds 2016 £	Total funds 2016 £	<i>Total funds 2015 £</i>
Charitable activities	3,548,413	3,548,413	3,544,579

In 2015, of the total income from charitable activities, £3,544,579 was to unrestricted funds and £ NIL was to restricted funds.

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Breakdown of charitable activities

	2016 £	2015 £
Fees receivable		
Gross fees	3,659,586	3,674,081
Less: Bursaries, grants and allowances	(310,252)	(332,879)
Sub total	<u>3,349,334</u>	<u>3,341,202</u>
Other income from school activities		
Other school activities	199,079	203,378
Sub total	<u>199,079</u>	<u>203,378</u>
 Total	 <u><u>3,548,413</u></u>	 <u><u>3,544,580</u></u>

6. ANALYSIS OF RESOURCES EXPENDED BY EXPENDITURE TYPE

	Staff costs 2016 £	Other costs 2016 £	Total 2016 £	Total 2015 £
Teaching Costs	1,614,244	197,257	1,811,501	1,728,972
Welfare	103,351	121,125	224,476	214,623
Premises	99,900	425,814	525,714	467,770
Support	226,167	255,797	481,964	464,600
Finance costs	-	22,025	22,025	41,571
Charitable activities	<u>2,043,662</u>	<u>1,022,018</u>	<u>3,065,680</u>	<u>2,917,536</u>
Expenditure on governance	<u>-</u>	<u>18,617</u>	<u>18,617</u>	<u>13,223</u>
	<u><u>2,043,662</u></u>	<u><u>1,040,635</u></u>	<u><u>3,084,297</u></u>	<u><u>2,930,759</u></u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

7. GOVERNANCE COSTS

	Unrestricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
Governance Auditors' remuneration	10,440	10,440	10,200
Governance Auditors' non audit costs	6,540	6,540	2,036
Governors' Training and Subscription costs	1,637	1,637	987
	<u>18,617</u>	<u>18,617</u>	<u>13,223</u>

8. STAFF COSTS

Staff costs were as follows:

	2016 £	2015 £
Wages and salaries	1,713,559	1,657,907
Social security costs	139,486	134,804
Other pension costs	190,617	151,373
	<u>2,043,662</u>	<u>1,944,084</u>

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

	2016	2015
Teaching	40	40
Other	22	21
	<u>62</u>	<u>61</u>

The number of higher paid employees was:

	2016	2015
In the band £80,001 - £90,000	1	1

The above employee participated in the Teachers' Pension Scheme. During the year ended 31 August 2016, pension contributions for this member of staff amounted to £13,717 (2015: £11,506).

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

9. NET INCOMING RESOURCES/(RESOURCES EXPENDED)

This is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets:		
- owned by the charity	194,427	135,297
Auditor's remuneration - audit	10,440	10,200
Auditor's remuneration - other services	6,540	2,036
Bank interest and charges	15,390	17,859
Loan interest	16,320	16,000
	<u> </u>	<u> </u>

During the year, no Governors received any remuneration (2015 - £NIL).

During the year, no Governors received any benefits in kind (2015 - £NIL).

During the year, expenses reimbursed to Governors amounted to £374 (2015 - £208).

10. TANGIBLE FIXED ASSETS

	Freehold land and permanent buildings £	Freehold Buildings of non permanent con- struction £	Motor vehicles £	Fixtures, fittings and equipment £	Computer and associated equipment £	Total £
Cost						
At 1 September 2015	5,279,374	46,124	143,487	319,805	253,610	6,042,400
Additions	633,591	-	-	47,499	24,954	706,044
Disposals	-	-	-	(1,400)	(20,886)	(22,286)
At 31 August 2016	<u>5,912,965</u>	<u>46,124</u>	<u>143,487</u>	<u>365,904</u>	<u>257,678</u>	<u>6,726,158</u>
Depreciation						
At 1 September 2015	659,347	25,973	105,712	212,897	184,982	1,188,911
Charge for the year	117,982	1,845	9,444	19,485	45,671	194,427
On disposals	-	-	-	(653)	(20,444)	(21,097)
At 31 August 2016	<u>777,329</u>	<u>27,818</u>	<u>115,156</u>	<u>231,729</u>	<u>210,209</u>	<u>1,362,241</u>
Net book value						
At 31 August 2016	<u>5,135,636</u>	<u>18,306</u>	<u>28,331</u>	<u>134,175</u>	<u>47,469</u>	<u>5,363,917</u>
At 31 August 2015	<u>4,620,027</u>	<u>20,151</u>	<u>37,775</u>	<u>106,908</u>	<u>68,628</u>	<u>4,853,489</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

11. DEBTORS

	2016	2015
	£	£
Due after more than one year		
Other debtors	14,232	19,403
Due within one year		
Other debtors and prepayments	66,032	60,596
	80,264	79,999

12. CREDITORS: Amounts falling due within one year

	2016	2015
	£	£
Bank loans	87,847	87,847
Advance fees	285,959	212,231
Other taxation and social security	7,890	7,890
Other creditors	151,716	69,608
	533,412	377,576

Advance fees

Deferred income at 1 September 2015	212,231
Resources deferred during the year	285,959
Amounts released from previous years	(212,231)
Deferred income at 31 August 2016	285,959

Deferred income relates to fees received in advance for the school year 2016/17.

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**NOTES TO THE FINANCIAL STATEMENTS
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13. CREDITORS:
Amounts falling due after more than one year

	2016 £	2015 £
Bank loans	992,290	1,082,902
Other loans	832,320	816,000
School place deposits and fees in advance	88,358	108,008
	<u>1,912,968</u>	<u>2,006,910</u>

Included within the above are amounts falling due as follows:

	2016 £	2015 £
Between one and two years		
Bank loans	87,847	87,847
Between two and five years		
Bank loans	263,542	263,542
Other loans	320,000	-
Over five years		
Bank loans	640,900	731,513
Other loans	512,320	816,000

Creditors include amounts not wholly repayable within 5 years as follows:

	2016 £	2015 £
Repayable by instalments	1,153,220	1,547,513
Repayable other than by instalments	41,250	39,300
	<u>1,194,470</u>	<u>1,586,813</u>

School place deposits are repayable when the pupils leave. £41,250 (2015: £39,300) of deposits are expected to be repayable after more than five years.

AIB Group (UK) Plc has a first legal charge over the freehold property known as Westbrook Hay School. The loan is repayable by instalments over 18 years starting from March 2010.

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**NOTES TO THE FINANCIAL STATEMENTS
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14. STATEMENT OF FUNDS

	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Carried Forward £
Designated funds					
Road repair Fund	82,500	-	-	7,500	90,000
General funds					
General Fund	3,525,091	3,630,015	(3,084,297)	(7,500)	4,063,309
Total Unrestricted funds	3,607,591	3,630,015	(3,084,297)	-	4,153,309
Restricted funds					
Restricted Funds	10,000	-	-	-	10,000
Total of funds	3,617,591	3,630,015	(3,084,297)	-	4,163,309

SUMMARY OF FUNDS

	Brought Forward £	Income £	Expenditure £	Transfers in/out £	Carried Forward £
Designated funds	82,500	-	-	7,500	90,000
General funds	3,525,091	3,630,015	(3,084,297)	(7,500)	4,063,309
	3,607,591	3,630,015	(3,084,297)	-	4,153,309
Restricted funds	10,000	-	-	-	10,000
	3,617,591	3,630,015	(3,084,297)	-	4,163,309

The restricted funds of £10k relates to a donation from a former parent towards the cost of painting the front of the Main Building.

15. TAXATION

The company is a registered charity and no taxation is payable on its income.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £	Total funds 2015 £
	-	-	-	4,853,488
Tangible fixed assets	5,363,917	-	5,363,917	-
Debtors due after more than 1 year	14,232	-	14,232	11,903
Current assets	1,221,541	10,000	1,231,541	1,136,687
Creditors due within one year	(533,413)	-	(533,413)	(377,576)
Creditors due in more than one year	(1,912,968)	-	(1,912,968)	(2,006,910)
	<u>4,153,309</u>	<u>10,000</u>	<u>4,163,309</u>	<u>3,617,591</u>

**17. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW
FROM OPERATING ACTIVITIES**

	2016 £	2015 £
Net income for the year (as per Statement of financial activities)	545,718	700,316
Adjustment for:		
Depreciation charges	194,427	135,297
Returns on investments and servicing of finance	8,848	(1,053)
Loss on the sale of fixed assets	1,190	-
(Increase)/Decrease in debtors	(264)	29,269
Increase/(Decrease) in creditors	136,185	(206,100)
Net cash provided by operating activities	<u>886,104</u>	<u>657,729</u>

18. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2016 £	2015 £
Cash at bank	1,165,508	1,068,589
Total	<u>1,165,508</u>	<u>1,068,589</u>

19. CAPITAL COMMITMENTS

At 31 August 2016 the company had capital commitments as follows:

	2016 £	2015 £
Contracted for but not provided in these financial statements	-	710,000

The commitment in 2015 above relates to the development of the Performing Arts Centre.

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**NOTES TO THE FINANCIAL STATEMENTS
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20. OPERATING LEASE COMMITMENTS

At 31 August 2016 the total of the Charity's future minimum lease payments under non-cancellable operating leases was:

	2016 £	2015 £
Amounts payable:		
Within 1 year	6,695	-
Between 1 and 5 years	-	13,390
Total	6,695	13,390

21. RELATED PARTY TRANSACTIONS

Governors' liability insurance premium borne by the School is not separately identifiable but is included as part of the public liability insurance premium of £5,099 (2015: £6,103).

Two of the Governors have family members enrolled at the school, all pay standard fees.

The Headmaster is the Treasurer of Westbrook Hay Association which owed the School £nil (2015: £nil) at the year end, in respect of expenditure paid by the School on the Association's behalf.

At the balance sheet date the School was owed £20,232 (2015: £27,903) by a senior member of staff. The maximum amount owing during the year was £27,903 (2015: £43,968).

22. PENSION SCHEME

The School participates in a multiemployer defined benefits pension scheme, the Teachers' Pension Scheme (England and Wales) ("the scheme"), for its teaching staff. As a result it is not possible or appropriate to identify the assets and liabilities of the Scheme which are attributable to the School.

In accordance with the Teachers Pension (Amendment) Regulations 2002, based on the latest actuarial valuation of the scheme issued in October 2006, the scheme has been attributed with notional assets equal to the actuarial value of the scheme liabilities at 31 March 2004.

From 1 April 2012 there was no longer a standard contribution rate, previously 20.5%. The school will continue to pay 14.1%, however the teachers rate is now on a sliding scale from 6.4% to 12.4% depending on pensionable salary.

The School offers membership of a defined contributions pension scheme to non-teaching staff.

The charges for the year comprise:

	2016 £	2015 £
Teachers' pensions superannuation contributions	176,625	133,211
Non-teaching staff contributions	13,992	18,161

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016

23. FIRST TIME ADOPTION OF FRS 102

It is the first year that the company has presented its financial statements under SORP 2015 and FRS 102. The following disclosures are required in the year of transition. The last financial statements prepared under previous UK GAAP were for the year ended 31 August 2015 and the date of transition to FRS 102 and SORP 2015 was therefore 1 September 2014. As a consequence of adopting FRS 102 and SORP 2015, a number of accounting policies have changed to comply with those standards.

The policies applied under the company's previous accounting framework are not materially different to FRS 102 and have not impacted on funds or net income/expenditure.