

THE WILLOWS SCHOOL ACADEMY TRUST

TRUSTEES' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2015

WEDNESDAY



A54D2XGP

A11

06/04/2016

#318

COMPANIES HOUSE

THE WILLOWS SCHOOL ACADEMY TRUST

CONTENTS

	Page
Reference and Administrative Details of the Academy, its Trustees and Advisers	1
Trustees' Report	2 - 6
Governance Statement	7 - 10
Statement on Regularity, Propriety and Compliance	11
Trustees' Responsibilities Statement	12
Independent Auditors' Report	13 - 14
Independent Reporting Accountant's Assurance Report on Regularity	15 - 16
Statement of Financial Activities	17
Balance Sheet	18
Cash Flow Statement	19
Notes to the Financial Statements	20 - 33

THE WILLOWS SCHOOL ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS OF THE ACADEMY, ITS MEMBERS/ TRUSTEES AND ADVISERS FOR THE YEAR ENDED 31 AUGUST 2015

Trustees	P Hunt C Ezeani, Chair (resigned 30 April 2015) M Shaw, Headteacher J Smith D Young D Perumal, Vice Chair N Thomas (resigned 30 April 2015) P Kent B Toor (resigned 31 August 2014) S Philip V Rutter A Okumah (appointed 22 April 2015) R Barr, Chair (appointed 25 November 2015)
Company Secretary	Mr Paddy Kent (appointed 1 September 2014)
Members	Balvinder Toor Dhaya Perumal
Senior Leadership Team	Malcolm Shaw, Headteacher and Chief Executive Officer Paul Gregory-Hunt, Senior teacher Morgan Miller
Registered and principal office	Stipularis Drive Hayes Middlesex UB4 9QB
Company registered number	07785550
Independent Auditors	Price Bailey LLP Chartered Accountants Causeway House 1 Dane Street Bishop's Stortford Hertfordshire CM23 3BT
Bankers	Lloyds Bank plc Ealing London W5 5JU
Solicitors	TPP Law Ltd 53 Great Suffolk Street London SE1 0DB

THE WILLOWS SCHOOL ACADEMY TRUST

TRUSTEES' REPORT FOR THE YEAR ENDED 31 AUGUST 2015

The Trustees present their Annual Report together with the financial statements and Auditors' report of The Willows Academy Trust (The Trust, The Academy or Charitable Company) for the year ended 31 August 2015. The Annual Report serves the purpose of both a Trustees' Report, and a Directors' Report under company law.

The Charitable Company operates as an Academy for pupils with special educational needs aged 5 to 11. In the 2015 school census the number of pupils on roll was 37.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Willows School Academy Trust is a company limited by guarantee and an exempt charity. The Charitable Company's memorandum and articles of association are its primary governing documents. The Trustees of the Charitable Company are also the Directors for the purposes of company law. The terms Trustee, Director and Governor are interchangeable. The Charitable Company is also known as The Willows School Academy Trust (The School).

Details of the Trustees who served throughout the year are included in the Reference and Administrative Details section on page 1.

Member's 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.

Trustee and Officers' Indemnities

In accordance with normal commercial practice the Academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £2,000,000 on any one claim and details of the costs are disclosed in the accounts.

Method of recruitment and appointment or election of Trustees

- Parent Governors are appointed by election of parents of students attending the Academy.
- Staff Governors are appointed by election of staff employed by the Academy.
- Community Governors may be appointed by the Board of Trustees.
- Co-opted Governors may be appointed by those Governors who are not themselves co-opted Governors.
- Members' Governors may be appointed directly by Members.
- The Headteacher automatically becomes an ex officio Governor.
- Further Governors may be appointed by the Secretary of State.

Organisational Structure

The governance of the Academy is defined in the Memorandum and Articles of Association together with the funding agreement with the Department of Education.

The Board of Trustees is responsible for the strategic direction of the Academy and meets 8 times per year. The Trustees review progress towards educational objectives and results, approve major expenditure requests, set the budget for the following year, set the organisational staffing structure, and agree the performance objectives of the Headteacher.

The Headteacher is the designated Accounting Officer of the Academy and has overall responsibility for the day to day financial management of the Charitable Company. The Headteacher has delegated responsibility for low values of expenditure to specific budget holders who are each responsible for managing their own departments within the constraints of their allocated budgets. A system of financial controls is in place to manage this process.

The Headteacher manages the Academy on a daily basis supported by a Senior Leadership Team (SLT) and purchases the services of a local Academy Leader of Education. The SLT meets frequently to discuss emerging matters and to help to develop strategies for future development to be put to the Headteacher and the Board of Trustees as required for approval. Each member of the SLT has specific responsibilities to assist the Headteacher to manage certain aspects of the Academy.

THE WILLOWS SCHOOL ACADEMY TRUST

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2015

Connected organisations, including related party relationships

Owing to the nature of the Academy'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 a Trustee has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procurement procedures.

Any transaction where the Trustee has a pecuniary interest is only undertaken in accordance with the 'at cost' principle stated in the Academies Financial Handbook.

OBJECTIVES AND ACTIVITIES

Objects and aims

The principal object and aim of the Charitable Company is the operation of The Willows Academy Trust to provide free education and care for pupils with special educational needs and of different abilities between the ages of 5 and 11.

Strategies and activities

During the year the School has worked towards achieving these aims by:

- ensuring that every child enjoys the same high quality education in terms of resourcing, tuition and care;
- raising the standard of educational achievement of all pupils;
- improving the effectiveness of the Academy by keeping the curriculum and organisational structure under continual review;
- providing value for money for the funds expended;
- complying with all appropriate statutory and curriculum requirements; and
- conducting the Academy's business in accordance with the highest standards of integrity.

At The Willows School Academy Trust we aim to get the best for, and from, each child. We intend to enable each child to realise his or her full academic, creative and physical potential and to develop positive social and moral values. Our School is Learning, Achieving, Succeeding

Achievements and performance

Following the Ofsted Inspection in July 2013, where the Academy was judged to be in special measures, the Academy has received a number of monitoring visits from Ofsted which has shown that the Academy is making improvements. The Academy is now out of special measures and has been judged as requiring improvement with behaviour and safety being judged as good.

The Academy measures its success partly through a series of performance indicators. These indicators comprise:-

- Academy popularity/admissions
- Examination results and other indicators of student performance
- Staff and department performance monitoring
- Financial health
- Stakeholder survey outcomes

Our results for 2014/15 were:-

English

Overall in English to July 2015 it appears that all children have made the nationally expected progress for the 2014–2015 academic years in reading, with most having done so in writing. Current figures indicate that most people are making significantly greater progress than that which is expected.

Attainment

At July 2015, 82% appear to be on track to either meet or exceed the expected threshold of level 4 in reading, while 52% are on track to do so in writing.

Achievement

Currently, 100% of the 2014 – 2015 Year 6 cohort appears to have either reached or exceeded the expected rate of progress made over one year in reading, while 92% appear to have done so in writing.

THE WILLOWS SCHOOL ACADEMY TRUST

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2015

Mathematics

In mathematics, it appears that all children have made the nationally expected progress of at least two sub-levels over one year.

Attainment

At July 2015, it appears that 82% have met or exceeded the level 4 threshold, with 18% having achieved to level 5.

Achievement

Currently, 100% of the 2014 – 2015 Year 6 cohort appear to have either reached or exceeded the expected rate of progress made over one year in mathematics.

Reading/Writing/Mathematics

Results, to-date, indicate that 55% of the cohort attained to level 4 in reading, writing and maths combined, with 9% having achieved to level 5.

Public benefit

The Trustees believe that by working towards the objects and aims of the School as detailed above, they have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission.

Key Performance Indicators

The Trustees receive half termly information to enable them to monitor the performance of the School compared to aims, strategies and financial budgets.

The Trustees compare costs as a percentage of income to monitor financial performance as these are commonly used and benchmarked within the sector. Attendance levels have been sustained at 96.2% and demand for places from neighbouring and the home authority is high.

Going concern

After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

FINANCIAL REVIEW

The principal source of funding for the Trust is the General Annual Grant (GAG) and other grants that it receives from the EFA. A high percentage of this income is spent on wages and salaries and support costs to deliver the Academy's primary objective of the provision of education.

Reserves policy

The Trustees are aware of the requirement to balance current and future needs. The Trustees always aim to set a balanced budget with annual income balancing annual expenditure.

The Trustees review the reserves levels of the Academy annually. This review encompasses the nature of income and expenditure together with the need to match income with commitments and the nature of the reserves. The level of free reserves is £359k and the Trustees believe this to be sufficient working capital to cover delays between spending and receipt of grants and to provide a buffer to deal with any expected emergencies such as urgent maintenance and repairs.

Due to the accounting rules for the Local Government Pension Scheme under FRS17, the Academy is recognising a significant pension fund deficit. This does not mean that an immediate liability for this amount crystallises and that such a deficit generally results in a cash flow effect in the form of increased employer contributions over a number of years.

THE WILLOWS SCHOOL ACADEMY TRUST

TRUSTEES' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2015

Investment policy

An Investment Policy was approved by the Board of Trustees in November 2013.

The aim of the policy is to ensure funds that the Academy does not immediately need to cover anticipated expenditure are invested in such a way as to maximise the Academy's income but with minimal risk. The aim is to research where funds may be deposited applying prudence in ensuring there is minimum risk. The Trustees do not consider the investment of surplus funds as a primary activity, rather as a result of good stewardship and as and when circumstances allow.

PRINCIPAL RISKS AND UNCERTAINTIES

The Trustees maintain a risk register identifying the major risks to which the Academy is exposed, and identifying actions and procedures to mitigate those risks. A formal review of the risk management process is undertaken on an annual basis and the internal control systems and the exposure to said risks are monitored on behalf of the Trustees at each Finance meeting. The principal risks facing the Trust are outlined below; those facing the Academy at an operational level are addressed by its systems and by internal financial and other controls.

The Trustees report that the Trust's financial and internal controls conform to guidelines issued by the EFA, and that improvements to the wider framework of systems dealing with business risk and risk management strategy continue to be made and formally documented.

It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

As an academy school, the level of financial risk is low. Cash flows can be reliably forecast, monitored and reported. Staff costs make up the majority of expenditure and this is relatively stable with contingencies in place to cover such items as sickness and maternity.

The Trustees assess the other principal risks and uncertainties facing the Trust as follows:

- The Academy has considerable reliance on continued Government funding through the EFA and there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms.
- Failures in governance and/or management - the risk in this area arise from potential failure to effectively manage the Academy's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks.
- Reputational - the continuing success of the Academy is dependent on 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 Academy is reliant on the quality of its staff and so the Trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.
- Fraud and mismanagement of funds - The Academy has appointed an Internal Auditor to carry out checks on financial systems and records as required by the Academy Financial Handbook. However, due to ill health the appointed Internal Auditor did not visit and report as planned within the year; however regular review of the accounts has been undertaken by an external provider to ensure there was no mismanagement of funds. All finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area.

The Academy has continued to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness.

PLANS FOR FUTURE PERIODS

The Academy continues to discuss the potential of joining an Umbrella Trust in an attempt to use resources effectively whether not the Academy joins or leads the Umbrella Trust is still being discussed.

THE WILLOWS SCHOOL ACADEMY TRUST

**TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2015**

Provision of information to auditors

Insofar as the Trustees are aware:

- There is no relevant audit information of which the Charitable Company's Auditors are unaware, and
- The Trustees have taken all the 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 Auditors, Price Bailey LLP, 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 on 17.12.15 and signed on its behalf by:



**Dr R Barr
Chair of Trustees**

THE WILLOWS SCHOOL ACADEMY TRUST

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As Trustees we acknowledge we have overall responsibility for ensuring that The Willows School 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 Principal, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The Willows School 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 Trustees' Responsibilities Statement. The Board of Trustees has formally met 8 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
P Hunt	8	8
C Ezeani, Chair	6	6
M Shaw, Headteacher	8	8
J Smith	8	8
D Young	5	5
D Perumal, Vice Chair	8	8
N Thomas	2	2
P Kent	8	8
S Philip	7	8
V Rutter	3	3
A Okumah	2	2

Governance reviews:

The Trustees conducted an external review by an appointed officer from the National College of School Leadership. The Academy's School Improvement Partner also worked with the Board of Trustees to improve the standards of Governance following the Ofsted Report of 2013.

The Board of Trustees plans to conduct the review annually and due to a change in their members, it is their intention to have an external review of governance next year.

REVIEW OF VALUE FOR MONEY

I accept that as Accounting Officer of The Willows School Academy Trust that I am responsible and accountable for ensuring that the Trust delivers good value in the use of public resources. I am aware of the guide to academy value for money statements published by the Education Funding Agency and understand that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

I set out below how I have ensured that the Trust's use of its resources has provided good value for money during the academic year.

Raising Student attainment

Our results for 2014/15 were :-

Overall in English to July 2015, it appears that, on average, all children have made the nationally expected progress for the 2014-2015 academic year. Current figures indicate that some pupils could be making significantly greater progress than that which is expected. At July 2014, 50% appear to be on track, have met or exceeded the expected range for their year groups. Of these, 32% (9 pupils) met national expectations, with 18% (5 pupils) exceeding the expectation by the end of Summer 2. Currently, 93% of the pupils appear to have either met or exceeded the expected level of progress made over one year. Of these, 68% (17 pupils) seem to have exceeded the expectations, while 32% (9 pupils) have met it or are on track to do so. In mathematics, it appears that most children have made the nationally expected progress of at least two sub-levels for the 2013-2014 academic years, with figures suggesting that some pupils could be making greater progress than expected. 47% appear to be on track, having met or exceeded the expected range for their year groups. Of these, 61% (8 pupils) have met the expectation, with 39% (5 pupils) having exceeded it by the end of the academic year, 2014. 82% appear to have either met or exceeded the expected level of progress made over one year. Of these, 39% (9 pupils) have

THE WILLOWS SCHOOL ACADEMY TRUST

GOVERNANCE STATEMENT (continued)

met the target, while 61% (14 pupils) seem to have exceeded it. Analysis of data on the progress of girls, white British boys and Black Caribbean boys shows no significant negative differences when compared to the population as a whole. In fact Results suggest that, on average they make better progress overall when compared to national and local figures for these groups

Robust governance and oversight of Academy finances:

The Academy Trust's Directors are committed to ensuring that governance of the Academy Trust's financial management is robust. The Directors and the Board of Trustees are cognisant of their responsibilities in ensuring that the Academy Trust's resources are managed effectively, to support the objectives in the Academy Trust's Development Plan, whilst considering the long term development of the Academy Trust. Directors, Governors, the Senior Leadership Team and staff strive for the best possible outcomes for pupils, achieved at reasonable cost.

The Board of Trustees approves the budget each year and are mindful of the need to balance expenditure against income to ensure that the Academy is sustainable.

The Academy benefits from the services of a suitably qualified external advisor and appoints an Internal Auditor who visits 3 times per year. The brief is to review key financial policies, systems and procedures, including the use of tendering process and presents reports on compliance to the Board of Trustees. However, this year the Internal Auditor did not attend as planned due to ill health. However, the external adviser has been regularly reviewing all areas of the brief. The Trustees receive half termly reports from the Finance Manager which support compliance in all areas of the Academy Trust's Finance Policy. These reports included funding and payroll reconciliations and a full budget monitoring.

All Directors and Trustees are required to complete a Register of Pecuniary Interests form annually. The opportunity to declare any pecuniary interests is provided at all Trustees' meetings.

The Board of Trustees also receives and approves the Annual Accounts and the external Auditors' Management Report each year.

Ensuring that the Trust gains good value for money, and effective and efficient use of resources

The Academy Trust takes a prudent approach to expenditure. With over 80% of the Academy Trust budget spent on staffing, staffing structures are reviewed annually to ensure that they are fit for purpose and can adapt and respond to support the successful attainment of the objectives within the Academy Trust development plan.

The Academy Trust has a high proportion of skilled and experienced teaching and support staff, who are very effectively deployed to provide best value. Teachers' performance management and support staff appraisal systems are in place, and HR policies, such as Managing Absence and Whistleblowing are implemented.

The Academy Trust 's payroll is outsourced to Strictly Education Limited and detailed monthly reconciliations of payroll are undertaken by the Finance Manager to ensure that payments to staff are correct.

The Academy Trust's Internal Financial Regulations has defined responsibilities for each person involved in the administration of schools finances to avoid the duplication or omissions of functions and to provide a framework of accountability for directors, Trustees and staff. A documented scheme of delegation ensures that contracts and services are regularly appraised and renegotiated when appropriate to ensure value for money. Individual budget holders are held accountable for the use of their budgets, and are helped by experienced finance officers in sourcing best value.

At least three written quotations should be obtained for all orders over £3,000 and up to £25,000 to identify the best source of the goods/services. All purchases over £25,000 must be referred to the relevant finance committee for approval. Purchases over £50,000 are subject to formal tendering procedures.

The Academy Trust ensures that all surplus cash balances are invested in interest bearing accounts to maximise interest earning potential. Investment institutions are selected carefully to provide the most acceptable balance of return and risk.

Assessing value for money

The Willows School Academy Trust is committed to providing a high quality, inclusive education for all. Through regular assessment, we have a clear picture of the potential and progress of every student and provide support and extension work for those students who need it. Pupils that receive pupil premium are clearly identified and their individual performance reviewed to ensure that progress attainment is achieved.

Departmental and curriculum allocations are allocated to specifically meet day to day needs, thus ensuring that significant expenditure remains within the control of senior management.

Careful and prudent management of financial resources has ensured that the annual expenditure budget remains within planned budget forecast for the year. All potential costs associated with an aged and energy draining building have been

THE WILLOWS SCHOOL ACADEMY TRUST

GOVERNANCE STATEMENT (continued)

provided for in the budget forecast.

Reviewing operation to maximise the use of resources

The Senior Leadership Team review expenditure within each area of the budget annually and make adjustments based upon the effectiveness of strategies introduced in previous years, the curriculum offer and any new strategies identified in the Development Plan of the Academy.

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Willows School Academy Trust for the year 1 September 2014 to 31 August 2015 and up to the date of approval of the Annual Report and financial statements.

CAPACITY TO HANDLE RISK

The Board of Trustees has reviewed the key risks to which the Academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy's significant risks, that has been in place for the year 1 September 2014 to 31 August 2015 and up to the date of approval of the Annual Report and financial statements. This process is regularly reviewed by the Board of Trustees.

THE RISK AND CONTROL FRAMEWORK

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

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

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint Dean Charles as Internal Auditor.

The Internal Auditor's role includes giving advice on financial matters and performing a range of checks on the Academy's financial systems.

On a termly basis, the Internal Auditor reports to the Board of Trustees on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

This year the Internal Auditor did not attend as planned due to ill health. However, an external adviser has been regularly reviewing all areas of the brief and no material control weaknesses were identified.

THE WILLOWS SCHOOL ACADEMY TRUST

GOVERNANCE STATEMENT (continued)

REVIEW OF EFFECTIVENESS

As Accounting Officer, the Principal 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 Internal Auditor;
- the work of the external Auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Academy who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Board of Trustees and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the Board of Trustees on 17.12.15 and signed on its behalf, by:



Dr R Barr
Chair of Governors



Mr M Shaw
Accounting Officer

THE WILLOWS SCHOOL ACADEMY TRUST

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of The Willows School Academy Trust I have considered my responsibility to notify the Board of Trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the Academy 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 (2014).

I confirm that I and the Board of Trustees are able to identify any material, irregular or improper use of funds by the Academy, or material non-compliance with the terms and conditions of funding under the Academy's funding agreement and the Academies Financial Handbook (2014).

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 EFA.



Mr M Shaw
Accounting Officer

Date: 17.12.15

THE WILLOWS SCHOOL ACADEMY TRUST

TRUSTEES' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 AUGUST 2015

The Trustees (who act as Governors of the School and are also the Directors of the Charitable Company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements 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 financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charitable Company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Trustees are required to:

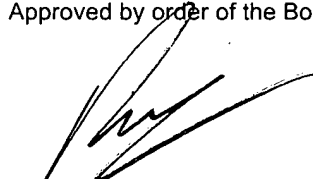
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business.

The 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 financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charitable Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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 grants received from EFA/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 financial statements may differ from legislation in other jurisdictions.

Approved by order of the Board of Trustees on 17.12.15 and signed on its behalf by:



Dr R Barr
Chair of Governors

THE WILLOWS SCHOOL ACADEMY TRUST

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE WILLOWS SCHOOL ACADEMY TRUST

We have audited the financial statements of The Willows School Academy Trust for the year ended 31 August 2015 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

This report is made solely to the Academy'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 Academy's Members those matters we are required to state to them in an Auditors' 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 Academy and its Members, as a body, for our audit work, for this report, or for the opinion we have formed.

RESPECTIVE RESPONSIBILITIES OF TRUSTEES AND AUDITORS

As explained more fully in the Trustees' Responsibilities Statement, the Trustees (who are also the Directors of the Academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

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

SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS

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

OPINION ON FINANCIAL STATEMENTS

In our opinion the financial statements:

- give a true and fair view of the state of the Academy's affairs as at 31 August 2015 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006 and the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

THE WILLOWS SCHOOL ACADEMY TRUST

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE WILLOWS SCHOOL ACADEMY TRUST

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Mr Gary Miller (Senior Statutory Auditor)

for and on behalf of

Price Bailey LLP

Chartered Accountants
Statutory Auditors

Causeway House
1 Dane Street
Bishop's Stortford
Hertfordshire
CM23 3BT

Date:

18/12/15

THE WILLOWS SCHOOL ACADEMY TRUST

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO THE WILLOWS SCHOOL ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY

In accordance with the terms of our engagement letter dated 16 September 2013 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by The Willows School Academy Trust during the year 1 September 2014 to 31 August 2015 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 The Willows School Academy Trust and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The Willows School Academy Trust and EFA 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 The Willows School Academy Trust and EFA, for our work, for this report, or for the conclusion we have formed.

RESPECTIVE RESPONSIBILITIES OF THE WILLOWS SCHOOL ACADEMY TRUST'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The Accounting Officer is responsible, under the requirements of The Willows School Academy Trust's funding agreement with the Secretary of State for Education dated 1 November 2011, and the Academies Financial Handbook extant from 1 September 2014, 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 2014 to 2015. 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 year 1 September 2014 to 31 August 2015 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 2014 to 2015 issued by EFA. 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's income and expenditure.

The work undertaken to draw to our conclusion includes:

- Consideration and corroboration of the evidence supporting the Accounting Officers statement on regularity, propriety and compliance.
- Evaluation of the general control environment of the Trust, extending the procedures required for financial statements to include regularity.
- Discussions with and representations from the Accounting Officer and other key management personnel
- An extension of substantive testing from our audit of the financial statements to cover matters pertaining to regularity, propriety and compliance in particular checking that selected items were appropriately authorised, and appropriate.

THE WILLOWS SCHOOL ACADEMY TRUST

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO THE
WILLOWS SCHOOL ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY (continued)

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2014 to 31 August 2015 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Gary Miller (Reporting Accountant)

Price Bailey LLP

Chartered Accountants

Date:

18/12/15

THE WILLOWS SCHOOL ACADEMY TRUST

STATEMENT OF FINANCIAL ACTIVITIES (Incorporating Income and Expenditure Account and Statement of Total Recognised Gains and Losses) FOR THE YEAR ENDED 31 AUGUST 2015

	Note	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
INCOMING RESOURCES						
Incoming resources from generated funds:						
Voluntary income	2	1,285	-	-	1,285	2,129
Investment income	3	351	-	-	351	355
Incoming resources from charitable activities	4	-	1,105,019	-	1,105,019	790,233
TOTAL INCOMING RESOURCES		1,636	1,105,019	-	1,106,655	792,717
RESOURCES EXPENDED						
Charitable activities	6	-	792,810	58,520	851,330	835,345
Governance costs	5	-	40,697	-	40,697	69,285
TOTAL RESOURCES EXPENDED	7	-	833,507	58,520	892,027	904,630
NET INCOMING / (OUTGOING) RESOURCES BEFORE TRANSFERS		1,636	271,512	(58,520)	214,628	(111,913)
Transfers between funds	15	-	(11,873)	11,873	-	-
NET INCOME / (EXPENDITURE) FOR THE YEAR		1,636	259,639	(46,647)	214,628	(111,913)
Actuarial gains and losses on defined benefit pension schemes		-	5,000	-	5,000	(134,000)
NET MOVEMENT IN FUNDS FOR THE YEAR		1,636	264,639	(46,647)	219,628	(245,913)
Total funds at 1 September 2014		357,447	(593,000)	1,964,947	1,729,394	1,975,307
TOTAL FUNDS AT 31 AUGUST 2015		359,083	(328,361)	1,918,300	1,949,022	1,729,394

All activities relate to continuing operations.

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 20 to 33 form part of these financial statements.

THE WILLOWS SCHOOL ACADEMY TRUST
REGISTERED NUMBER: 07785550

BALANCE SHEET
AS AT 31 AUGUST 2015

	Note	£	2015 £	2014 £
FIXED ASSETS				
Tangible assets	12		1,918,300	1,964,947
CURRENT ASSETS				
Debtors	13	311,811		169,230
Cash at bank		356,848		211,583
		<u>668,659</u>		<u>380,813</u>
CREDITORS: amounts falling due within one year	14	(26,937)		(23,366)
NET CURRENT ASSETS			641,722	357,447
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>2,560,022</u>	<u>2,322,394</u>
Defined benefit pension scheme liability	20	(611,000)		(593,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITY			<u>1,949,022</u>	<u>1,729,394</u>
FUNDS OF THE ACADEMY				
Restricted funds :				
Restricted funds	15	282,639		-
Restricted fixed asset funds	15	1,918,300		1,964,947
		<u>2,200,939</u>		<u>1,964,947</u>
Restricted funds excluding pension liability				
Pension reserve		(611,000)		(593,000)
Total restricted funds			1,589,939	1,371,947
Unrestricted funds	15		359,083	357,447
TOTAL FUNDS			<u>1,949,022</u>	<u>1,729,394</u>

The financial statements were approved by the Trustees, and authorised for issue, on 17.12.15 and are signed on their behalf, by:


Dr R Barr
Chair of Governors

The notes on pages 20 to 33 form part of these financial statements.

THE WILLOWS SCHOOL ACADEMY TRUST

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2015**

	Note	2015 £	2014 £
Net cash flow from operating activities	17	156,787	(136,683)
Returns on investments and servicing of finance - interest received		351	355
Capital expenditure - purchase of fixed assets		(11,873)	(29,444)
INCREASE/(DECREASE) IN CASH IN THE YEAR		<u>145,265</u>	<u>(165,772)</u>

**RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS
FOR THE YEAR ENDED 31 AUGUST 2015**

	2015 £	2014 £
Increase/(decrease) in cash in the year	<u>145,265</u>	<u>(165,772)</u>
MOVEMENT IN NET FUNDS IN THE YEAR	<u>145,265</u>	<u>(165,772)</u>
Net funds at 1 September 2014	<u>211,583</u>	<u>377,355</u>
NET FUNDS AT 31 AUGUST 2015	<u>356,848</u>	<u>211,583</u>

The notes on pages 20 to 33 form part of these financial statements.

THE WILLOWS SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2015

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention. The financial statements have been prepared in accordance with the Statement of Recommended Practice, 'Accounting and Reporting by Charities' published in March 2005 (SORP), the Academies Accounts Direction 2014 to 2015 issued by EFA, applicable accounting standards and the Companies Act 2006.

1.2 Fund accounting

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by funders 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 Department for Education.

Investment income, gains and losses are allocated to the appropriate fund.

1.3 Incoming resources

All incoming resources are included in the Statement of Financial Activities when the Academy has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

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 entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund.

Capital grants are recognised when receivable and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

Sponsorship income provided to the Academy which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable, where there is certainty of receipt and it is measurable.

Any donated services and gifts in kind provided to the Academy are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the Academy can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the Statement of Financial Activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Academy's policies.

Donations are recognised on a receivable basis where there is certainty of receipt and the amount can be reliably measured.

Other income, including the hire of facilities, is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

THE WILLOWS SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2015

1. ACCOUNTING POLICIES (continued)

1.4 Resources expended

Expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities are costs incurred in the Academy's educational operations.

Governance costs include the costs attributable to the Academy's compliance with constitutional and statutory requirements, including audit, strategic management and Trustees' meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

1.5 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 Academy to continue as a going concern. The Trustees make this assessment in respect of a period of one year from the date of approval of the financial statements.

1.6 Tangible fixed assets and depreciation

All assets costing more than £800 are capitalised.

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 are 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's depreciation policy.

The policy with respect to impairment reviews of fixed assets is to review for impairment of a fixed asset if events or changes in circumstances indicate that the carrying value of any fixed assets 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.

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

Leasehold buildings	-	2% straight line
Fixtures and fittings	-	25% straight line
Computer equipment	-	33.33% straight line

1.7 Taxation

The Academy 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 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.

THE WILLOWS SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2015

1. ACCOUNTING POLICIES (continued)

1.8 Pensions

Retirement benefits to employees of the Academy 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.

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 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 quinquennial valuations using a prospective benefit method. As stated in note 20, the TPS is a multi-employer scheme and the Academy is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the Academy in separate governor administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit 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 gains and losses on the settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the Statement of Financial Activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

2. VOLUNTARY INCOME

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Donations	1,285	-	1,285	2,129

3. INVESTMENT INCOME

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Bank interest	351	-	351	355

THE WILLOWS SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2015

4. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
DfE/EFA grants				
General Annual Grant (GAG)	-	428,109	428,109	429,724
Other DfE / EFA grants	-	31,379	31,379	18,319
	-	459,488	459,488	448,043
Other government grants				
Local authority grants	-	645,531	645,531	342,190
	-	645,531	645,531	342,190
	-	1,105,019	1,105,019	790,233

5. GOVERNANCE COSTS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Total funds 2015 £	Total funds 2014 £
Auditors' remuneration	-	6,000	6,000	5,200
Auditors' non audit costs	-	4,943	4,943	14,298
Legal and professional	-	29,754	29,754	49,787
	-	40,697	40,697	69,285

THE WILLOWS SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2015

6. CHARITABLE ACTIVITIES

	Total funds 2015 £	Total funds 2014 £
DIRECT COSTS		
Wages and salaries	236,041	318,933
National insurance	16,926	23,900
Pension cost	43,840	43,250
Educational supplies	35,011	26,933
Staff development	6,305	9,111
Supply teaching	157,118	138,126
	<u>495,241</u>	<u>560,253</u>
SUPPORT COSTS		
Wages and salaries	30,630	54,393
National insurance	1,000	1,908
Pension cost	4,662	8,339
Depreciation	58,520	50,499
Pension interest adjustment	16,000	16,000
Technology costs	25,920	8,555
Educational consultancy	49,549	2,810
Travel & subsistence	3,312	2,075
Other costs	20,674	28,884
Recruitment & support	2,092	4,287
Maintenance of premises & machinery	26,518	18,765
Cleaning	2,415	10,297
Energy	13,205	10,345
Insurance	25,551	17,965
Security	570	1,285
Transport	5,778	1,961
Catering	17,971	16,457
Occupancy costs	13,550	5,961
Supply admin	23,088	3,757
Printing, postage and stationery	8,032	8,980
Telephone expenses	7,052	1,570
	<u>356,089</u>	<u>275,093</u>
	<u>851,330</u>	<u>835,346</u>

THE WILLOWS SCHOOL ACADEMY TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

7. RESOURCES EXPENDED

	Staff costs	Non pay expenditure		Total	Total
	2015	Premises	Other costs	2015	2014
	£	2015	2015	£	£
		£	£		
Provision of education - direct costs	453,925	-	41,316	495,241	560,253
Provision of education - support costs	36,292	108,803	210,994	356,089	275,092
Charitable activities	490,217	108,803	252,310	851,330	835,345
Governance	-	-	40,697	40,697	69,285
	490,217	108,803	293,007	892,027	904,630

8. NET INCOMING / (OUTGOING) RESOURCES

This is stated after charging:

	2015	2014
	£	£
Depreciation of tangible fixed assets: - owned or leased by the Academy	58,520	50,499

9. STAFF

a. Staff costs

Staff costs were as follows:

	2015	2014
	£	£
Wages and salaries	266,671	373,326
Social security costs	17,926	25,809
Other pension costs	48,502	51,589
	333,099	450,724
Supply teacher costs	157,118	138,126
	490,217	588,850

THE WILLOWS SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2015

9. STAFF (continued)

b. Staff numbers

The average number of persons employed by the Academy during the year expressed as full time equivalents was as follows:

	2015 No.	2014 No.
Teachers	1	3
Administration and support	11	16
Management	1	1
	<u>13</u>	<u>20</u>

c. Higher paid staff

The number of employees whose emoluments fell within the following bands was:

	2015 No.	2014 No.
In the band £ 60,001 - £ 70,000	<u>1</u>	<u>1</u>

The above employee participated in the Teachers' Pension Scheme. During the year ended 31 August 2015 pension contributions for these staff amounted to £9,244 (2014 - £8,728).

10. TRUSTEES' REMUNERATION AND EXPENSES

One or more Trustees have been paid remuneration or have received other benefits from an employment with the Trust. The Headteacher and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Headteacher and staff members under their contracts of employment, and not in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows:

P Hunt	Remuneration £45,000-£50,000 (2014: £30,000-35,000)
	Employer's Pension contribution £nil (2014: £nil)
M Shaw	Remuneration £65,000-£70,000 (2014: £60,000-£65,000)
	Employer's Pension contribution £5,000-£10,000 (2014: £5,000-£10,000)
J Smith	Remuneration £20,000-£25,000 (2014: £15,000-£20,000)
	Employer's Pension contribution £0-£5,000 (2014: £0-£5,000)

During the period 31 August 2015, no Trustees received any reimbursement of expenses for their role as Trustees (2014: £NIL).

Other related party transactions involving the Trustees are set out in note 21.

11. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the Academy has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance provides cover up to £5,000,000 on any one claim.

The cost of this insurance is included in the total insurance cost.

THE WILLOWS SCHOOL ACADEMY TRUST

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2015**

12. TANGIBLE FIXED ASSETS

	Leasehold buildings £	Fixtures and fittings £	Computer equipment £	Total £
Cost				
At 1 September 2014	2,015,013	3,010	42,992	2,061,015
Additions	-	3,368	8,505	11,873
At 31 August 2015	2,015,013	6,378	51,497	2,072,888
Depreciation				
At 1 September 2014	80,600	1,506	13,962	96,068
Charge for the year	40,300	1,384	16,836	58,520
At 31 August 2015	120,900	2,890	30,798	154,588
Net book value				
At 31 August 2015	1,894,113	3,488	20,699	1,918,300
At 31 August 2014	1,934,413	1,504	29,030	1,964,947

13. DEBTORS

	2015 £	2014 £
VAT current account	66,357	86,723
Other debtors	41,663	67,076
Prepayments and accrued income	203,791	15,431
	<u>311,811</u>	<u>169,230</u>

**14. CREDITORS:
Amounts falling due within one year**

	2015 £	2014 £
Trade creditors	2,465	-
Other taxation and social security	5,864	7,142
Accruals and deferred income	18,608	16,224
	<u>26,937</u>	<u>23,366</u>

Deferred income

Deferred income at 1 September 2014	7,398
Resources deferred during the year	5,100
Amounts released from previous years	(7,398)
Deferred income at 31 August 2015	<u>5,100</u>

Resources deferred at the year end relate to contributions towards capital income relating to the 2015/16 academic year.

THE WILLOWS SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2015

15. STATEMENT OF FUNDS

	Brought forward £	Incoming resources £	Resources expended £	Transfers in/out £	Gains/ (losses) £	Carried forward £
Unrestricted funds						
General funds - all funds	357,447	1,636	-	-	-	359,083
Restricted funds						
General Annual Grant (GAG)	-	428,109	(133,597)	(11,873)	-	282,639
Pupil premium	-	31,379	(31,379)	-	-	-
SEN	-	645,531	(645,531)	-	-	-
Pension reserve	(593,000)	-	(23,000)	-	5,000	(611,000)
	(593,000)	1,105,019	(833,507)	(11,873)	5,000	(328,361)
Restricted fixed asset funds						
Other capital fund	30,534	-	(18,220)	11,873	-	24,187
Academy building transferred from local authority	1,934,413	-	(40,300)	-	-	1,894,113
	1,964,947	-	(58,520)	11,873	-	1,918,300
Total restricted funds	1,371,947	1,105,019	(892,027)	-	5,000	1,589,939
Total of funds	1,729,394	1,106,655	(892,027)	-	5,000	1,949,022

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

General Annual Grant (GAG)

This represents funding from the EFA to cover the costs of recurrent expenditure.

Under the funding agreement with the Secretary of State, the Academy was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2015.

The transfer between the GAG and restricted fixed assets is to cover fixed asset purchases in the year.

Pupil premium

This funding is to be used to raise achievement and improve outcomes for pupils from low-income families who are eligible for free school meals.

Special educational needs (SEN)

This represents allocated funding for special educational needs pupils.

Pension reserve

This fund represents the Academy's share of the deficit on the Local Government Pension Scheme (LGPS) transferred to the academy on conversion from a state maintained school.

THE WILLOWS SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2015

15. STATEMENT OF FUNDS (continued)

Restricted fixed asset funds

These funds relate to the capital funding received from the EFA and private contributions. In addition it includes the assets transferred on conversion from the Local Authority.

SUMMARY OF FUNDS

	Brought forward £	Incoming resources £	Resources expended £	Transfers in/out £	Gains/(losses) £	Carried forward £
General funds	357,447	1,636	-	-	-	359,083
Restricted funds	(593,000)	1,105,019	(833,507)	(11,873)	5,000	(328,361)
Restricted fixed asset funds	1,964,947	-	(58,520)	11,873	-	1,918,300
	<u>1,729,394</u>	<u>1,106,655</u>	<u>(892,027)</u>	<u>-</u>	<u>5,000</u>	<u>1,949,022</u>

16. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2015 £	Restricted funds 2015 £	Restricted fixed asset funds 2015 £	Total funds 2015 £	Total funds 2014 £
Tangible fixed assets	-	-	1,918,300	1,918,300	1,964,947
Current assets	386,020	282,639	-	668,659	380,813
Creditors due within one year	(26,937)	-	-	(26,937)	(23,366)
Provisions for liabilities and charges	-	(611,000)	-	(611,000)	(593,000)
	<u>359,083</u>	<u>(328,361)</u>	<u>1,918,300</u>	<u>1,949,022</u>	<u>1,729,394</u>

17. NET CASH FLOW FROM OPERATING ACTIVITIES

	2015 £	2014 £
Net incoming/(outgoing) resources before revaluations	214,628	(111,913)
Returns on investments and servicing of finance	(351)	(355)
Depreciation of tangible fixed assets	58,520	50,499
Increase in debtors	(142,581)	(66,432)
Increase/(decrease) in creditors	3,571	(20,482)
FRS 17 adjustments	23,000	12,000
Deficit on disposal of tangible fixed assets	-	-
Net cash inflow/(outflow) from operations	<u>156,787</u>	<u>(136,683)</u>

THE WILLOWS SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2015

18. ANALYSIS OF CHANGES IN NET FUNDS

	1 September 2014 £	Cash flow £	Other non-cash changes £	31 August 2015 £
Cash at bank and in hand:	211,583	145,265	-	356,848
Net funds	211,583	145,265	-	356,848

19. 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/she is a Member, or within one year after he/she ceases to be a Member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he/she ceases to be a Member.

20. PENSION COMMITMENTS

The Academy's employees belong to two principal pension schemes: the Teacher's Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by London Borough of Hillingdon. 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 2012 and of the LGPS 31 March 2013.

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' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. 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.

Valuation of the Teachers' Pension Scheme

Not less than every four years 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 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 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%);
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million;
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations; and

THE WILLOWS SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2015

20. PENSION COMMITMENTS (continued)

- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

During the year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4% from September 2015, which will be payable during the implementation period until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The pension costs paid to TPS in the period amounted to £12,245 (2014: £13,640).

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

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The Academy has accounted for its contributions to the scheme as if it were a defined contribution scheme. The Academy has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2015 was £41,000, of which employer's contributions totalled £32,000 and employees' contributions totalled £9,000. The agreed contribution rates for future years are 27.2% for employers and are tiered% for employees.

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.

The amounts recognised in the Balance Sheet are as follows:

	2015 £	2014 £
Present value of funded obligations	(962,000)	(902,000)
Fair value of scheme assets	351,000	309,000
Net liability	<u>(611,000)</u>	<u>(593,000)</u>

The amounts recognised in the Statement of Financial Activities are as follows:

	2015 £	2014 £
Current service cost	(39,000)	(38,000)
Interest on obligation	(34,000)	(35,000)
Expected return on scheme assets	18,000	19,000
Total	<u>(55,000)</u>	<u>(54,000)</u>
Actual return on scheme assets	<u>9,000</u>	<u>35,000</u>

THE WILLOWS SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2015

20. PENSION COMMITMENTS (continued)

Movements in the present value of the defined benefit obligation were as follows:

	2015 £	2014 £
Opening defined benefit obligation	902,000	754,000
Current service cost	39,000	38,000
Interest cost	34,000	35,000
Contributions by scheme participants	9,000	11,000
Actuarial losses	(14,000)	90,000
Benefits paid	(8,000)	(26,000)
	<u>962,000</u>	<u>902,000</u>
Closing defined benefit obligation		

Movements in the fair value of the Academy's share of scheme assets:

	2015 £	2014 £
Opening fair value of scheme assets	309,000	307,000
Expected return on assets	18,000	19,000
Actuarial losses	(9,000)	(44,000)
Contributions by employer	32,000	42,000
Contributions by employees	9,000	11,000
Benefits paid	(8,000)	(26,000)
	<u>351,000</u>	<u>309,000</u>

The cumulative amount of actuarial gains and losses recognised in the Statement of Total Recognised Gains and Losses was £192,000 loss (2014 - £197,000 loss).

The Academy expects to contribute £41,000 to its Defined Benefit Pension Scheme in 2016.

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	2015	2014
Equities	58.00 %	65.00 %
Bonds	23.00 %	23.00 %
Cash	6.00 %	3.00 %
Property	13.00 %	9.00 %

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

	2015	2014
Discount rate for scheme liabilities	3.80 %	3.70 %
Expected return on scheme assets at 31 August	3.80 %	5.50 %
Rate of increase in salaries	3.60 %	3.50 %
Rate of increase for pensions in payment / inflation	2.70 %	2.70 %

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

	2015	2014
Retiring today		
Males	22.7	22.7
Females	24.7	24.7
Retiring in 20 years		
Males	24.3	24.3
Females	26.9	26.9

THE WILLOWS SCHOOL ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2015

20. PENSION COMMITMENTS (continued)

Amounts for the current and previous three periods are as follows:

Defined benefit pension schemes

	2015 £	2014 £	2013 £	2012 £
Defined benefit obligation	(962,000)	(902,000)	(754,000)	(644,000)
Scheme assets	351,000	309,000	307,000	204,000
Deficit	<u>(611,000)</u>	<u>(593,000)</u>	<u>(447,000)</u>	<u>(440,000)</u>
Experience adjustments on scheme assets	<u>(9,000)</u>	<u>(44,000)</u>	<u>22,000</u>	<u>7,000</u>

21. RELATED PARTY TRANSACTIONS

Owing to the nature of the Academy'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 a Trustees has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy's financial regulations and normal procurement procedures.

Any transactions where the Trustee has a pecuniary interest is only undertaken in accordance with the 'at cost' principle stated in the Academies Financial Handbook. There were no transactions to report in the year.

There were no transactions to report in the year.