

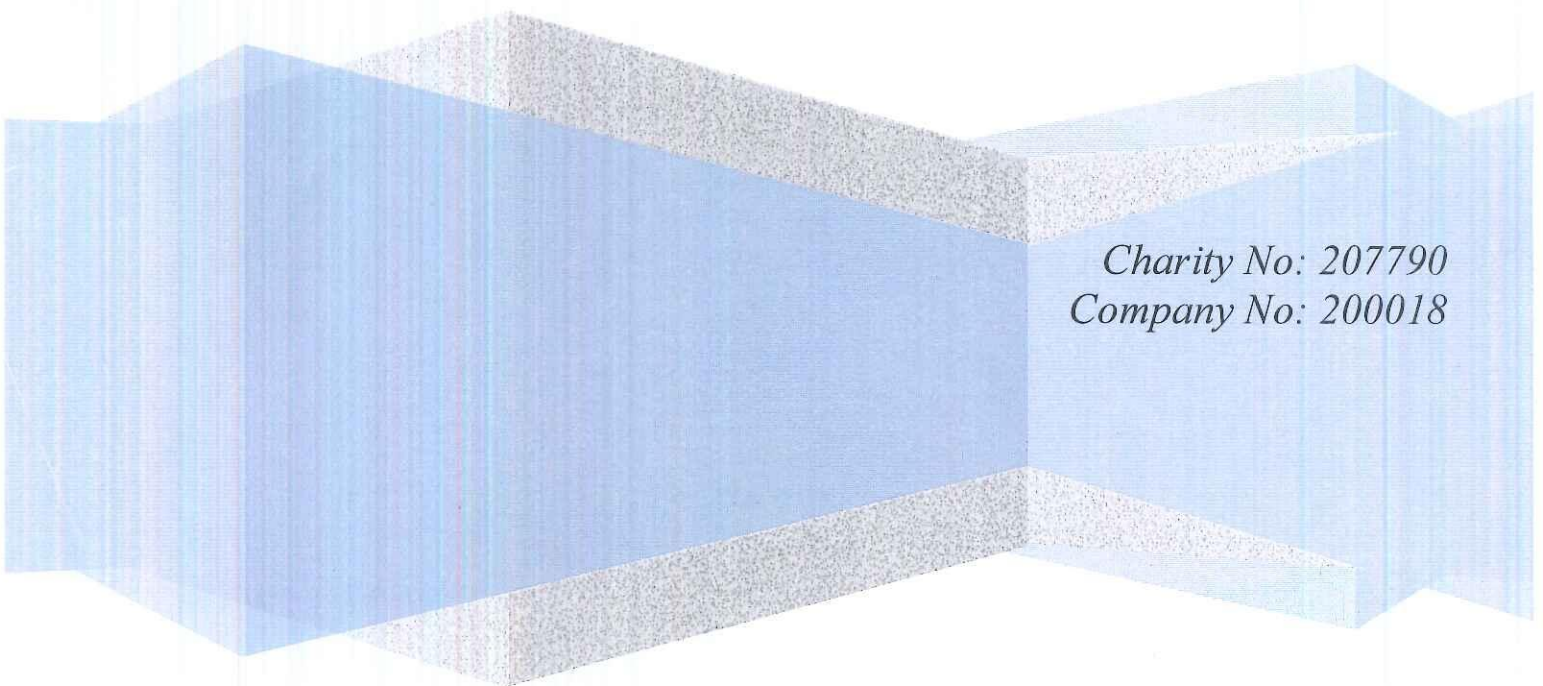
WEST KIRBY RESIDENTIAL SCHOOL

REPORT OF THE DIRECTORS

AND

FINANCIAL STATEMENTS

***ANNUAL REPORT
FOR THE YEAR ENDED
31 March 2019***



*Charity No: 207790
Company No: 200018*

*WEST KIRBY RESIDENTIAL SCHOOL
137th ANNUAL REPORT
FOR THE YEAR ENDED 31 March 2019*

INDEX

	PAGE
Introduction by the President	1
Report of the Trustees (Directors)	2 – 9
Report of the Auditor	10 – 11
Statement of Financial Activities	12
Statement of Other Comprehensive Income	13
Balance Sheet	14
Cash Flow Statement	15
Notes to the Financial Statements	16 – 30
Members of the School	31

INTRODUCTION BY THE PRESIDENT

At a time of much uncertainty in the world it is reassuring that the West Kirby School maintains its position at the forefront of schools meeting the challenges confronting young people with special educational needs.

The range of subjects and activities covered in the School give pupils so many opportunities. And thanks to the great commitment of dedicated teachers and care staff they are well prepared to cope with adult life. Warm thanks are due to all staff who make this possible.

In the background, but making a vital contribution to the smooth running of the School, is the support staff and they are to be congratulated and thanked for all they do.

The cooperation of parents in supporting what is being done to help their children is so important and acknowledgement is due to them for this support. Alongside this the enthusiasm of the pupils makes a real difference.

Planning for the future and dealing with external pressures such as government legislation is the statutory responsibility of the Governors and Directors. Towards the end of the year the two boards were combined for meetings and the reduced duplication and single oversight will help effectiveness. For giving their time and commitment voluntarily special thanks are due.

At the end of December, the Principal Iain Sim announced his intention to retire from the teaching profession in April this year. We thank him for his leadership over the last four years and he leaves with our good wishes for the future. West Kirby School has had a good year and is well placed to face the challenges of the future under a new Principal. All connected with the School can be proud of what is being achieved.

Anthony Shone D.L.
President

December 2019

REPORT OF THE TRUSTEES (DIRECTORS)

REFERENCE AND ADMINISTRATIVE DETAILS

Charity name:	West Kirby Residential School
Charity registration number:	207790
Company registration number:	200018
Registered office and operational address:	Meols Drive, West Kirby, Wirral, CH48 5DH

Board of Directors

John Wylie		Chairman
Geraldine Moore	(Resigned 31 March 2019)	Vice Chairman
Brian Bounphrey		Director
Neville Lumb		Director
Mark Dickinson		Director
Edward Billington	(Resigned 31 March 2019)	Director
John Hughes	(Appointed post year end)	Director
Elizabeth Thorne	(Appointed post year end)	Director

Company Secretary

Rachel Kennedy	(Resigned post year end)
Phillip Wilson	(Appointed post year end)

Board of Governors

John Wylie	Chairman
John Hughes	Vice Chairman
Stephen Peacock	Parent Governor
Val Daglish	Governor
Mark Dickinson	Governor
Councillor Andrew Gardner	Wirral LA Governor
Linda Powner	Staff Governor
Dr Elizabeth Thorne	Governor
Emma Mottram	Governor
Iain Sim	Governor
Rachel Kennedy	Clerk to the Directors and Governors

REPORT OF THE TRUSTEES (DIRECTORS) /cont'd

REFERENCE AND ADMINISTRATIVE DETAILS

Principal

Iain Sim (Resigned post year-end)
Sian Thomas (Appointed post year-end)

Business Manager

Rachel Kennedy (Resigned post year-end)

Senior Leadership Team

Peter Smith	Vice Principal
Rachel Kennedy	Business Manager
Jon Hastie (Resigned during the year)	Head of Care
Nicky Tolley	Head of Therapeutic Services

Auditors

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

Bankers

Barclays Bank plc, West Kirby Branch, North Wirral Group, 2 Liscard Village, Wallasey, Merseyside CH45 4JS

Solicitors

The Honorary School Solicitors are Maxwell Hodge, 34 Grange Road, West Kirby, Wirral, Merseyside CH48 4EF.

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 2000.

The School is a company limited by guarantee, Registered Number 200018, 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 produced in 2012 to support the role of the Directors and Governors of the school.

Trustee induction and training

There is a Recruitment Policy and Procedure in place for all Directors and Governors of the School (revised Summer 2018). Induction and training is provided by the Chairman and Officers, 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 Business Manager. 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

To assist the Board of Directors in these matters the charity has appointed a part time Finance Director as of January 2018. In particular, the Finance Director is concerned with ensuring the sustainable funding of the Charity's activities: The school and its commitments to the Defined Benefit Pension Scheme.

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

Board of Governors

The Board of Governors of the School is 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 Governors meets at least once a term.

Governor Mark

As a whole Governing Body the Directors and Governors were jointly awarded Governor Mark in May 2013, recognition by the Department for Education of the high standard of governance.

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 Business Manager.

The Business Manager

The Business Manager 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 communication, social, medical emotional and behavioural problems.

REPORT OF THE TRUSTEES (DIRECTORS) /cont'd

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

1. To be committed to safeguarding and promoting the welfare of the children and young people in our School and ensuring all staff / volunteers and other stakeholders share this commitment.
2. To be committed to providing an inclusive education in which the teaching, learning, achievements, attitudes and well-being of every child and young person is embedded in the ethos of the School.
3. To be committed to raising standards through quality provision enabling all our pupils to develop and achieve their full potential and be prepared for adult life in their community.
4. To provide ongoing arrangements for staff development and well-being.
5. To develop and maintain partnerships with stakeholders, local communities and regional and national organisations.
6. To create a global network of contacts with similar schools / organisations in the developing world to engender understanding and fellowship.
7. To ensure the School maintains flexibility to develop new initiatives in order to meet changing needs of complex young people and compete in the sector.
8. To ensure the upkeep and development of our premises, resources facilities and embrace new technology.
9. To integrate new leaders into the Senior Leadership team to reflect the growing diversity of organisational need and consolidate succession planning.

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 and Governors.

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.

REPORT OF THE TRUSTEES (DIRECTORS) /cont'd

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 therapy input has meant that our pupils with more challenging behaviours have been able to access the full curriculum delivered by the teaching staff such that it is hoped that several pupils will be able to attend our local grammar schools.

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 31 March 2016, a revised Recovery Plan was put in place and fully implemented during this financial year. The next official Triennial Valuation is due at the end of March 2019.

The Directors consider the state of the charity's accounts to be satisfactory with a net income before pension adjustments and investment gains of £564,428 (prior year £485,132). The reported overall surplus of £243,424 includes an actuarial loss to the WKRS pension plan of £332,000 resulting from unfavourable changes in the assumptions used to assess the value of the scheme's liabilities. The pension scheme deficit as at 31 March 2019 (on a FRS102 accounting basis) is £2,926,000 (prior year £2,865,000).

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.

REPORT OF THE TRUSTEES (DIRECTORS) /cont'd

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 2018/19 levels, this would be £2,401,000. At 31 March 2019 the free reserves amounted to £1,901,000, representing 4.7 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).

PLANS FOR THE FUTURE

With the resignation of the current Principal, the Directors and Governors will be looking for a new Principal to continue with the progress of the school over the coming year, and it is hoped to have someone in post for the beginning of the new academic year in September. Thereafter, the Directors and Governors, together with the new Principal, will be undertaking a strategic review as a priority.

Directors and Governors are committed to the continued services and provisions of the charity in these challenging times and have confidence in the staff body as they deal with the increased pupil complexities by using their skill and expertise.

REPORT OF THE TRUSTEES (DIRECTORS) /cont'd

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 proper 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

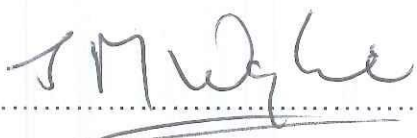

So far as the Directors are aware, there is no relevant audit information (as defined by section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each trustee has taken all the steps that they ought to have taken as a trustee in order to make themselves aware of any relevant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

AUDITORS

The auditors, McEwan Wallace Limited, will be proposed for re-appointment in accordance with Section 485 of the Companies Act 2006.

This report has been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities (issued July 2014).

ON BEHALF OF THE BOARD:

Signed 


Date: 20th December 2019

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 March 2019 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 March 2019 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

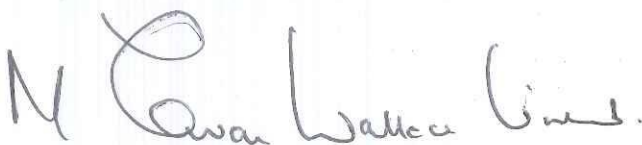
As explained more fully in the Statement of Trustees' Responsibilities set out on page 9, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine necessary to enable 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 a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

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.



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

Date: 20 December 2019

WEST KIRBY RESIDENTIAL SCHOOL
137th ANNUAL REPORT
FOR THE YEAR ENDED 31 March 2019

STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)

	Notes	2019 Unrestricted Fund £	2019 Other Restricted Fund £	2019 Endowment Fund £	2019 Total Funds £	2018 Total Funds £
Incoming Resources						
Donations and legacies		4,178	-	-	4,178	2,736
Other trading activities:		7,744	-	-	7,744	8,799
Income from investments	8	605	-	3,110	3,715	3,284
Income from charitable activities:						
School Fees	3.1	5,338,219	-	-	5,338,219	5,214,703
Grants Received	3.2	15,096	-	-	15,096	56,380
Contribution to school trips		225	-	-	225	1,127
Other Income						
Other income	3.3	951	-	-	951	1,517
Expected Return on Pension Scheme Assets		145,000	-	-	145,000	139,000
Total income and endowments		5,512,018	-	3,110	5,515,128	5,427,546
Resources expended						
Expenditure on raising funds						
Costs of generating voluntary income	5	387	-	-	387	376
Costs of generating funds	6	2,486	-	-	2,486	2,414
Expenditure on charitable activities	4	5,199,812	20,014	-	5,219,826	5,098,624
Total Resources Expended		5,202,686	20,014	-	5,222,700	5,101,414
Net gains/(losses) on investments	9	-	-	6,936	6,936	1,541
Net income/(expenditure)		309,332	(20,014)	10,046	299,364	327,673
Transfer between funds	23	(6,557)	-	6,557	-	-
Other recognised gains/loses						
Actuarial gains/(losses) on defined benefit pension scheme	27	(332,000)	-	-	(332,000)	338,000
(Shortfall)/Gain on expected return on assets		276,000	-	-	276,000	78,000
Gain on disposal of fixed assets		60	-	-	60	-
Net movement in funds		246,835	(20,014)	16,603	243,424	743,673
Total funds brought forward		4,606,964	766,160	199,062	5,572,186	4,828,513
Total funds carried forward		4,853,799	746,146	215,665	5,815,610	5,572,186

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 16 - 30 form part of these financial statements

WEST KIRBY RESIDENTIAL SCHOOL
137th ANNUAL REPORT
FOR THE YEAR ENDED 31 March 2019

STATEMENT OF OTHER COMPREHENSIVE INCOME

	Notes	2019 £	2018 £
SURPLUS FOR THE FINANCIAL YEAR		299,364	327,673
Actuarial gain / (loss)	23	(332,000)	338,000
(Shortfall)/Gain on expected return on assets	23	276,000	78,000
Gain on disposal of fixed assets		60	-
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR		<u>243,424</u>	<u>743,673</u>

The notes set out on pages 16 - 30 form part of these financial statements

WEST KIRBY RESIDENTIAL SCHOOL
137th ANNUAL REPORT
FOR THE YEAR ENDED 31 March 2019

BALANCE SHEET

	Notes	2019 £	2018 £
FIXED ASSETS			
Tangible Assets	10	6,624,836	6,803,018
Fixed Asset Investments	9	94,839	87,903
		<u>6,719,675</u>	<u>6,890,921</u>
CURRENT ASSETS			
Debtors	11	345,439	261,821
Cash at bank and in hand	18	2,383,451	1,946,247
		<u>2,728,890</u>	<u>2,208,068</u>
Less			
Creditors falling due within one year	12	698,192	649,754
NET CURRENT ASSETS		<u>2,030,698</u>	<u>1,558,314</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		8,750,373	8,449,235
Less			
Creditors falling due after more than one year	13	8,763	12,049
NET ASSETS excluding pension liability		8,741,610	8,437,186
Pension liability	19	2,926,000	2,865,000
NET ASSETS including pension liability		<u>5,815,610</u>	<u>5,572,186</u>
CAPITAL AND RESERVES			
Unrestricted funds			
General Fund	23	4,853,799	4,606,964
Restricted Funds			
Restricted Funds	14	746,146	766,160
Endowment Fund	23	215,665	199,062
		<u>5,815,610</u>	<u>5,572,186</u>

Approved by the Board on:

20th December 2019 Date

T N Wylie Director JOHN WYLIE

The notes set out on pages 16 - 30 form part of these financial statements

WEST KIRBY RESIDENTIAL SCHOOL
137th ANNUAL REPORT
FOR THE YEAR ENDED 31 March 2019

CASH FLOW STATEMENT

	Notes	2019 £	2018 £
Cash flow from operating activities			
Cash generated from operations	17	480,375	627,699
Interest and dividends received		3,715	3,284
Net cash from operating activities		<u>484,090</u>	<u>630,933</u>
Cash flow from investing activities			
Purchase of tangible fixed asset		(46,886)	(839,116)
Purchase of fixed asset investment		-	-
Sale of tangible fixed assets		-	-
Net cash from investing activities		<u>(46,886)</u>	<u>(839,116)</u>
Cash flow from financing activities			
Net cash from financing activities		<u>-</u>	<u>-</u>
(Decrease)/increase in cash and cash equivalents		437,204	(208,183)
Cash and cash equivalents at the beginning of year	18	1,946,247	2,154,430
Cash and cash equivalents at the end of year	18	<u>2,383,451</u>	<u>1,946,247</u>

The notes set out on pages 16 - 30 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 £59,010 (2018 - £65,567).
- 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
137th ANNUAL REPORT
FOR THE YEAR ENDED 31 March 2019

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.

WEST KIRBY RESIDENTIAL SCHOOL
137th ANNUAL REPORT
FOR THE YEAR ENDED 31 March 2019

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	2019	2018
	£	£	£	£
Access to Work	-	-	-	5,893
Education and skills funding	2,400	-	2,400	-
Pupil Premium	7,530	-	7,530	48,812
LACPP	4,610	-	4,610	-
SIM Inspections	-	-	-	1,340
Sundry	556	-	556	335
	<u>15,096</u>	<u>-</u>	<u>15,096</u>	<u>56,380</u>

3.3 Other income

	Unrestricted	Restricted	2019	2018
	£	£	£	£
Uniform Sales	575	-	575	1,351
Sale of Resources	-	-	-	45
Receipts from use of postage/phone	1	-	1	1
Footprints on the Map income	-	-	-	120
Enterprise Income	375	-	375	-
	<u>951</u>	<u>-</u>	<u>951</u>	<u>1,517</u>

WEST KIRBY RESIDENTIAL SCHOOL
137th ANNUAL REPORT
FOR THE YEAR ENDED 31 March 2019

NOTES TO THE FINANCIAL STATEMENTS

4 CHARITABLE EXPENDITURE

	2019	2019	2019	2018
	General	Restricted	Total	Total
	Fund	Fund	Funds	Funds
	£	£	£	£
Direct Education				
Salaries	1,782,871	-	1,782,871	1,879,975
Equipment	139,305	-	139,305	145,388
Activities & Exam fees	19,710	-	19,710	16,664
Further Education	15,043	-	15,043	46,745
	1,956,929	-	1,956,929	2,088,772
Childcare Services				
Salaries Child Care	1,168,969	-	1,168,969	1,080,863
Salaries Medical/Therapeutic	91,281	-	91,281	90,487
	1,260,250	-	1,260,250	1,171,350
Establishment Expenses				
Salaries	132,627	-	132,627	154,057
Gardens & Landscaping	2,702	-	2,702	899
Buildings & Plant	184,750	-	184,750	105,379
Rent	26,021	-	26,021	24,000
Equipment & Repairs	112,519	-	112,519	129,442
Provisions	118,358	-	118,358	132,700
Services	75,389	-	75,389	77,107
Cleaning, Laundry & Hygiene	32,073	-	32,073	25,291
Depreciation	205,054	20,014	225,068	225,207
Loss / (profit) on disposal of fixed assets	-	-	-	-
	889,493	20,014	909,507	874,082
Support Costs				
Salaries	291,623	-	291,623	286,968
Printing, Stationery, Postage & Telephone	25,219	-	25,219	32,214
Advertising	14,574	-	14,574	14,414
Insurance	57,143	-	57,143	66,146
General/Life Insurance (Pensions)	10,773	-	10,773	7,369
Travel	56,048	-	56,048	55,979
Sundries	8,978	-	8,978	7,635
Training	52,610	-	52,610	31,642
Payroll Bureau	8,773	-	8,773	7,985
Professional Fees	89,624	-	89,624	75,657
Rent/Rate/Bank Charges & other interest	664	-	664	281
Bad debts	5,903	-	5,903	21
	621,932	-	621,932	586,311
Governance costs				
Salaries	35,399	-	35,399	34,368
Auditors remuneration for Audit Services	13,819	-	13,819	10,649
Auditors remuneration for Other Services	4,990	-	4,990	3,530
	54,208	-	54,208	48,547
School pension costs				
Pensions administration	72,000	-	72,000	109,562
Interest on Pension Liabilities	217,000	-	217,000	220,000
Past service costs	128,000	-	128,000	-
	417,000	-	417,000	329,562
Total	5,199,812	20,014	5,219,826	5,098,624

WEST KIRBY RESIDENTIAL SCHOOL
137th ANNUAL REPORT
FOR THE YEAR ENDED 31 March 2019

NOTES TO THE FINANCIAL STATEMENTS

5 COSTS OF GENERATING VOLUNTARY INCOME

	Unrestricted	Restricted	2019	2018
	£	£	£	£
Salaries	387	-	387	376
	<u>387</u>	<u>-</u>	<u>387</u>	<u>376</u>

6 COST OF GENERATING FUNDS

	Unrestricted	Restricted	2019	2018
	£	£	£	£
Salaries	2,486	-	2,486	2,414
	<u>2,486</u>	<u>-</u>	<u>2,486</u>	<u>2,414</u>

7 NET INCOME FOR THE YEAR

The net income for the year are stated after charging:

	2019	2018
	£	£
Depreciation – owned assets	225,068	225,207
Loss on disposal of fixed assets	-	-
Pension costs	417,000	329,562
Directors emoluments	-	-

8 INCOME FROM UK INVESTMENTS

	2019	2018
	£	£
Income from unlisted fixed asset investments	3,110	3,049
Interest on deposits	605	235
	<u>3,715</u>	<u>3,284</u>

9 FIXED ASSET INVESTMENTS

		2019	2019	2018
		Special Fund	Total	Total
		£	£	£
Valuation 1 April 2018	- unlisted	87,903	87,903	86,362
Addition	- unlisted	-	-	-
(Decrease) / Increase in market value		6,936	6,936	1,541
Valuation 31 March 2019	- unlisted	94,839	94,839	87,903
Book value 31 March 2019		<u>94,839</u>	<u>94,839</u>	<u>87,903</u>

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

	31.03.19	31.03.18
	£	£
Aggregate capital and reserves	<u>1</u>	<u>1</u>

WEST KIRBY RESIDENTIAL SCHOOL
137th ANNUAL REPORT
FOR THE YEAR ENDED 31 March 2019

NOTES TO THE FINANCIAL STATEMENTS

10 TANGIBLE FIXED ASSETS

	Land	Freehold Property	Plant	Motor Vehicles	Furniture & Equipment	TOTAL
	£	£	£	£	£	£
Cost:						
At beginning of year	30,000	8,239,827	685,000	107,524	203,992	9,266,343
Additions	-	5,457	22,623	-	18,806	46,886
Disposals	-	-	-	(16,491)	-	(16,491)
At end of year	30,000	8,245,284	707,623	91,033	222,798	9,296,738
Depreciation:						
At beginning of year	-	1,855,421	430,768	89,772	87,364	2,463,325
Charge for year	-	164,824	37,479	5,337	17,428	225,068
On disposal	-	-	-	(16,491)	-	(16,491)
At end of year	-	2,020,245	468,247	78,618	104,792	2,671,902
Net book value:						
At 31 March 2019	30,000	6,225,039	239,376	12,415	118,006	6,624,836
At 31 March 2018	30,000	6,384,406	254,232	17,752	116,628	6,803,018

11 DEBTORS

	2019	2018
	£	£
Trade debtors	228,196	131,605
Other debtors	28,397	102,482
Prepayments and accrued income	88,846	27,734
	345,439	261,821

12 CREDITORS FALLING DUE WITHIN ONE YEAR

	2019	2018
	£	£
Fees and grants charged / received in advance (see note 20)	329,364	428,042
Trade Creditors	149,829	73,233
Accruals	26,218	17,398
Social security & other taxes	-	-
Other creditors	189,495	127,795
Hire purchase contracts	3,286	3,286
	698,192	649,754

13 CREDITORS FALLING DUE AFTER MORE THAN ONE YEAR

	2019	2018
	£	£
Hire purchase contracts	8,763	12,049
	8,763	12,049

WEST KIRBY RESIDENTIAL SCHOOL
137th ANNUAL REPORT
FOR THE YEAR ENDED 31 March 2019

NOTES TO THE FINANCIAL STATEMENTS
14 RESTRICTED FUNDS

	At 01-Apr-18 £	Grants & Donations £	Depreciation £	Expenses £	Transfer to Unrest. Funds	At 31-Mar-19 £
A Capital grant	148,301	-	3,120	-	-	145,181
B Capital allocation	161,650	-	4,000	-	-	157,650
C Donation	62,672	-	1,700	-	-	60,972
D Art / Home Economics Grant	54,087	-	3,839	-	-	50,248
E DFC NMSS	57,747	-	1,255	-	-	56,492
F Devolved Formula Capital Grant	74,356	-	1,788	-	-	72,568
G Wooden Spoon	6,560	-	160	-	-	6,400
H Donation - Miss French	200,787	-	4,152	-	-	196,635
	766,160	-	20,014	-	-	746,146

- 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

	2019 £	2018 £
Surplus/(deficit) for the year	243,424	743,673
Funds at beginning of year	5,572,186	4,828,513
Funds at end of year	5,815,610	5,572,188

WEST KIRBY RESIDENTIAL SCHOOL
137th ANNUAL REPORT
FOR THE YEAR ENDED 31 March 2019

NOTES TO THE FINANCIAL STATEMENTS

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

	2019	2018
	£	£
Net income/(expenditure)	299,364	327,673
Depreciation	225,068	225,207
Gain/(Loss) on disposal of fixed assets	60	-
Return on pension scheme assets	(145,000)	(139,000)
Investment income	(3,715)	(3,284)
Pension scheme interest on pension liabilities	217,000	220,000
Pension scheme past service costs	128,000	-
Pension scheme administration expenses	72,000	78,000
(Gain)/loss on investment	(6,936)	(1,541)
	<u>785,841</u>	<u>707,055</u>
Decrease/(increase) in trade and other debtors	(83,618)	(43,741)
(Decrease)/increase in trade and other creditors	45,152	123,457
Payments to reduce pension deficit	(267,000)	(159,122)
Net cash inflow from operating activities	<u>480,375</u>	<u>627,649</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 March 2019

	2019	2018
	£	£
Cash and cash equivalents	2,383,451	1,946,247

Year ended 31 March 2018

	2018	2017
	£	£
Cash and cash equivalents	1,946,247	2,154,430

(Decrease)/increase in cash and cash equivalents	437,204	(208,183)
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19 PENSION LIABILITY

	2019	2018
	£	£
Shortfall of pension scheme assets to liabilities		
Brought forward	2,865,000	3,281,122
Movement in year	61,000	(416,122)
Balance as at 31.03.19	<u>2,926,000</u>	<u>2,865,000</u>

WEST KIRBY RESIDENTIAL SCHOOL
137th ANNUAL REPORT
FOR THE YEAR ENDED 31 March 2019

NOTES TO THE FINANCIAL STATEMENTS

20 DEFERRED INCOME

	2019	2018
	£	£
Brought forward	428,042	211,748
Received during the year	329,364	428,042
Released in the year	(428,042)	(211,748)
Balance as at 31.03.19	<u>329,364</u>	<u>428,042</u>

School fees, school trip payments and grant income was received in advance during 2018 and 2019.

21 STAFF

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

	2019	2018
Teaching, including Teaching Assistants	42	52
Childcare, Care home & Clinical Services	36	42
Administration & Finance	15	14
Establishment	10	13
	<u>103</u>	<u>121</u>

Staff costs comprise:

	£	£
Salaries & wages	2,878,683	3,277,803
Social Security costs	249,401	251,706
Pension scheme costs	377,559	329,562
	<u>3,505,643</u>	<u>3,859,071</u>

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

	2019	2018
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 March 2019 the school was committed to making the following payments in the next twelve months under non-cancellable operating leases:

	2019	2018
	Office Equipment	Office Equipment
	£	£
Operating leases which expire:		
Within 1 year	5,992	13,968
In 1-5 years	-	5,922
5 years plus	-	-
	<u>5,992</u>	<u>19,890</u>

WEST KIRBY RESIDENTIAL SCHOOL
137th ANNUAL REPORT
FOR THE YEAR ENDED 31 March 2019

NOTES TO THE FINANCIAL STATEMENTS
23 ANALYSIS OF FUNDS BY NET ASSETS

	<u>Unrestricted funds</u>	<u>Restricted funds</u>		
	General	Restricted	Endowment	Total
	Fund	Fund	Fund	
	£	£	£	£
Opening balance at 01.04.18	4,606,964	766,160	199,062	5,572,186
Net (outgoing)/incoming resources before transfers and investment gains	309,332	(20,014)	10,046	299,364
Transfers:				
Pension actuarial gain/(deficit)	(332,000)	-	-	(332,000)
Gain on disposal of fixed assets	60	-	-	60
(Shortfall)/Gain on expected return on assets	276,000	-	-	276,000
Repayment of loan from endowment funds	(6,557)	-	6,557	-
Closing balance at 31.03.19	4,853,799	746,146	215,665	5,815,610
Represented by:				
Tangible fixed assets	5,878,690	746,146	-	6,624,836
Investments	1	-	94,838	94,839
Other net assets	1,901,108	-	120,827	2,021,935
Provision for pension shortfall	(2,926,000)	-	-	(2,926,000)
Closing balance at 31.03.19	4,853,799	746,146	215,665	5,815,610
Prior year:				
Tangible fixed assets	6,036,858	766,160	-	6,803,018
Investments	1	-	87,902	87,903
Other net assets	1,435,105	-	111,160	1,546,265
Provision for pension shortfall	(2,865,000)	-	-	(2,865,000)
Closing balance at 31.03.18	4,606,964	766,160	199,062	5,572,186

24 RESERVES NOTE

	2019	2018
	£	£
Reserves excluding pension liability	8,741,610	8,437,186
Pension reserve	(2,926,000)	(2,865,000)
Reserves	5,815,610	5,572,186

25 RELATED PARTY

There are no related party transaction to be disclosed in the accounts.

WEST KIRBY RESIDENTIAL SCHOOL
137th ANNUAL REPORT
FOR THE YEAR ENDED 31 March 2019

NOTES TO THE FINANCIAL STATEMENTS

26 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 year ended 31 March 2019 were as follows:

	2019	2018
	£	£
Teacher's Pension	117,809	120,153
Stakeholder Pension	80,550	73,330
Deficit Pension Payments	<u>179,200</u>	<u>159,122</u>
	377,559	352,605

27 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 March 2019.

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 March 2019, 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:

	2019	2018	2017	2016	2015
	£'000	£'000	£'000	£'000	£'000
The actuarial value of assets at 31 March	5,901	5,681	5,688	5,100	5,198
The actuarial value of liabilities at 31 March	<u>(8,827)</u>	<u>(8,546)</u>	<u>(8,969)</u>	<u>(7,429)</u>	<u>(7,966)</u>
This produces an actuarial deficit of	(2,926)	(2,865)	(3,281)	(2,329)	(2,768)

The actuarial value of assets represent 66.85% (2017: 66.48%) of the actuarial liabilities.

WEST KIRBY RESIDENTIAL SCHOOL
137th ANNUAL REPORT
FOR THE YEAR ENDED 31 March 2019

27 PENSION COMMITMENTS – continued

The major assumptions used for the calculations were:		<u>2019</u>	<u>2018</u>
Discount rate		2.3%	2.6%
RPI inflation		3.2%	3.1%
CPI inflation		2.2%	2.1%
Rate of increase of deferred pensions		2.2%	2.1%
Rate of increase in pensions in payment	pre 1 April 2016	3.1%	3.0%
	Post 31 March 2016	2.6%	2.6%
Mortality (pre retirement)		Nil	Nil
Mortality (post retirement)		S2PMA/S2PFA	S2PMA/S2PFA

The mortality rates are base rates in accordance with the S2PMA and S2PFA 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>2019</u>	<u>2018</u>
	men	21.5 years	22.0 years
	women	23.4 years	23.9 years

Longevity at age 65 for future pensioners now aged 45:			
	men	22.8 years	23.4 years
	women	24.9 years	25.4 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>2019</u>	<u>2019</u>	<u>2018</u>	<u>2018</u>	<u>2017</u>	<u>2017</u>
	%	£'000	%	£'000	%	£'000
Equity, property and other growth seeking assets	54	3,140	48	2,716	60	3,427
Corporate Bonds	0	0	0	0	4	214
Gilts	0	0	0	0	5	263
Cash	0	14	2	117	5	263
Liability Driven Investments	23	1,384	25	1,430	0	0
Buy in Policy	23	1,363	25	1,418	26	1,521
Total fair value of assets:		5,901		5,681		5,688
Present value of defined benefit obligations		8,827		8,546		8,969
(Deficit) in the scheme		(2,926)		(2,865)		(3,281)

WEST KIRBY RESIDENTIAL SCHOOL
137th ANNUAL REPORT
FOR THE YEAR ENDED 31 March 2019

27 PENSION COMMITMENTS – continued

Changes in the present value of schemes liabilities	2019 £'000	2018 £'000
Opening defined benefit obligation at 1 April	8,546	8,969
Interest cost	217	220
Past service costs	128	-
Actuarial (gains)/losses	332	(338)
Contribution by members	-	-
Expenses paid	-	-
Benefits paid	(396)	(305)
Closing defined benefit obligation at 31 March	8,827	8,546

Reconciliation of fair value of scheme assets

Opening fair value of scheme assets at 1 April	5,681	5,688
Expected return on scheme assets	145	139
Actuarial gains (losses)	-	-
Administration expenses	(72)	(78)
Contribution by employers	267	159
Return of assets excluding interest income	276	78
Benefits paid	(396)	(305)
Closing defined benefit obligation at 31 March	5,901	5,681

Analysis of the amounts recognised in the SoFA

Administration costs	72	78
Past service costs	128	-
Net interest	72	81
Amount charged/(credited) to SoFA	272	159

Analysis of amount recognised in Other Comprehensive Income

Actuarial gains/(losses)	(232)	338
Return of assets excluding interest income	276	78
Closing defined benefit obligation at 31 March	56	416

Future funding obligation

The Trustee is required to carry out an actuarial calculation every 3 years. The last actuarial valuation of the Plan was performed by the Scheme Actuary for the Trustee as at 1 April 2016. This valuation revealed a funding shortfall of £2.4 million. To remove this shortfall, the school agreed to pay a contribution of £138,073 by 31 March 2017 followed by contributions of £120,000 pa, payable annually 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 £39,000 per annum to cover the ongoing expenses of running the Plan (excluding PPF levy). The School therefore expects to pay £165,075 to the plan during the accounting year beginning 1 April 2019.

An actuarial valuation of the Plan is currently being carried out by the Scheme Actuary for the Trustee as at 1 April 2019 but the results have not yet been finalised. As a result, the contributions payable by the School may change.

WEST KIRBY RESIDENTIAL SCHOOL
137th ANNUAL REPORT
FOR THE YEAR ENDED 31 March 2019

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 £120,000 pa, payable annually 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 £39,000 per annum to cover the ongoing expenses of running the Plan (excluding PPF levy). The School therefore expects to pay £165,075 to the plan during the accounting year beginning 1 April 2019.

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

	Unrestricted Fund £	Restricted Fund £	Endowment Fund £	Total Funds £
Incoming Resources				
Donations and legacies	2,736	-	-	2,736
Other trading activities:	8,799	-	-	8,799
Income from investments	235	-	3,049	3,284
Income from charitable activities:				
School Fees	5,214,703	-	-	5,214,703
Grants Received	50,487	5,893	-	56,380
Contribution to school trips	1,127	-	-	1,127
Other Income				
Other income	1,517	-	-	1,517
Expected Return on Pension Scheme Assets	139,000	-	-	139,000
Total income and endowments	5,418,604	5,893	3,049	5,427,546
Resources expended				
Expenditure on raising funds				
Costs of generating voluntary income	376	-	-	376
Costs of generating funds	2,414	-	-	2,414
Expenditure on charitable activities	5,071,452	27,172	-	5,098,624
Total Resources Expended	5,074,242	27,172	-	5,101,414
Net gains/(losses) on investments	-	-	1,541	1,541
Net income/(expenditure)	344,362	(21,279)	4,590	327,673
Transfer between funds	(6,557)	-	6,557	-
Other recognised gains/loses				
Actuarial gains/(losses) on defined benefit pension scheme	338,000	-	-	338,000
(Shortfall)/Gain on expected return on assets	78,000	-	-	78,000
Net movement in funds	753,805	(21,279)	11,147	743,673
Total funds brought forward	3,853,159	787,439	187,915	4,828,513
Total funds carried forward	4,606,964	766,160	199,062	5,572,186

*WEST KIRBY RESIDENTIAL SCHOOL
137th ANNUAL REPORT
FOR THE YEAR ENDED 31 March 2019*

**MEMBERS OF THE SCHOOL
April 2019**

Mr and Mrs D Brewster, Caldby
Ms J Boulton, West Kirby
Mr B K Boumphrey, West Kirby
Mr and Mrs R F Calver, West Kirby
Mr A Carver, West Kirby
Mr A Cash, Irby
Mr and Mrs H B Corlett, West Kirby
Mrs V Daglish, West Kirby
Mr R J Daniel-Jones, West Kirby
Mr M Dickinson, West Kirby
Mrs R E Elston, West Kirby
Mrs T Fitton, Heswall
Mr R Glover, West Kirby
Mr J Hopkinson, West Kirby
Mrs B P Lowe, Puddington
Mr N Lumb, Barnston

Mr J V McAfee, Caldby
Ms A McAfee, Windermere
Mr K Medlock, West Kirby
Mr and Mrs G T Moore, Caldby
Mrs H D Norman, Lower Heswall
Mr M J Paddon, Thurstaston
Mr M S Potts, Neston
Mr A W Shone, West Kirby
Mrs W E Shone, West Kirby
Mrs J C Smye, Parkgate
Mrs K Thomas, Caldby
Mrs E Turner, Hoylake
Mr P J Wilson, Greasby
Mr J Wylie, Greasby
Mrs I Wylie, Greasby

Applications for membership will be welcomed from anyone interested in the work of the School. The Board of Directors must approve all applications for membership. The Annual Membership Fee is £10. (Cheques payable to WKRS). Annual Payment by Direct Debit can be arranged, please ask for further details. An application form for membership is provided below.

I would like to apply for Membership of the West Kirby Residential School.

Name: Date:

Address:

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I enclose £10 subscription fee (renewable annually). Signed:
Send to: The Business Manager, WKRS, Meols Drive, West Kirby, Wirral CH48 5DH