

Company Registration No. 09124782 (England and Wales)

**WATERTON ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT AND AUDITED ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2019**

WATERTON ACADEMY TRUST

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WATERTON ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees

Mr P Beaman**
Mr D Dickinson* ** (CEO & Accounting Officer)
Mr A Harpham (Staff Trustee) (Resigned 31 December 2018)
Mrs H Mangham* (Resigned 31 December 2018)
Mrs L Harrison* (Resigned 31 December 2018)
Mr A Goudie** (Resigned 31 December 2018)
Mr S Johnson* (Chair of the West LHB)
Mr J Shaw (Appointed 22 November 2018)
Mr A Fitton (Appointed 1 October 2019)
Mr S Bates (Chair of the East LHB) (Appointed 1 October 2019)
Mrs R Cook (Chair of Trustees)

Members of Standards Committee * (Dissolved 31 December 2018)
Members of Resources Committee ** (Dissolved 31 December 2018)
Local Hub Boards (LHB) now assume responsibility for these functions

Members

Chair of Directors

Mr P Beaman (Resigned 31 December 2018)
Mrs A Kelcher (Resigned 1 September 2019)
Mr A Buckley
Mrs R Cook (Appointed 16 January 2019)
Mr A Warboys (Appointed 1 September 2019)

Senior leadership team

Chief Executive Officer (CEO)
Chief Operations Officer (COO)
Chief Financial Officer (CFO)

Mr D Dickinson
Mrs V Collins
Mrs P Knox

Company secretary

Mrs V Collins

Company registration number

09124782 (England and Wales)

Registered office

Walton Primary Academy
The Grove
Walton
Wakefield
WF2 6LD

WATERTON ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Academies operated

Walton Primary Academy
Normanton Common Primary Academy
Normanton Junior Academy
Crofton Infants School
Lee Brigg Infant School
Sharlston Community School
South Kirkby Academy
Wrenthorpe Academy
Cherry Tree Academy

Location

The Grove, Walton
Castleford Road, Wakefield
Church Lane, Normanton
High Street, Crofton
Altofts, Wakefield
Hammer Lane, Sharlston Common
Stockingate, South Kirkby
Imperial Avenue, Wrenthorpe
Cobblers Lane, Pontefract

Headteacher

Mr A Harpham
Mrs L Cavell
Mrs T Southward
Mrs C Holloway
Ms S Gordon
Mrs J Dunderdale
Miss S Travis
Mrs J Coyle
Mrs S Thompson (Executive Headteacher)
Mrs S Thompson (Executive Headteacher)
Mr C Johnson
Mr R Cochrane
Mrs V Bruce (Manager)

Ackworth Mill Dam School

Millgate, Ackworth

West End Academy
King's Meadow Academy
Waterton Pre School

Regent Street, Pontefract
Wakefield Road, Fitzwilliam
Imperial Avenue, Wrenthorpe

Independent auditor

GBAC Limited
Old Linen Court
83-85 Shambles Street
Barnsley
South Yorkshire
S70 2SB

Bankers

Lloyds Bank Plc
17 Westgate
Wakefield
West Yorkshire
WF1 1JZ

Solicitors

Bond Dickinson LLP
St Ann's Wharf
112 Quayside
Newcastle upon Tyne
NE1 3DX

WATERTON ACADEMY TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2019

The Trustees present their annual report together with the accounts and independent auditor's reports of the charitable company for the period 1 September 2018 to 31 August 2019. The annual report serves the purposes of both a Trustees' report and a directors' report under company law. The report has been prepared in accordance with Part VI of the Charities Act 2011, together with reference to guidance provided in the Education and Skills Funding Agency's ("ESFA") Academy's Financial Handbook 2018 and Accounts Direction 2018-2019.

The financial statements have been prepared in accordance with the accounting policies on pages 33 to 37 of the financial statements, and comply with the charitable company's memorandum and articles of association, the Companies Act 2006, and the requirements of the Statement of Recommended Practice "Accounting and Reporting by Charities" as issued in March 2005 ('SORP 2005').

The Academy Trust operates eight primaries, two infant and two junior academies and a pre school in the Yorkshire area. The academies have a combined pupil capacity of 3,243 and have a roll of 2,977, as taken from the Spring census 2019.

Structure, governance and management

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the Academy Trust.

The Trustees of Waterton Academy Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as Waterton Academy Trust. Details of the Trustees who served during the year are included in the Reference and Administrative Details on page 1.

Members' liability

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

Trustees' indemnities

In accordance with normal commercial practice, Waterton Academy Trust has adopted the Risk Protection Arrangement (RPA), in accordance with the Academies Financial Handbook, to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The RPA provides cover up to £5 million on any one claim. The cost of RPA is included in the total insurance cost.

Method of recruitment and appointment or election of Trustees

The total number of Trustees including the Chief Executive Officer who are employees of the company shall not exceed one third of the total numbers of Trustees.

Trustees and Governors are elected via the following arrangements:

- Trustees are appointed to the Trust board by the Members
- The Local Hub Board (LHB) Chairs are independent and appointed by Trustees
- Each Academy Standards Committee (ASC) elects a LHB representative
- The Headteacher's Group elects two members to each LHB
- Members appoint through Academy Ambassadors etc. to ensure skillsets are appropriate.

Policies and procedures adopted for the induction and training of Trustees

The training and induction provided for each new Trustee or Governor will depend on their existing experience. Copies of policies, procedures, minutes, accounts, budgets, plans and other documents are provided for all Trustees and Governors of the Trust to assist them in their role as Trustees. The Trust Governance Officer supports all levels of governance.

WATERTON ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Organisational structure

The Trust currently consists of twelve schools and one pre school; six converter primary schools, one converter junior school, two converter infant schools, one sponsored junior school (now judged good by Ofsted) and two sponsored primary schools. The last two schools to join the trust did so under a re-brokerage arrangement from WCAT.

Walton Primary Academy (Converter)
Normanton Common Primary Academy (Converter)
Normanton Junior Academy (Sponsored)
Lee Brigg Infant & Nursery School (Converter)
Crofton Infants' School (Converter)
Sharlston Community School (Converter)
South Kirkby Academy (Converter)
Wrenthorpe Academy (Converter)
Cherry Tree Academy (Sponsored)
Ackworth Mill Dam School (Converter)
King's Meadow Academy (Re-brokered sponsored)
West End Academy (Re-brokered)
Waterton Pre School

The governance structure consists of the following levels; the Members, the Board of Trustees, the LHBs and the ASCs.

The Trustees are responsible for the strategic direction, financial and health and safety compliance, monitoring individual academy performance and appointment of academy Headteachers.

The Trustees meet as a full board three times per year and the Resources and Standards Committees sitting within the LHBs, each meet three times per year.

Each LHB and ASC receives delegated authority from the Trust Board to support the Trust Board in fulfilling its obligations.

The Chief Executive Officer, working with the central team and individual academy Headteachers, is responsible for the overall performance of the Trust and implementing the policies laid down by the Trustees.

Arrangements for setting pay and remuneration of key management personnel

Other than Directors who have a substantive role within the Trust, no remuneration is paid to Directors who are volunteers, under any circumstances.

All Headteachers and senior staff within academies are subject to annual Performance Management reviews in accordance with STPCD which is applied consistently across the Trust. There have been few occasions where the complexity and challenge of the role is such that it was necessary to offer remuneration above the indicative range for a school, but this is fully reviewed by SLT and reported to Directors, for transparency. All performance management uplifts are presented to Directors for approval and appropriately recorded in minutes of meetings.

An independent review was undertaken in 2016 by a reputable HR specialist agency to establish a pay spine for the Trust central team, including the CEO. All staff are subject to annual Performance Management reviews which are reported to Directors as above.

Trade union facility time

The Trust is a key member of the Wakefield System Leaders Network and is currently renegotiating arrangements around facilities time. The originally adopted Local Authority model has been deemed to be too expensive and not offering appropriate value. Until these negotiations are completed, the Trust has no facility time commitments that result in a direct financial contribution. However, the Trust is operating as flexibly as possible to ensure all staff have access to union representation.

WATERTON ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Objectives and activities

Objects and aims

The principal objective of the Trust is to improve the outcomes for all children within the Trust and wherever possible beyond. This will be achieved through working in partnership with our schools to implement a wide range of school improvement initiatives.

The aims of the Trust during the year ended 31 August 2019 are summarised below:

- To provide rapid and sustained improvement in regards to children's outcomes;
- To continue to develop the high quality leadership in each school;
- To continue to provide a broad and balanced curriculum across the Trust;
- To promote collaborative working at all levels;
- To create an organisation that ensures we operate efficiently and provide value for money;
- To progress the organisational model both in relation to growth and constitution; and
- To meet our charitable objective.

Objectives, strategies and activities

Key priorities for the year are contained within the School Improvement Plan for each academy and the Strategic Development Plan for the Trust. Areas for improvement are identified through external and internal monitoring and evaluation processes.

Public benefit

The Trustees confirm that they have complied with the duty in Section 17(5) of the Charities Act 2011 to have due regard to the Charity Commissioners general guidance on public benefit in exercising their powers or duties. They have referred this to their guidance when reviewing the Trust's aims and objectives and planning its future activities.

The Trust aims to advance for the public benefit, education in the academies that it is responsible for and wherever possible beyond. In particular, we are working to support all of the schools in the Trust and to develop a culture of mutual support and development across these schools.

WATERTON ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Strategic report

Achievements and performance

2018/19 has seen the Trust consolidate and remain at twelve schools. The strategic growth model has seen the move to a hub arrangement. The centralisation of services is now well established and delivering the outcomes required, impacting on operations and standards across the trust.

Early Years and KS1 Outcomes

	GLD	Y1 Phonics	Y2 R	Y2 W	Y2 M	Y2 RWM
WPA	80	82	87	87	89	80
NCPA	84	82	61	46	67	54
LBIS	77	83	85	85	85	85
CIS	71	84	82	77	84	75
SCS	77	83	79	57	55	45
WA	78	89	75	73	78	73
CTA	70	82	75	71	71	64
AMD	74	84	76	71	77	71
WEA	78	81	82	82	79	75
KMA	52	42	77	62	74	62
WAT	73	83	77	70	77	66
Nat 18	71	83	75	70	76	65

Commentary

- All academies except KMA are in line with or above National for phonics. Although significantly below national, KMA have made great strides with this cohort given that whilst under WCAT they left EYFS with GLD figures of 8%.
- In relation to KS1 RWM, although below, KMA did return expected numbers. Both NCPA & SCS failed to hit their targets by a considerable margin. We are confident all will reach at least national by the end of KS2.
- Overall a strong year for outcomes with LBIS, CIS, WEA & WPA delivering outstanding results.
- Both bespoke infant schools returned outstanding results.
- WAT consolidated outcomes are above national in all areas.

WATERTON ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Key Stage 2 Outcomes

Expected Outcomes	R	W	M	Com
WPA	73	82	75	71
NCPA	78	89	89	76
NJA	61	83	73	58
SCS	82	93	82	79
SKA	42	78	65	36
WA	80	84	84	73
CTA	45	45	50	34
AMD	83	83	83	75
WEA	77	77	73	63
KMA	52	58	58	42
WAT all	67	78	73	61
WAT ex 3 outliers	76	84	80	71
Nat19	73	78	79	65

Attainment Commentary

- Last year we returned a 0/10 achieving national combined at Y6. This year we have returned 6/10 in line or above national combined at Y6. Our two currently sponsored academies were not on track to reach national. SKA were the only non-sponsored Academy not to achieve national.
- Relative underperformance in reading will be the focus for our investigations.
- Maths has improved significantly on last year's poor results with seven out of ten schools improving their outcomes.
- KMA, one of our sponsored academies, has improved significantly from last year's 15% combined to outcomes of over 40% (TA figures as DfE yet to be ratified).
- CTA outcomes dropped significantly from the last assessment projection. Concerns had been raised prior to these outcomes by the CEO. An agreement has been secured so that additional leadership capacity be introduced into the school in the form of an interim Executive HT role.
- SI discussions have identified that our three priority academies next year will be SKA, CTA & KMA

WATERTON ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

KS2 Progress 2018/19	Writing Progress	Reading Progress	Maths Progress
WPA	+1.9 (0.2 to 3.6)	- 0.3 (-2.1 to 1.5)	+0.6 (-1.0 to 2.2)
WEA	+0.9 (-1.2 to 2.9)	-0.6 (2.8 to 1.6)	-0.4 (2.3 to 1.5)
AMD	+1.3 (-2.3 to 4.1)	+ 0.9 (-2.2 to 4.7)	+4 (1.0 to 7.0)
WA	+1.3 (-0.4 to 3.0)	-0.2 (-2.0 to 1.6)	0.0 (-1.6 to 1.6).
SKA	-0.9 (-2.3 to 0.5)	-4.4 (-5.9 to -2.9)	-4.1 (-5.5 to -2.8)
NCPA	+ 2.2 (0.5 to 3.9)	+1.1 (-0.7 to 2.9)	+1.3 (-0.3 to 2.8)
NJA	-2.6 (-7.1 to -3.2)	- 4.7 (- 8.5 to - 4.3)	-4.3 (-8 to-4.3)
SCS	-0.44 (-2.6 to 1.7)	+0.45 (-2.8 to 2.7)	-0.87 (-2.9 to 1.1).
CTA	- 1.6 (-3.3 to 0.1)	-1.5 (-3.3 to 0.1)	- 1.8 (-3.4 to -0.2)
KMA	DfE data issue	DfE data issue	DfE data issue

Note: • A score of zero means pupils in school, on average, do about as well at Key Stage 2 as those with similar prior attainment nationally. • A positive score means pupils in this school, on average, do better at Key Stage 2 than those with similar prior attainment nationally. • A negative score means pupils in this school, on average, do not make as much progress by the end of Key Stage 2 as those with similar prior attainment nationally. **A negative score does not necessarily mean a school is below the floor.** School progress scores should be interpreted alongside their associated confidence intervals. If the lower bound of the school's confidence interval is greater than zero, it can be interpreted as meaning that the school has achieved greater than average progress compared to pupils with similar starting points nationally. Similarly, if the upper bound is below zero, then the school has made less than average progress. **Where a confidence interval overlaps zero, this means that the school's progress score is not significantly different from the national average.**

Progress Commentary

- The number of schools in line with national progress overall have increased significantly.
- Maths progress has improved significantly.
- Our junior schools are still suffering with the nationally recognised issue of possible inflated infant school outcomes.
- The progress picture gives a strong indication of provision against the attainment picture.

WATERTON ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Attendance

	Attendance 2018-19	Target	Attendance 2018/19	outcome	National 17/18
CTA		95.5		93.92	- 1.79
CIS		96.1		95.81	+0.25
KMA		95.1		94.04	-1.73
LBIS		97.1		97.33	+1.53
AMD		96.5		96.80	+0.82
NCPA		96.1		97.09	+1.11
NJA		96.1		96.48	+0.52
SCS		95.5		94.86	-0.62
SKA		95.5		94.49	-1.02
WPA		96.5		96.46	+0.75
WEA		96.1		96.11	+0.19
WA		96.1		95.80	+0.55

	2018/19	National
Waterton	95.9	95.8

	2018/19 PA	PA National 2018/19	2018/19 PP PA	PP PA National 2018
Waterton	9.2%	9.6%	14.5%	17.2%

Commentary

- Overall attendance for the Trust is in line with the national average.
- PA figures for the Trust show continued improvements and are better than national for the first time.
- Pupil Premium PA continues to be better than National Average for 2018, which was a key performance indicator for this year.
- The very difficult work being delivered in our most deprived schools is having an impact. However, the scale of the challenge is such that more will need to be done in order to get them in line with national. This will remain a focus for next year.

WATERTON ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

External Accountability - Ofsted Cycle and Outcomes

	Conversion	Previous Judgement	Inspection window	Outcome
WPA	09/14	Good	6/3/17	Good
NCPA	05/15	Good	26/3/19	Good
NJA	08/15	Inadequate	21/3/18	Good with Outstanding
LBIS	10/15	Outstanding	None	Remains Outstanding
CIS	12/15	Good	13/11/18	Good
SCS	7/16	Good	30/4/19	Good
SKA	9/16	Good	4/6/19	RI with Good
WA	4/17	Good	(Autumn 19)	
CTA	4/17	Inadequate	(Autumn 19)	
AMD	8/17	Good*	(Summer 20)	
WEA	07/18	Good/Outstanding	15/7/19	Good/Outstanding
KMA	7/18	Inadequate	(Spring 21)	

The Trust has undergone eight inspections, returning very strong outcomes. The only disappointment is the marginal RI returned by SKA. Action has been taken to ensure SKA returns to good ASAP.

2019 Financial key performance indicators

Financial performance is monitored throughout the year and action taken to ensure that:

- The Trust has sufficient cash on hand to meet all short and medium term financial commitments;
- Actual expenditure incurred does not exceed that planned in any single financial year;
- Three year financial forecasts are prepared to ensure that the Trust remains financially viable;
- Each member academy sets a balanced annual budget agreed at both Trust and local level, with final budget ratification by the Trust Board;
- Numbers on roll and school place capacity is constantly monitored to ensure maximum revenue is maintained;
- Capital investment is made in line with the Asset Management Plan;
- Surplus funds are invested in line with Trust policy;
- Benchmarking against key cost areas is undertaken on an annual basis to ensure levels of expenditure are within recognised thresholds; and
- Statutory accounts and other returns are prepared and submitted to the Education and Skills Funding Agency (ESFA) in line with agreed timescales.

WATERTON ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Going concern

After making appropriate enquiries, the board of Trustees has a reasonable expectation that the Academy Trust has adequate resources to continue in operational existence for the near future. For this reason, the board of Trustees continues to adopt the going concern basis in preparing the accounts. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies.

Financial review

The majority of the Academy Trust's income is obtained from the DfE via the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. Additional funding has been obtained via one-off DfE grants relating to MAT development and growth. The grants received from the DfE during the year ended 31 August 2019 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activity (SOFA).

At the year ended 31 August 2019, the total Fund balances at individual academies totalled £1,029,985.

The Trust receives Capital grants from the ESFA for fixed assets. Individual academies receive annual Devolved Formula Capital (DFC) and the Trust receives School Condition Allocation (SCA), both of which are formula based Capital. Additional Capital funding was secured to support the rebrokerage of West End Academy and Kings Meadow Academy from Wakefield City Academies Trust (WCAT). Such grants are shown in the SOFA as restricted income in the Fixed Asset Fund.

At 31 August 2019 the net book value of fixed assets was £26,569,924. The assets were used exclusively for providing education and the associated support services to the pupils of the Trust. The Restricted Fixed Asset Fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

The land and buildings were gifted and a 'right to use' granted to the Academy Trust upon transfer.

The Academy has taken on the deficit in the Local Government Pension Scheme (LGPS) in respect of its non-teaching staff who transferred on conversion. The deficit is incorporated within the SOFA and Balance Sheet in accordance with the provisions of FRS 102.

WATERTON ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Reserves policy

The Board of Trustees consider it prudent to retain an appropriate level of reserves to meet unexpected expenditure and unforeseen liabilities. A Reserves Policy, which is reviewed annually, has been developed to provide a framework for strategic planning and decision-making and to protect the Trust's activities.

Trustees are very mindful that trust revenue is to be used for education provision of children currently in school albeit this has to be balanced with our need to be proactive in how we deliver that provision, unforeseen expenditure and likely changes in funding. That said, Trustees have determined that current monthly employee payroll cost is a suitable measure to enable us to manage reserves. The trust thus uses one month's current employee payroll cost as a Key Performance Indicator to enable Trustees to both assess the use of and manage funds on hand.

All academies are expected to set balanced budgets. An appropriate level of reserves should ensure that any projected in-year budget deficit, over the next few years, does not have a detrimental impact on service delivery.

Planned expenditure against reserves can include, but is not limited to:

- The investment in buildings, IT and other capital projects;
- Funding of unforeseen emergency maintenance/works;
- Management of short term fluctuations in pupil numbers and lagged funding;
- Funding of staffing restructures, compromise payments and redundancies etc to promote future cost savings; and
- Funding of educational priorities,

Academies can access consolidated reserves by submitting Access to Reserves bids to the LHB to fund development plans, be it educational resources or capital projects. Repayment plans over the short and medium term are in place.

As at the period ending 31 August 2019, total reserves was £20,469,907, of which £19,439,922 are restricted and not available for general purposes of the academy Trust. This is in line with current policy.

Investment policy

The Board of Trustees seeks to reach a balance between investment return and risk, to realise a reasonable return on the funds available, whilst adopting a risk averse approach. As such, the Board does not consider the investment of surplus funds as a primary activity, but rather a requirement for the effective management of the various funds entrusted to the Board.

Due to the nature of the funding cycle, the Trust may at times hold large cash balances which may not be required for immediate use. Where cash flow allows, sums are invested under instruction from the Trustees in an investment account which sits alongside the Trust current account and is accessible at all times but at no time exposes those funds to any risk.

WATERTON ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Principal risks and uncertainties

The Board of Trustees, senior leadership teams (SLT) and senior staff are confident that there is no significant risk to the future operations or success of Waterton Academy Trust. The SLT has undertaken further work to develop and embed the system of internal control into operational practice, including financial, operational and risk management designed to protect the Trust's assets and reputation.

The principal risks and uncertainties facing the Trust are as follows:

Financial - the Trust has considerable reliance on continued Government funding through the ESFA. There can be no assurance that Government policy will remain the same or that funding will continue at the same level. It is clear that the Trust will be affected by the implementation of the National Funding Formula (NFF) and regular updates are provided for Trustees.

Rising staff costs continue to be a concern. It will be necessary to put in place a suitable strategy to ensure financial stability is sustainable, without affecting the quality of education provision across the Trust. A number of academies are currently going through staffing reviews to ensure that structures are appropriate and financially sustainable.

Cash Flow – There is no significant risk that the Trust will be unable to finance its day-to-day operations. Cash flow is monitored on a daily basis at Trust level, to ensure that all financial commitments are met and movement of funds between academies is undertaken as necessary.

Pension Liabilities – The financial statements report the cumulative share of the pension deficit on the Balance Sheet in line with the requirements of FRS102. LGPS contributions are likely to increase as a result of the actuarial valuation as at 31st March 2019. TPS contributions were increased by more than 7% in September 2019 as a result of a change in Government Treasury Management policy. The additional costs will be partially funded by a DfE grant.

Failures in governance and/or management – the potential failure to effectively manage the Trust's finances, internal controls, compliance with regulations and legislation, statutory returns, etc is an identified risk. The centralisation of the finance team has improved financial management and robust reporting mechanisms are in place at all levels. A new governance structure was established during 2018/19 and will continue to be reviewed on a regular basis to ensure that it is appropriate and fit for purpose.

Reputational - the continuing success of the Trust is dependent on implementing rapid and sustained educational achievement in its academies and continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk, Trustees ensure that student success and achievement are closely monitored and reviewed.

Safeguarding and child protection - the Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline.

Staffing - the success of the Trust is reliant on the quality of its staff. Trustees monitor and review policies and procedures to expand our provision for recruitment, training and continuing professional development (CPD). Whole Trust CPD and development programmes are in place to ensure that we can promote from within, retain quality staff and develop our succession planning.

Fraud and mismanagement of funds - all appropriate staff receive training to keep them updated with best financial practice and further develop their skills. Regular networking events are held across the Trust to share best practice and address areas for improvement. At Trust level, the contracted CFO is tasked with ensuring appropriate practice is adhered to and compliant with ESFA regulations.

WATERTON ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Fundraising

Individual academies within Waterton Academy Trust organise small-scale fundraising events throughout the school year. The majority of events are to raise funds for charitable organisations such as Children in Need, Macmillan Cancer Support, Jeans for Genes etc. However, this is not for commercial benefit and funds raised for a specific purpose are restricted to expenditure against the same.

Many of our schools have parent groups who raise funds for school activities and equipment, but these sit outside the trust operations and are not administered by trust employees.

The trust does not use professional fundraisers or involve commercial organisations.

Plans for future periods

The Trust continues to strive to provide outstanding education and improve outcomes for all pupils, at all levels, to maximise their life chances.

The Trust will continue to aim to attract high quality teachers and support staff in order to deliver its objectives.

The Trust will continue to work with its strategic partners to improve the educational opportunities for pupils in the wider community.

The Trust will continue to improve and maintain its buildings to ensure that our pupils have the best facilities we can offer.

The Trust will seek to sponsor additional schools and allow voluntary converters to join. Allowing further conversions and sponsorships is fundamental to the ethos of the Trust. Moreover, growth brings with it opportunities such as economies of scale and reductions in the financial impact that the core has on academy budgets.

The Trust will look to grow outside of the Wakefield area and create geographically suitable hubs.

Funds held as custodian trustee on behalf of others

The Trust and its Trustees do not act as the custodian trustees of any other Charity.

Auditor

In so far as the Trustees are aware:

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

The auditor, GBAC Limited, are willing to continue in office and a resolution to appoint them will be proposed at the annual general meeting.

The trustees' report, incorporating a strategic report, was approved by order of the board of Trustees, as the company directors, on 17/12/19 and signed on its behalf by:



Mr D Dickinson
CEO & Accounting Officer



Mrs R Cook
Chair

WATERTON ACADEMY TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2019

Scope of responsibility

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

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

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of Trustees has formally met 4 times during the year.

From 1 September 2019 a new Board of Trustees was formally constituted to align with the newly implemented governance structure (following the commissioning of a review of governance by the NGA by the Board of Directors during 2017/18). Therefore, the information has been separated below to reflect the changes in the constitution of the Board of Trustees, and the establishment of Hub arrangements.

Attendance during the year at meetings of the board of Trustees was as follows:

Directors (Trustees) (under previous governance arrangements – up to 31 December 2018)

	Meetings Attended	Out of a possible
Paul Beaman (Chair)	0	1
Rebecca Cook	1	1
David Dickinson (CEO & Accounting Officer)	1	1
Andrew Goudie	1	1
Paul Halliday (resigned 05 November 2018)	0	0
Anthony Harpham	1	1
Lorraine Harrison	1	1
Stephen Johnson	0	1
Russell MacNair (removed 22 November 2018)	0	0
Helen Mangham	1	1
Nazwana Younus (resigned 13 October 2018)	0	0

WATERTON ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Resources Committee

The Resources Committee, a committee of the Board of Directors with delegated responsibilities for specific functions, met once prior to the implementation of the new governance structure. Attendance as follows;

	Meetings Attended	Out of a possible
Paul Beaman	0	1
David Dickinson (CEO & Accounting Officer)	1	1
Andrew Goudie	1	1
Paul Halliday (resigned 5 November 2018)	0	0
Lorraine Harrison	1	1

Standards Committee

The Standards Committee, a committee of the Board of Directors with delegated responsibilities for specific functions, met once prior to the implementation of the new governance structure. Attendance as follows;

	Meetings Attended	Out of a possible
David Dickinson (CEO & Accounting Officer)	1	1
Stephen Johnson	0	1
Helen Mangham	1	1
Lorraine Harrison	1	1
Russell MacNair (removed 22 November 2018)	1	1

WATERTON ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

New Governance Arrangements – from 1 January 2019

At the Members meeting held on 22 November 2018 the following individuals were appointed as Trustees with their term of office beginning on 1 January 2019; Paul Beaman, Rebecca Cook, David Dickinson, Stephen Johnson, Jon Shaw. Attendance details are below.

Andrew Goudie, Anthony Harpham, Lorraine Harrison and Helen Mangham tendered their resignation as a Director (31 December 2018) but remained as Governors on their respective Academy Standards Committees and as their Hub Board representative. It should be noted that Helen Mangham tendered her resignation as a Governor on 30 April 2019.

Rebecca Cook was appointed as the Chair of the Trust Board at the first Trust Board meeting held under the new governance arrangements on 16 January 2019.

Board of Trustees Attendance from 1 January 2019 – constituted under the new governance arrangements;

	Meetings Attended	Out of a possible
Paul Beaman	2	3
Rebecca Cook (Chair)	3	3
David Dickinson (CEO & Accounting Officer)	3	3
Stephen Johnson	3	3
Jon Shaw	3	3

Subsequent Trustee appointments;

- Steven Bates appointed as a Trustee on 1 October 2019
- Anthony Fitton appointed as a Trustee on 1 October 2019

Following on from the implementation of the new governance structure, the Local Hub Board met for the first time on 26th March 2019. Each Academy Standards Committee (ASC) nominates a Governor to serve as their representative on the Local Hub Board. Part of their work at their first meeting was to consider the way in which the Local Hub Board would operate and the proceedings of the Resources and Standards Committees.

Committee membership was agreed as follows;

Resources: A Goudie, M Elliott, J Hayles

Standards/School Improvement: S Johnson, L Harrison, H Mangham, M Beedle.

The Hub Board met again on 25th June 2019. The Committees also met on this date.

An extraordinary meeting of the Local Hub Board was held on 8th October 2019 following the implementation of the two Local Hub Board Model; West Hub Board and East Hub Board. Each Local Hub Board also has a Headteacher representative. It was furthermore agreed that all those Governors who serve on either the West Hub Board or the East Hub Board would sit on both the Resources Committee and the Standards Committee of their respective Hub Board to ensure full knowledge and understanding of the respective Hub's Academies.

The East Hub Board (including the Resources Committee and Standards Committee) met on 27th November 2019.

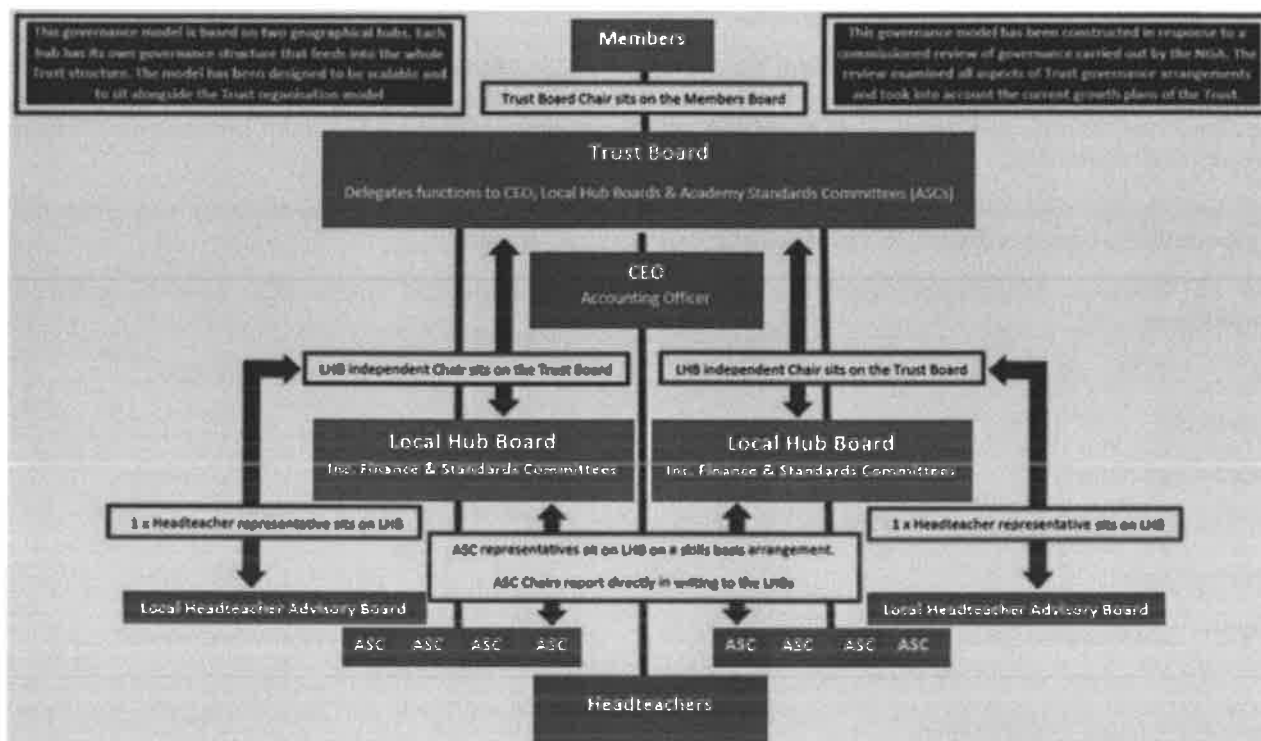
The West Hub Board (including the Resources Committee and Standards Committee) met on 28th November 2019.

WATERTON ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

The review of Governance by the NGA, commissioned by the Directors, took place during the academic year 17/18. This was a full 360 degree evaluation of the Trust's structures, systems and procedures. The review recommendations led to the below restructure of governance that has now been established.



The model has been designed to meet the ever-changing environment in which we operate. It is scalable, offers greater scope for strategic development and ensures robust governance is achievable through being built upon a firm framework.

The Resources Committee and Standards Committee have been delegated by the Board of Trustees to fall within the remit of the LHBs. A comprehensive Scheme of Delegation has been produced and approved to set out the specific roles and responsibilities of these committees.

Review of value for money

As Accounting Officer, the CEO has responsibility for ensuring that the Academy Trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

WATERTON ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

The Accounting Officer considers how the Academy Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved. The Accounting Officer for the Academy Trust has delivered improved value for money during the year by:

- Agreeing economies of scale reductions with suppliers;
- Improved SLA value through additional services without additional cost;
- Reviewing SLAs and moving towards Trust wide arrangements for all schools to create savings;
- Increased staff skillset through Trust working;
- Reviewing staffing structure and efficiency;
- Employment of internal school improvement strategies;
- Commissioning of shared services in partnership with external academy partners;
- Appointment of Finance Officers to support the CFO to lead and transform the finance function;
- Utilising Capital funds effectively to carry out major repairs and transform teaching and learning space; and
- Ongoing self-evaluation of procedures and working practice to drive improvement and cost efficiencies.

The purpose of the system of internal control

The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust's aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently and economically. The system of internal control has been in place in Waterton Academy Trust for the period 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is an ongoing process for identifying, evaluating and managing the Academy Trust's key strategic risks that has been in place for the period 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and accounts. This process is reviewed by the Board of Trustees at each meeting.

The risk and control framework

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

- Comprehensive budgeting and financial monitoring systems with an annual budget and periodic financial reports, which are reviewed and agreed by the Board of Trustees;
- Hub Board Resources Committee scrutiny of financial performance against the forecasts and of major purchase plans, capital works and expenditure programs;
- Setting targets to measure financial and other performance;
- Clearly defined purchasing (asset purchase or capital investment) guidelines;
- Delegation of authority and segregation of duties; and
- Identification and management of risks.

WATERTON ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

The Trust Board have considered the need for a separate audit committee but have decided to include the remit of this committee into the Terms of Reference for the Resources Committee of each Hub Board.

To fulfil the requirements of the ESFA and Academies Financial Handbook, Trustees have bought-in the internal audit service and engaged the services of an independent consultant, the former CFO of a neighbouring MAT.

The centralisation of business and finance is in its infancy. As such, the emphasis of the internal scrutiny work was to review the new procedures/processes and evaluate the suitability of, and level of compliance with financial and other controls in place. Reports will provide details of scope of work undertaken, key findings, conclusions and recommendations and will be issued directly to the Resources Committee.

A programme of further work has been agreed and three reviews will be undertaken on annual basis.

An Annual Summary Report for the year ending 31st August 2019 will be presented at the AGM and submitted to the ESFA in accordance with prescribed timeframes.

Review of effectiveness

As Accounting Officer, the Chief Executive Officer has responsibility for reviewing the effectiveness of the system of internal control. During the year in question, the review has been informed by:

- The work of the external auditor; and
- The work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework; and
- The internal scrutiny work.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by external auditors for 1 September 2018 to 31 August 2019.

Approved by order of the board of Trustees on 17/12/19 and signed on its behalf by:



Mr D Dickinson
CEO & Accounting Officer

WATERTON ACADEMY TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2019

As accounting officer of Waterton Academy Trust I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education and Skills Funding Agency of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration, I have had due regard to the requirements of the Academies Financial Handbook 2018.

I confirm that I and the Academy Trust's Board of Trustees are able to identify any material irregular or improper use of funds by the Academy Trust, or material non-compliance with the terms and conditions of funding under the Academy Trust's funding agreement and the Academies Financial Handbook 2018.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the Board of Trustees and ESFA.



Mr D Dickinson
Accounting Officer

17/12/19

WATERTON ACADEMY TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2019

The Trustees (who also act as governors for Waterton Academy Trust and are also the directors of Waterton Academy Trust for the purposes of company law) are responsible for preparing the Trustees' Report and the accounts in accordance with the Annual Accounts Direction issued by the Education Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

In preparing these accounts, the Trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP 2015;
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- Prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

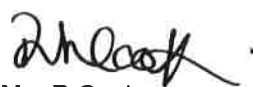
The Trustees are responsible for ensuring that in its conduct and operation, the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring that grants received from ESFA/DfE have been applied for the purposes intended.

The Trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of accounts may differ from legislation in other jurisdictions.

Approved by order of the board of Trustees on 17/12/19 and signed on its behalf by:



Mr D Dickinson
CEO & Accounting Officer



Mrs R Cook
Chair

WATERTON ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WATERTON ACADEMY TRUST

FOR THE YEAR ENDED 31 AUGUST 2019

Opinion

We have audited the accounts of Waterton Academy Trust (the 'parent Company') and its subsidiary (the 'group') for the year ended 31 August 2019 the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the accounts, 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), the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable group's affairs and the parent company's affairs as at 31 August 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;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the accounts' section of our report. We are independent of the Academy Trust in accordance with the ethical requirements that are relevant to our audit of the accounts 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 accounts is not appropriate; or
- the Trustees have not disclosed in the accounts any identified material uncertainties that may cast significant doubt about the group's or the Academy Trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the accounts are authorised for issue.

Other information

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

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

We have nothing to report in this regard.

WATERTON ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WATERTON ACADEMY TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the trustees' report including the incorporated strategic report have 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 group and the Academy Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the trustees' report, including the incorporated strategic report.

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

- adequate accounting records have not been kept, or 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.

Responsibilities of Trustees

As explained more fully in the statement of trustees' responsibilities, the Trustees are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the Trustees are responsible for assessing the group and the Academy Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the accounts

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

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

WATERTON ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WATERTON ACADEMY TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Use of our report

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



**Mrs Pamela Anne Parker (Senior Statutory Auditor)
for and on behalf of GBAC Limited**

18-12-2019.

Statutory Auditor

Old Linen Court
83-85 Shambles Street
Barnsley
South Yorkshire
S70 2SB

WATERTON ACADEMY TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO WATERTON ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY

FOR THE YEAR ENDED 31 AUGUST 2019

In accordance with the terms of our engagement letter dated 26 June 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Waterton Academy Trust Group during the period 1 September 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The Accounting Officer is responsible, under the requirements of Waterton Academy Trust's funding agreement with the Secretary of State for Education dated 28 August 2014 and the Academies Financial Handbook, extant from 1 September 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2018 to 2019. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2018 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- Discussions with officers of the academy throughout the audit process to ensure that all regularity threats have been addressed;
- Testing of income and expenditure for compliance with the funding and other agreements, the Academies Financial Handbook and the academy's systems of controls;
- Review of the activities carried out by the academy;
- Review of the academy's internal financial procedures to ensure that adequate controls are in place to prevent or identify regularity issues;
- Ensure ESFA approval has been obtained where appropriate for relevant transactions.

WATERTON ACADEMY TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO WATERTON ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Conclusion

In the course of our work, except for the matters listed below, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Reporting Accountant
GBAC Limited

Dated: 13-12-2019

WATERTON ACADEMY TRUST

GROUP STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 AUGUST 2019

	Notes	Unrestricted Funds £	Restricted funds: General Fixed asset £ £		Total 2019 £	Total 2018 £
Income and endowments from:						
Donations and capital grants	3	176,055	349,655	1,040,845	1,566,555	776,850
Donations - transfer from local authority on conversion		-	-	-	-	3,020,000
Donations - transfer of existing academy into the trust		-	-	62,435	62,435	2,735,000
Charitable activities:						
- Funding for educational operations	4	-	14,976,263	-	14,976,263	12,731,795
Other trading activities	5	68,606	809,881	-	878,487	569,933
Investments	6	1,155	-	-	1,155	2,404
Total		245,816	16,135,799	1,103,280	17,484,895	19,835,982
Expenditure on:						
Raising funds	7	-	813,159	-	813,159	722,161
Charitable activities:						
- Educational operations	9	614,765	15,803,679	405,709	16,824,153	13,414,739
Charitable expenditure - transfer from local authority on conversion		-	-	-	-	14,876
Charitable expenditure - transfer of existing academy into the trust		-	-	-	-	795,931
Total	7	614,765	16,616,838	405,709	17,637,312	14,947,707
Net income/(expenditure)		(368,949)	(481,039)	697,571	(152,417)	4,888,275
Transfers between funds	18	-	(76,365)	76,365	-	-
Other recognised gains/(losses)						
Actuarial (losses)/gains on defined benefit pension schemes	21	-	(3,268,000)	-	(3,268,000)	1,112,000
Net movement in funds		(368,949)	(3,825,404)	773,936	(3,420,417)	6,000,275
Reconciliation of funds						
Total funds brought forward		1,398,934	(3,578,000)	26,069,390	23,890,324	17,890,049
Total funds carried forward		1,029,985	(7,403,404)	26,843,326	20,469,907	23,890,324

WATERTON ACADEMY TRUST

GROUP STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Comparative year information Year ended 31 August 2018	Notes	Unrestricted Funds £	Restricted funds: General Fixed asset £ £		Total 2018 £
Income and endowments from:					
Donations and capital grants	3	152,141	-	624,709	776,850
Donations - transfer from local authority on conversion		-	-	3,020,000	3,020,000
Donations - transfer of existing academy into the trust		-	-	2,735,000	2,735,000
Charitable activities:					
- Funding for educational operations	4	-	12,731,795	-	12,731,795
Other trading activities	5	52,722	517,211	-	569,933
Investments	6	2,404	-	-	2,404
Total		207,267	13,249,006	6,379,709	19,835,982
Expenditure on:					
Raising funds	7	-	722,161	-	722,161
Charitable activities:					
- Educational operations	9	109,281	13,021,162	284,296	13,414,739
Charitable expenditure - transfer from local authority on conversion		14,876	-	-	14,876
Charitable expenditure - transfer of existing academy into the trust		20,931	775,000	-	795,931
Total	7	145,088	14,518,323	284,296	14,947,707
Net income/(expenditure)		62,179	(1,269,317)	6,095,413	4,888,275
Transfers between funds	18	-	(30,683)	30,683	-
Other recognised gains/(losses)					
Actuarial gains on defined benefit pension schemes	21	-	1,112,000	-	1,112,000
Net movement in funds		62,179	(188,000)	6,126,096	6,000,275
Reconciliation of funds					
Total funds brought forward		1,336,755	(3,390,000)	19,943,294	17,890,049
Total funds carried forward		1,398,934	(3,578,000)	26,069,390	23,890,324

WATERTON ACADEMY TRUST

GROUP BALANCE SHEET

AS AT 31 AUGUST 2019

	Notes	2019		2018	
		£	£	£	£
Fixed assets					
Tangible assets	13		26,569,924		26,069,390
Current assets					
Stocks	14	20,562		25,729	
Debtors	15	605,070		1,629,700	
Cash at bank and in hand		2,060,475		1,036,663	
			2,686,107		2,692,092
Current liabilities					
Creditors: amounts falling due within one year	16	(932,324)		(1,293,158)	
Net current assets			1,753,783		1,398,934
Total assets less current liabilities			28,323,707		27,468,324
Creditors: amounts falling due after more than one year	17		(64,800)		-
Net assets before defined benefit pension scheme liability			28,258,907		27,468,324
Defined benefit pension scheme liability	21		(7,789,000)		(3,578,000)
Total net assets			20,469,907		23,890,324
Funds of the Academy Trust:					
Restricted funds	18				
- Fixed asset funds			26,843,326		26,069,390
- Restricted income funds			385,596		-
- Pension reserve			(7,789,000)		(3,578,000)
Total restricted funds			19,439,922		22,491,390
Unrestricted income funds	18		1,029,985		1,398,934
Total funds			20,469,907		23,890,324

The accounts set out on pages 28 to 57 were approved by the board of Trustees and authorised for issue on 17/12/19 and are signed on its behalf by:



Mr D Dickinson
CEO & Accounting Officer



Mrs R Cook
Chair

Company Number 09124782

WATERTON ACADEMY TRUST

BALANCE SHEET

AS AT 31 AUGUST 2019

	Notes	2019		2018	
		£	£	£	£
Fixed assets					
Tangible assets	13		26,569,924		26,069,390
Current assets					
Stocks	14	20,562		25,729	
Debtors	15	605,070		1,629,700	
Cash at bank and in hand		1,663,496		1,036,663	
			2,289,128		2,692,092
Current liabilities					
Creditors: amounts falling due within one year	16	(920,941)		(1,293,158)	
Net current assets			1,368,187		1,398,934
Total assets less current liabilities			27,938,111		27,468,324
Creditors: amounts falling due after more than one year	17		(64,800)		-
Net assets before defined benefit pension scheme liability			27,873,311		27,468,324
Defined benefit pension scheme liability	21		(7,789,000)		(3,578,000)
Total net assets			20,084,311		23,890,324
Funds of the Academy Trust:					
Restricted funds	18				
- Fixed asset funds			26,843,326		26,069,390
- Pension reserve			(7,789,000)		(3,578,000)
Total restricted funds			19,054,326		22,491,390
Unrestricted income funds	18		1,029,985		1,398,934
Total funds			20,084,311		23,890,324

The accounts set out on pages 28 to 57 were approved by the board of Trustees and authorised for issue on 17.12.19 and are signed on its behalf by:


 Mr D Dickinson
 CEO & Accounting Officer


 Mrs R Cook
 Chair

Company Number 09124782

WATERTON ACADEMY TRUST

GROUP STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 AUGUST 2019

	Notes	2019 £	£	2018 £	£
Cash flows from operating activities					
Net cash provided by/(used in) operating activities	23		753,620		(83,665)
Cash flows from investing activities					
Dividends, interest and rents from investments		1,155		2,404	
Capital grants from DfE Group		1,040,845		624,709	
Purchase of tangible fixed assets		(843,808)		(655,392)	
Net cash provided by/(used in) investing activities			198,192		(28,279)
Cash flows from financing activities					
Loan		72,000		-	
Net cash provided by/(used in) financing activities			72,000		-
Net increase/(decrease) in cash and cash equivalents in the reporting period			1,023,812		(111,944)
Cash and cash equivalents at beginning of the year			1,036,663		1,148,607
Cash and cash equivalents at end of the year			2,060,475		1,036,663

WATERTON ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

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

1.1 Basis of preparation

The accounts of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

The Trust is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 4 'Statement of Financial Position': Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosure.

1.2 Going concern

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

1.3 Basis of consolidation

The consolidated financial statements incorporate those of Waterton Academy Trust and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Their results are incorporated from the date that control passes.

All financial statements are made up to 31 August 2019. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The Academy Trust has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own income and expenditure account. The surplus of the Academy Trust for the period ended 31 August 2019 is £1,029,985 (2018 £1,398,934).

WATERTON ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

1.4 Conversion to an academy trust

The conversion from a state maintained school to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the school for £nil consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The assets and liabilities transferred on conversion from the convertor schools in the year to the academy trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Charitable activities – transfer from local authority on conversion in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. Further details of the transaction are set out in note 28.

1.5 Income

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

Grants receivable

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

General Annual Grant is recognised in full in the statement of financial activities in the period for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.

Sponsorship income

Sponsorship income provided to the Academy Trust which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

Donations

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

Other income

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

Donated goods, facilities and services

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the accounts until they are sold. This income is recognised within 'Income from other trading activities'.

WATERTON ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

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

1.6 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 are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

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

1.7 Tangible fixed assets and depreciation

Assets costing £500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy Trust's depreciation policy. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset on a straight-line/reducing balance basis over its expected useful life, as follows:

Land and buildings	Straight line over the period of the lease - 125 years
Leasehold imp'tments	Straight line over 10 years
Computer equipment	33% or 50% straight line
Fixtures, fittings & equipment	25% or 33% or 50% reducing balance

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

WATERTON ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

1.8 Liabilities

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

1.9 Leasing and hire purchase commitments

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

1.10 Stock

Stock is valued at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less further costs to completion and disposal. Provision is made for obsolete and slow moving stock.

1.11 Taxation

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Academy Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by chapter 3 part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.12 Pensions benefits

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes and the assets are held separately from those of the Academy Trust.

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

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

WATERTON ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

1.13 Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the Academy Trust at the discretion of the Trustees.

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

Restricted general funds comprise all other restricted funds received and include grants from the Education Funding Agency.

2 Critical accounting estimates and areas of judgement

Accounting 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.

Critical accounting estimates and assumptions

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 21, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Private sponsorship	37,971	-	37,971	43,262
Capital grants	-	1,040,845	1,040,845	624,709
Other donations	138,084	349,655	487,739	108,879
	<u>176,055</u>	<u>1,390,500</u>	<u>1,566,555</u>	<u>776,850</u>
Funding for the Trust	176,055	1,040,845	1,216,900	776,850
Funding for the Pre School	-	349,655	349,655	-
	<u>176,055</u>	<u>1,390,500</u>	<u>1,566,555</u>	<u>776,850</u>

WATERTON ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

4 Funding for the Academy Trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
DfE / ESFA grants				
General annual grant (GAG)	-	11,834,696	11,834,696	10,026,222
Other DfE group grants	-	1,992,134	1,992,134	1,600,288
	-	13,826,830	13,826,830	11,626,510
Other government grants				
Local authority grants	-	1,149,433	1,149,433	1,105,285
Total funding	-	14,976,263	14,976,263	12,731,795
Funding for the Trust	-	14,829,880	14,829,880	12,731,795
Funding for the Pre School	-	146,383	146,383	-
Total funding	-	14,976,263	14,976,263	12,731,795

5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Hire of facilities	43,436	-	43,436	33,841
Catering income	-	224,473	224,473	174,497
Income from the academy trusts educational operations	25,170	455,716	480,886	361,595
Income from Pre School Activities	-	129,692	129,692	-
	68,606	809,881	878,487	569,933

6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Short term deposits	1,155	-	1,155	2,404

WATERTON ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

7 Expenditure

	Staff costs £	Non Pay Expenditure Premises £	Other £	Total 2019 £	Total 2018 £
Expenditure on raising funds					
- Direct costs	-	-	813,159	813,159	722,161
Academy's educational operations					
- Direct costs	10,676,505	152,133	1,114,611	11,943,249	9,965,621
- Allocated support costs	2,721,250	1,355,923	803,731	4,880,904	3,449,118
	<u>13,397,755</u>	<u>1,508,056</u>	<u>2,731,501</u>	<u>17,637,312</u>	<u>14,136,900</u>
Expenditure for Trust	13,213,413	1,508,056	2,695,992	17,417,461	14,136,900
Expenditure for Pre School	184,342	-	35,509	219,851	-
	<u>13,397,755</u>	<u>1,508,056</u>	<u>2,731,501</u>	<u>17,637,312</u>	<u>14,136,900</u>

Net income/(expenditure) for the year includes:

	2019 £	2018 £
Fees payable to auditor for:		
- Audit	23,000	20,000
- Other services	14,255	23,554
Operating lease rentals	55,104	28,210
Depreciation of tangible fixed assets	405,709	284,296
Net interest on defined benefit pension liability	92,000	89,000

8 Central services

The Academy Trust has provided the following central services to its academies during the year:

- Human resources;
- Financial services;
- Legal services;
- Educational support services;
- Data services;
- IT services;
- Health & Safety;
- School improvement;
- Governance;
- Premises management;
- Statutory audit; and
- Risk Management.

The Academy Trust charges for these services on the following basis:

- 6% of the total GAG

WATERTON ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

8 Central services (Continued)

The amounts charged during the year were as follows:	2019	2018
	£	£
Central Services	-	-
Normanton Common Primary	74,371	73,056
Normanton Junior	76,106	75,372
Walton Primary	69,090	68,124
Lee Brigg Infant	31,060	32,136
Crofton Infants	41,985	41,616
Sharlston Community	58,841	56,436
South Kirkby	59,446	62,079
Wrenthorpe	68,722	68,940
Cherry Tree	71,924	74,028
Ackworth Mill Dam	32,127	36,920
King's Meadow	74,321	11,136
West End	51,988	8,754
Waterton Pre School	-	-
	709,981	608,597

9 Charitable activities

	Unrestricted funds	Restricted funds	Total 2019	Total 2018
	£	£	£	£
Direct costs				
Educational operations	-	11,943,249	11,943,249	9,965,621
Support costs				
Educational operations	614,765	4,266,139	4,880,904	3,449,118
	614,765	16,209,388	16,824,153	13,414,739

WATERTON ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

9 Charitable activities (Continued)

	2019 £	2018 £
Analysis of support costs		
Support staff costs	2,721,250	1,771,792
Depreciation	253,576	204,240
Premises costs	1,102,347	852,233
Other support costs	541,823	385,017
Governance costs	261,908	235,836
	<u>4,880,904</u>	<u>3,449,118</u>

10 Staff

Staff costs

Staff costs during the year were:

	2019 £	2018 £
Wages and salaries	9,775,821	8,036,328
Social security costs	807,462	666,568
Pension costs	2,344,624	1,686,661
	<u>12,927,907</u>	<u>10,389,557</u>
Agency staff costs	435,748	364,962
Staff restructuring costs	34,100	32,000
	<u>13,397,755</u>	<u>10,786,519</u>
Staff development and other staff costs	108,928	79,128
	<u>13,506,683</u>	<u>10,865,647</u>

Staff restructuring costs comprise:

Severance payments	34,100	32,000
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Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £34,100 (2018: £32,000). Individually, the payments were: £12,000, £5,000, £12,500 and £4,600.

WATERTON ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

10 Staff

(Continued)

Staff numbers

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

	2019 Number	2018 Number
Teachers	142	129
Administration and support	354	299
Management	17	16
	<u>513</u>	<u>444</u>

Higher paid staff

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2019 Number	2018 Number
£60,000 - £70,000	8	7
£110,000 - £120,000	1	1
	<u>9</u>	<u>8</u>

Key management personnel

The key management personnel of the Academy Trust comprise the senior management team and the headteachers as listed on page 1. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the Academy Trust was £1,318,801 (2018 £1,110,903).

11 Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Academy Trust. The Headteacher and other Staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Chief Executive Officer and staff members under their contracts of employment, and not in respect of their services as Trustees. Other Trustees did not receive any payments, other than expenses, from the Academy Trust in respect of their role as Trustees.

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

David Dickinson (CEO)

Remuneration £115,000 - £120,000 (2018 £115,000 - £120,000)

Employer's pension contributions £15,000 - £20,000 (2018 £15,000 - £20,000)

During the year ended 31 August 2019, travel and subsistence expenses totalling £630 (2018 £1,260) were reimbursed or paid directly to 1 Trustees (2018 2 Trustees).

WATERTON ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

12 Trustees and officers insurance

In accordance with normal commercial practice, the Academy Trust has adopted the Risk Protection Arrangement (RPA), in accordance with the Academies Financial Handbook to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. The RPA provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2019 is included in the total insurance cost, but cannot be separately identified.

13 Tangible fixed assets

	Land and buildings	Leasehold imp'ments	Computer equipment	Fixtures, fittings & equipment	Total
	£	£	£	£	£
Cost					
At 1 September 2018	26,239,760	-	213,373	243,182	26,696,315
Additions	568,593	173,741	38,859	62,615	843,808
Revaluation (note 28)	(55,329)	-	27,695	90,069	62,435
At 31 August 2019	26,753,024	173,741	279,927	395,866	27,602,558
Depreciation					
At 1 September 2018	428,203	-	136,018	62,704	626,925
Charge for the year	252,137	1,450	65,809	86,313	405,709
At 31 August 2019	680,340	1,450	201,827	149,017	1,032,634
Net book value					
At 31 August 2019	26,072,684	172,291	78,100	246,849	26,569,924
At 31 August 2018	25,811,557	-	77,355	180,478	26,069,390

14 Stocks

	Group 2019	Academy 2019	Group 2018	Academy 2018
	£	£	£	£
Stationery stock	20,562	20,562	22,807	22,807
Uniform and supplies stock	-	-	2,922	2,922
	20,562	20,562	25,729	25,729

WATERTON ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

15 Debtors	Group	Academy	Group	Academy
	2019	2019	2018	2018
	£	£	£	£
Trade debtors	35,890	35,890	13,077	13,077
VAT recoverable	57,567	57,567	385,658	385,658
Prepayments and accrued income	511,613	511,613	1,230,965	1,230,965
	<u>605,070</u>	<u>605,070</u>	<u>1,629,700</u>	<u>1,629,700</u>
	<u><u>605,070</u></u>	<u><u>605,070</u></u>	<u><u>1,629,700</u></u>	<u><u>1,629,700</u></u>
16 Creditors: amounts falling due within one year	Group	Academy	Group	Academy
	2019	2019	2018	2018
	£	£	£	£
Government loans	7,200	7,200	-	-
Trade creditors	42,127	42,002	51,874	51,874
Other taxation and social security	354,152	349,079	350,297	350,297
Accruals and deferred income	528,845	522,660	890,987	890,987
	<u>932,324</u>	<u>920,941</u>	<u>1,293,158</u>	<u>1,293,158</u>
	<u><u>932,324</u></u>	<u><u>920,941</u></u>	<u><u>1,293,158</u></u>	<u><u>1,293,158</u></u>

WATERTON ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

17 Creditors: amounts falling due after more than one year	Group	Academy	Group	Academy
	2019 £	2019 £	2018 £	2018 £
Government loans	64,800	64,800	-	-
Analysis of loans				
Wholly repayable within five years	72,000	72,000	-	-
Less: included in current liabilities	(7,200)	(7,200)	-	-
Amounts included above	64,800	64,800	-	-
Loan maturity				
Debt due in one year or less	7,200	7,200	-	-
Due in more than one year but not more than two years	14,400	14,400	-	-
Due in more than two years but not more than five years	28,800	28,800	-	-
Due in more than five years	21,600	21,600	-	-
	72,000	72,000	-	-

Included above is a loan of £72,000 from Salix Finance Limited which is provided on the following terms:
5 years repayment schedule at 0% interest.

WATERTON ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

18 Funds

	Balance at 1 September 2018 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2019 £
Restricted general funds					
General Annual Grant (GAG)	-	11,834,696	(11,758,331)	(76,365)	-
Other DfE / ESFA grants	-	1,992,134	(1,992,134)	-	-
Other government grants	-	1,149,433	(1,149,433)	-	-
Other restricted funds	-	1,159,536	(773,940)	-	385,596
Pension reserve	(3,578,000)	-	(943,000)	(3,268,000)	(7,789,000)
	<u>(3,578,000)</u>	<u>16,135,799</u>	<u>(16,616,838)</u>	<u>(3,344,365)</u>	<u>(7,403,404)</u>
Restricted fixed asset funds					
Inherited on conversion	24,858,032	62,435	(254,131)	-	24,666,336
DfE group capital grants	701,759	1,040,845	(151,578)	-	1,591,026
Capital expenditure from GAG	509,599	-	-	76,365	585,964
	<u>26,069,390</u>	<u>1,103,280</u>	<u>(405,709)</u>	<u>76,365</u>	<u>26,843,326</u>
Total restricted funds	<u>22,491,390</u>	<u>17,239,079</u>	<u>(17,022,547)</u>	<u>(3,268,000)</u>	<u>19,439,922</u>
Unrestricted funds					
General funds	<u>1,398,934</u>	<u>245,816</u>	<u>(614,765)</u>	<u>-</u>	<u>1,029,985</u>
Total funds	<u>23,890,324</u>	<u>17,484,895</u>	<u>(17,637,312)</u>	<u>(3,268,000)</u>	<u>20,469,907</u>

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

The General Annual Grant is the funding received from the ESFA for the purposes of providing educational services. The excess GAG can be used to purchase fixed assets for the assistance in providing the educational services.

The pension fund deficit is as a result of the actuarial valuation but does not result in an immediate cash flow impact on the Academy.

The ESFA capital grants fund has resulted from assets being purchased from grants provided by the ESFA which can only be used to purchase fixed assets.

The inherited fixed asset fund has resulted from the conversion of the school to an Academy and the assets being transferred to their ownership.

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2019.

WATERTON ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

18 Funds

(Continued)

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

	Balance at 1 September 2017 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2018 £
Restricted general funds					
General Annual Grant (GAG)	-	10,026,222	(9,995,539)	(30,683)	-
Other DfE / ESFA grants	-	1,600,288	(1,600,288)	-	-
Other government grants	-	1,105,285	(1,105,285)	-	-
Other restricted funds	-	517,211	(517,211)	-	-
Pension reserve	(3,390,000)	(775,000)	(525,000)	1,112,000	(3,578,000)
	<u>(3,390,000)</u>	<u>12,474,006</u>	<u>(13,743,323)</u>	<u>1,081,317</u>	<u>(3,578,000)</u>
Restricted fixed asset funds					
Transfer on conversion	19,538,115	5,755,000	(197,420)	(237,663)	24,858,032
DfE group capital grants	163,926	624,709	(86,876)	-	701,759
Capital expenditure from GAG	241,253	-	-	268,346	509,599
	<u>19,943,294</u>	<u>6,379,709</u>	<u>(284,296)</u>	<u>30,683</u>	<u>26,069,390</u>
Total restricted funds	<u>16,553,294</u>	<u>18,853,715</u>	<u>(14,027,619)</u>	<u>1,112,000</u>	<u>22,491,390</u>
Unrestricted funds					
General funds	<u>1,336,755</u>	<u>171,460</u>	<u>(109,281)</u>	<u>-</u>	<u>1,398,934</u>
Total funds	<u>17,890,049</u>	<u>19,025,175</u>	<u>(14,136,900)</u>	<u>1,112,000</u>	<u>23,890,324</u>

WATERTON ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

18 Funds

(Continued)

Total funds analysis by academy

	2019	2018
	£	£
Fund balances at 31 August 2019 were allocated as follows:		
Central Services	45,539	390,070
Normanton Common Primary	167,769	172,030
Normanton Junior	127,283	119,520
Walton Primary	(50,356)	(58,895)
Lee Brigg Infant	39,532	88,022
Crofton Infants	69,844	(23,451)
Sharlston Community	(42,381)	52,845
South Kirkby	202,702	250,582
Wrenthorpe	277,006	239,169
Cherry Tree	46,148	116,161
Ackworth Mill Dam	(4,389)	22,600
King's Meadow	132,273	34,890
West End	19,015	(4,609)
Waterton Pre School	385,596	-
	<hr/>	<hr/>
Total before fixed assets fund and pension reserve	1,415,581	1,398,934
	<hr/>	<hr/>
Restricted fixed asset fund	26,843,326	26,069,390
Pension reserve	(7,789,000)	(3,578,000)
	<hr/>	<hr/>
Total funds	20,469,907	23,890,324
	<hr/> <hr/>	<hr/> <hr/>

WATERTON ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

18 Funds

(Continued)

Walton Primary Academy is carrying a net deficit of £50,356, (2018 £58,895).

Sharlston Community School is carrying a deficit of £42,381.

Ackworth Mill Dam Academy is carrying a net deficit of £4,389.

The Academy Trust is taking the following actions to return the academy to surplus.

Walton Primary

Walton has remained in a deficit position for a number of years but is in an extremely disadvantaged funding situation. The inclusion of a high number of SEN pupils causes a huge financial challenge for the school. Staffing reviews have resulted in projected savings in future years and income generation schemes are being considered to boost revenue streams. A Return to Balance Plan is in place. Outcomes for pupils remain strong.

Sharlston Community School

This school has had a most challenging year due the illness of the Headteacher, which resulted in significantly higher staff costs. Together with essential repairs and refurbishment to accommodate an additional class in September 2019, the school has returned a deficit for the first time. However, due to the significant increase in pupil numbers, GAG funding alone has increased by £112,000 for the academic year 1 September 2019 - 31 August 2020 and the school will return a balance budget.

Ackworth Mill Dam

Until recently, this school had a PAN of 20 pupils and simply was no longer financially viable. An increase to 30 pupils was applied in September 2019 but the benefit of additional GAG funding will not be realised until September 2020. Significant measures have been put in place to reduce expenditure in all areas and a formal plan is in place to return to balance. The Trust are working with the Local Authority to extend the building to accommodate the additional capacity of pupils.

WATERTON ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

18 Funds

(Continued)

Total cost analysis by academy

Expenditure incurred by each academy during the year was as follows:

	Teaching and educational support staff	Other support staff costs	Educational supplies	Other costs excluding depreciation	Total 2019	Total 2018
	£	£	£	£	£	£
Central Services	447,325	547,391	9,448	384,725	1,388,889	889,726
Normanton Common Primary	1,033,447	210,815	57,217	237,123	1,538,602	1,583,720
Normanton Junior	1,006,173	151,959	59,230	254,702	1,472,064	1,515,282
Walton Primary	1,027,265	149,351	56,874	263,610	1,497,100	1,509,555
Lee Brigg Infant	544,604	66,528	15,921	139,928	766,981	664,140
Crofton Infants	600,726	75,811	18,085	171,391	866,013	934,995
Sharlston Community	979,270	98,837	48,207	243,280	1,369,594	1,199,607
South Kirkby	749,096	99,845	93,872	253,652	1,196,465	1,136,241
Wrenthorpe	852,901	116,830	54,626	240,045	1,264,402	1,251,427
Cherry Tree	1,096,582	169,226	31,456	215,846	1,513,110	1,531,075
Ackworth Mill Dam	553,453	62,643	28,880	162,034	807,010	838,659
King's Meadow	965,072	96,564	47,260	248,966	1,357,862	151,528
West End	691,961	77,936	56,898	183,581	1,010,376	161,330
Waterton Pre School	-	184,342	7,043	48,750	240,135	-
	<u>10,547,875</u>	<u>2,108,078</u>	<u>585,017</u>	<u>3,047,633</u>	<u>16,288,603</u>	<u>13,367,285</u>

19 Deferred income

	2019 £	2018 £
Deferred income is included within:		
Creditors due within one year	257,145	695,015
Deferred income at 1 September 2018	695,015	240,756
Released from previous years	(695,015)	(240,756)
Resources deferred in the year	257,145	695,015
Deferred income at 31 August 2019	<u>257,145</u>	<u>695,015</u>

At the balance sheet date the Academy Trust was holding funds of £257,145 (2018 £695,015) relating to Local Authority funding.

WATERTON ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

20 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2019 are represented by:				
Tangible fixed assets	-	-	26,569,924	26,569,924
Current assets	1,955,109	385,596	345,402	2,686,107
Creditors falling due within one year	(925,124)	-	(7,200)	(932,324)
Creditors falling due after one year	-	-	(64,800)	(64,800)
Defined benefit pension liability	-	(7,789,000)	-	(7,789,000)
Total net assets	1,029,985	(7,403,404)	26,843,326	20,469,907

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2018 are represented by:				
Tangible fixed assets	-	-	26,069,390	26,069,390
Current assets	2,692,092	-	-	2,692,092
Creditors falling due within one year	(1,293,158)	-	-	(1,293,158)
Defined benefit pension liability	-	(3,578,000)	-	(3,578,000)
Total net assets	1,398,934	(3,578,000)	26,069,390	23,890,324

21 Pension and similar obligations

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

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and that of the LGPS related to the period ended 31 March 2016.

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

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014 (amended). Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis - these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

WATERTON ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

21 Pension and similar obligations

(Continued)

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 (amended) published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 (amended). The valuation report was published by the Government Actuary's Department on 5 March 2019.

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.6% of pensionable pay (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,000 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return is 4.45%

The TPS valuation for 2016 determined an employer rate of 23.6%, which was payable from September 2019.

The pension costs paid to the TPS in the period amounted to £920,214 (2018 £725,737).

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

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

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 15.5% for employers and 5.5% to 12.5% for employees. The estimated value of employer contributions for the forthcoming year is £589,000.

As described in note the LGPS obligation relates to the employees of the Academy Trust, being the employees transferred as part of the conversion from the maintained school and new employees who joined the scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy Trust at the balance sheet date.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

WATERTON ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

21 Pension and similar obligations	(Continued)	
Total contributions made	2019	2018
	£	£
Employer's contributions	570,000	477,000
Employees' contributions	214,000	176,000
Total contributions	784,000	653,000
Principal actuarial assumptions	2019	2018
	%	%
Rate of increase in salaries	3.35	3.25
Rate of increase for pensions in payment/inflation	2.10	2.00
Discount rate for scheme liabilities	1.90	2.80
Inflation assumption (CPI)	2.10	2.00

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

	2019	2018
	Years	Years
Retiring today		
- Males	22.1	22.1
- Females	25.4	25.3
Retiring in 20 years		
- Males	23.2	23.1
- Females	27.2	27.1

The Academy Trust's share of the assets in the scheme	2019	2018
	Fair value	Fair value
	£	£
Equities	8,547,000	7,013,892
Government bonds	1,156,000	1,015,416
Corporate bonds	496,000	329,070
Cash	209,000	206,844
Property	485,000	394,884
Other assets	121,000	441,894
Total market value of assets	11,014,000	9,402,000

The actual return on scheme assets was £1,033,000 (2018: £409,000).

WATERTON ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

21 Pension and similar obligations	(Continued)	
Amount recognised in the Statement of Financial Activities	2019	2018
	£	£
Current service cost	1,008,000	911,000
Past service cost	413,000	2,000
Interest income	(272,000)	(193,000)
Interest cost	364,000	282,000
	<u>1,513,000</u>	<u>1,002,000</u>
Changes in the present value of defined benefit obligations	2019	
	£	
At 1 September 2018	12,980,000	
Current service cost	1,008,000	
Interest cost	364,000	
Employee contributions	214,000	
Actuarial loss/(gain)	4,029,000	
Benefits paid	(205,000)	
Past service cost	413,000	
	<u>18,803,000</u>	
Changes in the fair value of the Academy Trust's share of scheme assets	2019	
	£	
At 1 September 2018	9,402,000	
Interest income	272,000	
Actuarial gain	761,000	
Employer contributions	570,000	
Employee contributions	214,000	
Benefits paid	(205,000)	
	<u>11,014,000</u>	

22 Defined contribution schemes

A defined contribution pension scheme is operated for all qualifying employees of Waterton Pre School. The assets of the scheme are held separately from those of the group in an independently administered fund. The charge to the statement of financial activity in respect of the defined contribution scheme is £2,341.

WATERTON ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

23 Reconciliation of net (expenditure)/income to net cash flow from operating activities	2019	2018
	£	£
Net (expenditure)/income for the reporting period (as per the statement of financial activities)	(152,417)	4,888,275
Adjusted for:		
Net surplus on conversion to academy	-	(4,944,193)
Net surplus on transfer of academy in the trust	(62,435)	-
Capital grants from DfE and other capital income	(1,040,845)	(624,709)
Investment income receivable	(1,155)	(2,404)
Defined benefit pension costs less contributions payable	851,000	436,000
Defined benefit pension scheme finance cost	92,000	89,000
Depreciation of tangible fixed assets	405,709	284,296
Decrease/(increase) in stocks	5,167	(945)
Decrease/(increase) in debtors	1,024,630	(1,001,537)
(Decrease)/increase in creditors	(368,034)	828,359
Stocks, debtors and creditors transferred on conversion	-	(35,807)
Net cash provided by/(used in) operating activities	753,620	(83,665)

24 Commitments under operating leases

At 31 August 2019 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2019	2018
	£	£
Amounts due within one year	35,940	10,828
Amounts due in two and five years	32,677	21,036
	<u>68,617</u>	<u>31,864</u>

WATERTON ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

25 Related party transactions

Owing to the nature of the Academy Trust's operations and the composition of the board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the Academy Trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy Trust's financial regulations and normal procurement procedures. The following related party transaction took place in the period of account.

- Mrs H Beaman, the wife of Mr P Beaman (Trustee) is employed by the Trust and receives a salary within the normal pay scale for her role and receives no special treatment as a result of her relationship to a trustee.
- Miss S Birchill, daughter of Mr T Harpham (Headteacher) was employed as a relief TA, between the months of October 2018 and January 2019 She was paid a salary within the normal pay scale for her role and received no special treatment as a result of her relationship to a trustee.
- Mr Darren Dickinson, brother of Mr D Dickinson, CEO, is engaged as a consultant to undertake reviews of disadvantaged pupil's and deliver training to Headteachers. This work is supported by the DFE. He is paid in line with normal rates for such consultancy work and received no special treatment as a result of his relationship to a trustee.
- Mr Chris Thompson, son of Mrs S Thompson (Headteacher) is working as a peripatetic music teacher. He is paid in line with normal rates for such work and received no special treatment as a result of his relationship to a trustee.

26 Post balance sheet events

As part of the strategic growth of the Trust, Churchfield Primary School joined on the 01 December 2019.

27 Members' liability

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

28 Transfer of existing academies into the Academy Trust

	Transfer in recognised £
Net assets acquired	
Leasehold land and buildings	(55,329)
Other tangible fixed assets	117,764
Total net assets	<u>62,435</u>

The transfers relate to West End Academy and Kings Meadow Academy asset values which were not received until after the approval of the 31 August 2018 accounts.

WATERTON ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

29 Principal Subsidiaries

Waterton Pre School Limited - 10860302

These financial statements include Waterton Academy Trust and Waterton Pre School. The Pre School is controlled by the Trust by virtue of the Trust being the only member of the Pre School.

	2019
	£
Income	
Funds on transfer from the Local Authority	349,655
Other income	146,383
Trading income	<u>129,691</u>
	625,729
Expenditure	
Direct staff costs	(184,343)
Other support costs	<u>(55,791)</u>
	(240,134)
Surplus from all sources	385,595
Total assets as at 31 August 2019	396,979
Total liabilities as at 31 August 2019	<u>(11,383)</u>
Waterton Pre School Balance at 1 December 2018	-
Waterton Pre School Balance at 31 August 2019	<u>385,596</u>