

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 2020**

# **WATERTON ACADEMY TRUST**

## **CONTENTS**

---

	<b>Page</b>
Reference and administrative details	1 - 2
Trustees' report	3 - 13
Governance statement	14 - 17
Statement of regularity, propriety and compliance	18
Statement of trustees' responsibilities	19
Independent auditor's report on the financial statements	20 - 22
Independent reporting accountant's report on regularity	23 - 24
Group statement of financial activities including income and expenditure account	25 - 26
Group balance sheet	27
Balance sheet	28
Group statement of cash flows	29
Notes to the financial statements including accounting policies	30 - 56

---

# **WATERTON ACADEMY TRUST**

## **REFERENCE AND ADMINISTRATIVE DETAILS**

---

### **Trustees**

Mr P Beaman  
Mr D Dickinson (CEO & Accounting Officer)  
Mr S Johnson (Chair of the West LHB)  
Mr J Shaw  
Mr A Fitton (Appointed 1 October 2019 and resigned 23 January 2020)  
Mr S Bates (Chair of the East LHB) (Appointed 1 October 2019)  
Mrs R Cook (Chair of Trustees)  
Mrs L Rowlinson-Brown (Appointed 25 August 2020)  
Mr A Goudie (Appointed 14 July 2020)  
Mr N Shaw (Appointed 9 December 2020)

### **Members**

#### **Chair of Trustees**

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 L Clark

### **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

Ackworth Mill Dam School

West End Academy  
King's Meadow Academy  
Churchfield Primary Academy

Waterton Pre School

### 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

Millgate, Ackworth

Regent Street, Pontefract  
Wakefield Road, Fitzwilliam  
Snydale Road, Barnsley

Imperial Avenue, Wrenthorpe

### Headteacher

Mr A Harpham  
Ms S Gordon (Executive  
Headteacher)

Mr M Berry  
Mrs C Holloway  
Ms S Gordon (Executive  
Headteacher)

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 L Y Gray (Executive  
Headteacher)

Mrs V Bruce (Manager)

### 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 2020***

---

The Trustees present their annual report together with the accounts and independent auditor's reports of the charitable company for the period 1 September 2019 to 31 August 2020. 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 2019 and Accounts Direction 2019-2020.

The financial statements have been prepared in accordance with the accounting policies on pages 30 to 34 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 2019').

The Academy Trust operates nine primaries, two infant and two junior academies and a Pre-School in the Yorkshire area. The academies have a combined pupil capacity of 3,598 and have a roll of 3,383 as taken from the Spring census 2020.

#### **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 and associated training.

# **WATERTON ACADEMY TRUST**

## **TRUSTEES' REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 AUGUST 2020***

---

### Organisational structure

The Trust currently consists of thirteen schools and one pre school; seven 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 (one now judged RI by Ofsted).

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  
Churchfield Primary School (Converter)

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

All Headteachers are subject to annual Performance Management reviews in accordance with STPCD and this 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 Trustees, for transparency. All performance management uplifts are presented to Trustees for approval and appropriately recorded in minutes of meetings.

The Trust SLT are also subject to annual Performance Management reviews which are reported to Trustees as above. In accordance with the requirements of the AFH, a robust process is in place for determining the remuneration for the CEO. The decision is made by the Trust Board and appropriately approved and recorded.

### 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 2020***

---

### Engagement with employees

The Trustees recognise the importance of employee engagement in all aspects of its work. The Trust has a robust appraisal system, staff wellbeing group and are currently negotiating ways forward to implement formal meetings with Trade Unions on a regular basis. Staff surveys take place regularly and were of particular use during remote working due to COVID19.

### Engagement with suppliers, customers and others in a business relationship with the Academy Trust

The Trustees recognise the importance of developing relationships with suppliers, customers and other stakeholders. In recent years, the Trust has moved to whole trust agreements for major contracts such as school meals provision and supply agency cover, using established framework agreements for the benefit of all our family of schools. In addition to this, we work alongside local and smaller businesses and have developed excellent relationships with all our stakeholders. During the COVID-19 pandemic, the Trust worked with the school meals contractor to provide food hampers for vulnerable pupils and families within our community, which were distributed to our schools by our contractor for buildings compliance. This is testament to the partnerships we promote.

### Related parties and other connected charities and organisations

The Trust is the member of Waterton Pre Schools. The Pre-Schools currently consists of one setting, details of this is included within these accounts. The Trust is not a member of any soft federations.

The Trust has commissioned works from Omnibus Education. This is a related party transaction and all the appropriate procedures and declarations were in place.

### **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 2020 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 respond to the challenges during the COVID19 pandemic to minimise the impact on pupil outcomes;
- To promote opportunities for blended learning which are sustainable in future years;
- To create an organisation that ensures we operate efficiently and provide value for money in challenging circumstances; 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 2020**

---

### **Strategic report**

#### Achievements and performance

Given the unprecedented circumstances surrounding COVID19, the Trust has no officially recognised set of published results for 2019-20. All pupil assessments have been carried out through teacher appraisals and it has been agreed that the Trust will not publish these outcomes. The rationale for this decision is predicated on there being no reliable local or national benchmark to assess performance against and not having had the opportunity to carry out a meaningful and robust moderation process.

#### Attendance

As with pupil outcomes, given the unprecedented circumstances surrounding COVID19, the Trust has no officially recognised set of published attendance figures for 2019-20. Academies have been reporting attendance figures on a daily basis to the trust, LA and DfE, however it has been agreed that these figures will not be made public. The rationale for this decision is predicated on there being no reliable local or national benchmark to assess attendance against and the complexity around contextual differences as a result of COVID19.

#### External Accountability - Ofsted Cycle and Outcomes

Academy	Pre-conversion Judgement	Recent Judgement
WPA	Good	Good
NCPA	Good	Good
NJA	Inadequate	Good
LBIS	Outstanding	Outstanding
CIS	Good	Good
SKA	Good	Requires Improvement
WEA	Good	Good
WA	Good	Good
CPA	Inadequate	Requires Improvement

Since its inception, the Trust has undergone ten inspections, returning very strong outcomes. The vast majority of schools have progressed provision, with only SKA having returned a negative outcome. This year has seen Wrenthorpe Academy retain a very strong good judgement and Cherry Tree Academy being taken out of an inadequate judgement and lifted to a requires improvement judgement. We are confident that the schools in the current Ofsted window will also return positive judgements.

#### COVID19 Security

A new challenge that brings with its external scrutiny, is that of being COVID19 secure. The current pandemic has resulted in the Trust expending a great deal of resource where previously, there was no requirement. A significant amount of time and money has been expended on cleaning equipment, PPE and additional staff costs to ensure that our schools remain open and COVID19 secure. All academies have produced detailed risk assessments and operational plans, supported by the trust central team. A recent HSE inspection has validated this work.



# **WATERTON ACADEMY TRUST**

## **TRUSTEES' REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 AUGUST 2020***

---

### 2020 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 priority areas;
- 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

### 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.

### Protecting the success of the Academy Trust

The principal objective of the Trust is to improve the outcomes for all children within the Trust. The areas that are used to benchmark success are to be found within sections of this document, namely the strategic report and financial indicators. As a charitable organisation, the Trustees note their obligations to the requirement of section 172(1) (a) to (f) of the Companies Act 2006. The vision and values of Waterton Academy Trust indicate its desire to ensure that all decisions are taken with regard to the community which it serves.

# **WATERTON ACADEMY TRUST**

## **TRUSTEES' REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 AUGUST 2020***

---

### **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 the provision of education. The grants received from the DfE during the year ended 31 August 2020 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activity (SOFA).

The financial position of the Trust remains strong, although challenging in some schools and in particular, Early Years. The total restricted and unrestricted reserves, excluding pensions and fixed assets as at 31 August 2020 was £1,707,468.

During the period, the Trust's finances have been affected by the COVID-19 pandemic. These include, but are not limited to:

- increased costs in relation to additional cleaning and hygiene, staffing, PPE equipment,
  - loss of income relating to school meals, lettings, breakfast clubs and after-school care etc
  - the requirement to continue to pay suppliers in accordance with the Governments' Procurement Policy Notices
- ( P P N s )

Staff employed in wraparound care positions across the Trust were furloughed and a claim was made through the Coronavirus Job Retention Scheme. This income is recognised in our financial statements.

A planned organisational model for growth is in place and Churchfield Primary joined the Trust in December 2019. However, the rise of the COVID19 pandemic during the period has hampered any further growth in the immediate future.

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. Such grants are shown in the SOFA as restricted income in the Fixed Asset Fund and allow further investment in maintaining and improving the academies across the estate.

Capital projects during the period include a classroom refurbishment at Sharlston Community School and a single storey extension to form a classroom and staffroom at Ackworth Mill Dam, as a result of increasing the PAN to 30. Further investment has been made in developing a Centre for Excellence in the former library at Walton Primary Academy offering apprenticeship training, creating an additional revenue income stream. During 2020/21, the second phase of development on the Mill Dam site will be completed, expanding the Early Years setting. £140,000 grant 106 capital funding has been secured from the LA to assist with funding these works.

At 31 August 2020 the net book value of fixed assets was £29,973,404. 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 deficits in the Local Government Pension Scheme (LGPS) in respect of its non-teaching staff, are recognised on the Balance Sheet in accordance with the provisions of FRS 102, and this liability has increased from £7.8m to £12.3m during the period.

# **WATERTON ACADEMY TRUST**

## **TRUSTEES' REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 AUGUST 2020***

---

### Reserves policy

The Board of Trustees consider it prudent to retain an appropriate level of reserves designed to meet the long term needs of facilities and equipment renewal and any other unforeseen expenditure and 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.

Individual academies are expected to set balanced budgets each year, but the Trust recognises that this is challenging in some settings depending on individual circumstances. In these circumstances, the Trust will support the academy to ensure that any projected in-year budget deficit does not have a detrimental impact on service delivery and a plan to return them to surplus is put in place.

Trust reserves are pooled for the benefit of the Trust as a whole but profiled to each academy. Academies can access reserves by submitting Access to Reserves bids to the LHB to fund development plans, be it educational resources or capital projects. Only in exceptional circumstances can reserves be allocated to fund ongoing revenue expenditure. Repayment plans over the short and medium term are put in place.

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;
- 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.

As at the period ending 31 August 2020, total reserves was £19,616,125, of which £18,456,299 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 2020***

---

### Principal risks and uncertainties

The Trustees have assessed the major risks to which the trust is exposed. The Trust 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 Trust has a Risk Management Policy and Risk Register. Trustees review the major risks to which the Trust is exposed, at each Trust Board meeting, as part of the CEO report.

The key risks have been determined as:

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.

Recruitment – the success of the Trust is reliant on the quality of its staff and teaching. Trustees monitor and review policies and procedures for recruitment, training and CPD to ensure that quality staff are retained and succession planning is appropriate.

Financial – uncertainty regarding future Government funding streams. There can be no assurance that Government policy will remain the same or that funding will continue at the same level. Strategies are in place to ensure financial stability is sustainable, without affecting the quality of education provision across the Trust. The implications of Brexit are unknown.

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.

Fraud and mismanagement of funds - all appropriate staff receive training to keep them updated with best financial practice and further develop their skills. The CFO is tasked with ensuring appropriate practice is adhered to and compliant with ESFA regulations.

Legal risks – legislative requirements such as the Child Protection Act are not complied with.

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.

As part of its risk management strategy, the Trust currently uses the Risk Protection Arrangements (RPA) which is specifically designed for academies as an alternative to commercial insurance to transfer some risks. Under RPA, the Government covers the losses instead of an alternative insurance provider. All academies joining the Trust will use RPA.

### Financial and risk management objectives and policies

The Trust's dealings with financial instruments are limited to treasury accounts, bank accounts, creditors and debtors. This limitation serves to minimise credit and liquidity risks when this is combined with the nature of the trust's debtors, being principally LAs and other schools and therefore the risk to cash flow is also minimal. The Government defined benefit pension scheme shows a deficit of £12,349,000 which is a significant liability on the Balance Sheet.

The COVID19 pandemic has established itself as the single most significant risk to the Trust. Trustees, SLT, Headteachers and the central team responded with a systematic and robust approach which will provide a framework for the future.

# WATERTON ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### Fundraising

The Trust only participates in low level fundraising events throughout the school year. The purpose of this is not to fund the Trust's core provision of education but to support related activities and charities such as Children in Need, Macmillan Cancer Support, Jeans for Genes etc. This fundraising does not involve any professional fundraisers or commercial organisations and funds raised for a specific purpose are restricted to expenditure against the same. During 2019-20 fundraising was minimal due to the restrictions throughout the COVID19 crisis.

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.

### Streamlined energy and carbon reporting

#### Energy consumption

Aggregate of energy consumption in the year	kWh
	2,707,652

#### Emissions of CO2 equivalent

	metric tonnes	metric tonnes
Scope 1 - direct emissions		
- Gas combustion	337.63	
- Fuel consumed for owned transport	-	
		337.63
Scope 2 - indirect emissions		
- Electricity purchased		222.69
Scope 3 - other indirect emissions		
- Fuel consumed for transport not owned by the Academy Trust		-
		560.32
Total gross emissions		

#### Intensity ratio

Tonnes CO2e per pupil	0.17
-----------------------	------

#### Quantification and reporting methodology

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2020 UK Government's Conversion Factors for Company Reporting.

Given the COVID19 pandemic that arose during the reporting period, the Trust did not operate at full capacity due to school not open to all pupils, therefore the figures reported are lower than would be expected in a normal year.

#### Intensity measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO2 equivalent per pupil, the recommended ratio for the sector.

## WATERTON ACADEMY TRUST

### TRUSTEES' REPORT (CONTINUED)

#### FOR THE YEAR ENDED 31 AUGUST 2020

##### *Measures taken to improve energy efficiency*

The Trust will endeavour to reduce the carbon omissions and run our energy more efficiently whenever the opportunity arises. Steps taken to address these issues in year are detailed in the table below:

Energy Efficiency	Sept 2019 – August 2020
Ackworth Mill Dam	<p>Extension:-</p> <p>The main building has been extended in line with up to date CDM regulations which will cover newly installed insulations and felt roofing systems. A newly formed brick building was installed with 150mm Kingspan into the insulation cavity</p> <p>The build has used varying measures to aid energy efficiency in addition to the products outlined above e.g. lowered ceilings, additional insulation, new fire doors, insulated pipework from existing boiler and new, more energy efficient radiators installed.</p>
Crofton Infants'	New UPVC double glazed windows installed with trickle vents. All windows have been sealed to the internal brickwork course and encased in UPVC casing removing any drafts through the cavity. Heat loss previously experienced and heating requirements have been significantly reduced.
Cherry Tree Academy	LED Installation throughout the building has enabled the building to become more energy efficient in provision while reducing electrical costs to the site
Lee Brigg Infant & Nursery School	Part LED install to the site has enabled the building to become more energy efficient in provision while reducing electrical costs to the site
King's Meadow Academy	<p>Installation of suspended ceilings and LED lighting introduced to 80% of the building has improved energy efficiency and reduced electrical costs to the site.</p> <p>New more energy efficient boiler will reduce gas energy consumption</p> <p>New roof and insulation to 80% of site will reduce heat loss and consumption in this area.</p>
Walton Primary Academy	<p>LED Installation throughout the building has enabled the building to become more energy efficient in provision while reducing electrical costs to the site.</p> <p>Review of insulation in 30 % of building during refurbishment. New Kingspan insulation fitted.</p>
Wrenthorpe Academy	Part LED Install to the site, has enabled the building to become more energy efficient in provision while reducing electrical costs to the site
West End Academy	Foundation Stage Building refurbishment inclusive of new UPVC double glazing and LED full lighting conversion.

# **WATERTON ACADEMY TRUST**

## **TRUSTEES' REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 AUGUST 2020***

---

### **Plans for future periods**

The Trust will continue to develop its family of schools in order to continue to support children, some of whom come from challenging backgrounds. Future growth is fundamental to the ethos of the Trust and brings with it opportunities such as economies of scale and reductions in the financial impact that the core has on individual academy budgets.

The Trust will look to grow outside the Wakefield area and create geographically suitable hubs but will build capacity to support new schools as necessary.

The Trust aims to provide the highest educational opportunities and improve outcomes for all pupils, at all levels, to maximise their life chances.

The Trust will aim to attract high quality teachers and support staff, providing professional development to secure delivery of quality provision.

The Trust will work with 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 available.

The Trust will further develop its approach to blended learning as a result of the challenges arising from the COVID19 crisis and will ensure that pupil outcomes are achieved.

The Trust will develop the Centre for Excellence as a training hub to deliver apprenticeship training and create an additional revenue income stream.

### **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 27 January 2021 and signed on its behalf by:

Mr D Dickinson  
**CEO & Accounting Officer**

Mrs R Cook  
**Chair of Trustees**

# WATERTON ACADEMY TRUST

## GOVERNANCE STATEMENT

**FOR THE YEAR ENDED 31 AUGUST 2020**

---

### 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 9 times during the year.

Due to the unprecedented circumstances of COVID19, from April 2020 the Trust Board met remotely (using Microsoft Teams) and met more frequently in order to respond with agility to the changing guidelines and to ensure actions and decisions were made swiftly and appropriately. The LHBs and ASCs have also met remotely from this time, and all continue to operate within this arrangement.

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

Trustees	Meetings attended	Out of possible
Mr P Beaman	6	9
Mr D Dickinson (CEO & Accounting Officer)	9	9
Mr S Johnson (Chair of the West LHB)	8	9
Mr J Shaw	8	9
Mr A Fitton (Appointed 1 October 2019 and resigned 23 January 2020)	1	2
Mr S Bates (Chair of the East LHB) (Appointed 1 October 2019)	9	9
Mrs R Cook (Chair of Trustees)	9	9
Mrs L Rowlinson-Brown (Appointed 25 August 2020)	1	1
Mr A Goudie (Appointed 14 July 2020)	2	2
Mr N Shaw (Appointed 9 December 2020)	0	0

During the academic year A Fitton resigned from the role of Trustee, and A Goudie and L Rowlinson-Brown were appointed to the Trust Board.



**WATERTON ACADEMY TRUST**

**GOVERNANCE STATEMENT (CONTINUED)**

***FOR THE YEAR ENDED 31 AUGUST 2020***

---

# **WATERTON ACADEMY TRUST**

## **GOVERNANCE STATEMENT (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2020**

---

### **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.

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;
- Utilising Capital funds effectively to carry out major repairs and transform teaching and learning space;
- Ongoing self-evaluation of procedures and working practice to drive improvement and cost efficiencies;
- Furloughing staff working in wrap-around care settings in order to minimise loss of income and protect individual school budgets during the COVID19 crisis;
- Securing grant funding from the LA to expand Ackworth Mill Dam into a single form entry school and secure future funding in relation to increased pupil numbers; and
- Creating a Centre for Excellence to deliver the Apprenticeship Programme in Supporting Teaching and Learning in Schools and offer CPD for staff and external partners.

### **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, effectively and economically. The system of internal control has been in place in Waterton Academy Trust for the period 1 September 2019 to 31 August 2020 and up to the date of approval of the annual report and accounts.

### **Capacity to handle risk**

The Board of Trustees have 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 2019 to 31 August 2020 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 2020***

---

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

To fulfil the requirements of the ESFA and Academies Financial Handbook, Trustees have engaged the services of an independent consultant to carry out internal audit work and transactional testing.

### **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 2019 to 31 August 2020.

Approved by order of the board of Trustees on 27 January 2021 and signed on its behalf by:

Mr D Dickinson  
**CEO & Accounting Officer**

Mrs R Cook  
**Chair of Trustees**

## **WATERTON ACADEMY TRUST**

### **STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE**

***FOR THE YEAR ENDED 31 AUGUST 2020***

---

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 2019.

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 2019.

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**

27 January 2021

# **WATERTON ACADEMY TRUST**

## **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

***FOR THE YEAR ENDED 31 AUGUST 2020***

---

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 2019;
- 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 27 January 2021 and signed on its behalf by:

Mr D Dickinson  
**CEO & Accounting Officer**

Mrs R Cook  
**Chair of Trustees**

# **WATERTON ACADEMY TRUST**

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

### ***FOR THE YEAR ENDED 31 AUGUST 2020***

---

#### **Opinion**

We have audited the accounts of Waterton Academy Trust (the 'parent Company') and its subsidiary (the 'group') for the year ended 31 August 2020 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 2019 and the Academies Accounts Direction 2019 to 2020 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 2020 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 2019 and the Academies Accounts Direction 2019 to 2020.

#### **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 2020**

---

#### **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 has been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the 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 2020***

---

#### **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**

27 January 2021

**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 AND SKILLS FUNDING AGENCY**

### ***FOR THE YEAR ENDED 31 AUGUST 2020***

---

In accordance with the terms of our engagement letter dated 10 November 2020 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2019 to 2020, 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 2019 to 31 August 2020 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 2019, 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 2019 to 2020. 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 2019 to 31 August 2020 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 2019 to 2020 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 AND SKILLS FUNDING AGENCY (CONTINUED)**

***FOR THE YEAR ENDED 31 AUGUST 2020***

---

#### **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 2019 to 31 August 2020 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: 27 January 2021

# WATERTON ACADEMY TRUST

## GROUP STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total 2020 £	Total 2019 £
<b>Income and endowments from:</b>						
Donations and capital grants	3	145,485	-	550,643	696,128	1,566,555
Donations - transfer from local authority on conversion	27	171,022	(630,000)	3,437,000	2,978,022	-
Donations - transfer of existing academy into the trust	27	-	-	-	-	62,435
Charitable activities:						
- Funding for educational operations	4	-	17,581,171	-	17,581,171	14,976,263
Other trading activities	6	87,626	505,452	-	593,078	878,487
Investments	5	1,931	-	-	1,931	1,155
<b>Total</b>		406,064	17,456,623	3,987,643	21,850,330	17,484,895
<b>Expenditure on:</b>						
Raising funds	8	-	857,973	-	857,973	813,159
Charitable activities:						
- Educational operations	9	111,575	18,480,218	596,346	19,188,139	16,824,153
<b>Total</b>	8	111,575	19,338,191	596,346	20,046,112	17,637,312
<b>Net income/(expenditure)</b>		294,489	(1,881,568)	3,391,297	1,804,218	(152,417)
Transfers between funds	19	-	(23,034)	23,034	-	-
<b>Other recognised losses</b>						
Actuarial losses on defined benefit pension schemes	21	-	(2,658,000)	-	(2,658,000)	(3,268,000)
<b>Net movement in funds</b>		294,489	(4,562,602)	3,414,331	(853,782)	(3,420,417)
<b>Reconciliation of funds</b>						
Total funds brought forward		1,029,985	(7,403,404)	26,843,326	20,469,907	23,890,324
Total funds carried forward		1,324,474	(11,966,006)	30,257,657	19,616,125	20,469,907

# WATERTON ACADEMY TRUST

## GROUP STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

Comparative year information Year ended 31 August 2019	Notes	Unrestricted	Restricted funds:		Total
		Funds	General	Fixed asset	2019
		£	£	£	£
<b>Income and endowments from:</b>					
Donations and capital grants	3	176,055	349,655	1,040,845	1,566,555
Donations - transfer of existing academy into the trust	27	-	-	62,435	62,435
Charitable activities:					
- Funding for educational operations	4	-	14,976,263	-	14,976,263
Other trading activities	6	68,606	809,881	-	878,487
Investments	5	1,155	-	-	1,155
<b>Total</b>		245,816	16,135,799	1,103,280	17,484,895
<b>Expenditure on:</b>					
Raising funds	8	-	813,159	-	813,159
Charitable activities:					
- Educational operations	9	614,765	15,803,679	405,709	16,824,153
<b>Total</b>	8	614,765	16,616,838	405,709	17,637,312
<b>Net income/(expenditure)</b>		(368,949)	(481,039)	697,571	(152,417)
Transfers between funds	19	-	(76,365)	76,365	-
<b>Other recognised losses</b>					
Actuarial losses on defined benefit pension schemes	21	-	(3,268,000)	-	(3,268,000)
<b>Net movement in funds</b>		(368,949)	(3,825,404)	773,936	(3,420,417)
<b>Reconciliation of funds</b>					
Total funds brought forward		1,398,934	(3,578,000)	26,069,390	23,890,324
Total funds carried forward		1,029,985	(7,403,404)	26,843,326	20,469,907

# WATERTON ACADEMY TRUST

## GROUP BALANCE SHEET

AS AT 31 AUGUST 2020

		2020		2019	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	13		29,973,404		26,569,924
<b>Current assets</b>					
Stocks	14	31,667		20,562	
Debtors	15	1,029,254		605,070	
Cash at bank and in hand		1,937,284		2,060,475	
		<u>2,998,205</u>		<u>2,686,107</u>	
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	16	(956,084)		(932,324)	
<b>Net current assets</b>			2,042,121		1,753,783
<b>Total assets less current liabilities</b>			<u>32,015,525</u>		<u>28,323,707</u>
Creditors: amounts falling due after more than one year	17		(50,400)		(64,800)
<b>Net assets before defined benefit pension scheme liability</b>			31,965,125		28,258,907
Defined benefit pension scheme liability	21		(12,349,000)		(7,789,000)
<b>Total net assets</b>			<u>19,616,125</u>		<u>20,469,907</u>
<b>Funds of the Academy Trust:</b>					
<b>Restricted funds</b>	19				
- Fixed asset funds			30,257,657		26,843,326
- Restricted income funds			382,994		385,596
- Pension reserve			(12,349,000)		(7,789,000)
<b>Total restricted funds</b>			<u>18,291,651</u>		<u>19,439,922</u>
<b>Unrestricted income funds</b>	19		<u>1,324,474</u>		<u>1,029,985</u>
<b>Total funds</b>			<u>19,616,125</u>		<u>20,469,907</u>

The accounts set out on pages 25 to 56 were approved by the board of Trustees and authorised for issue on 27 January 2021 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 2020

		2020		2019	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	13		29,973,404		26,569,924
<b>Current assets</b>					
Stocks	14	31,667		20,562	
Debtors	15	1,029,254		605,070	
Cash at bank and in hand		1,530,428		1,663,496	
		<u>2,591,349</u>		<u>2,289,128</u>	
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	16	(932,222)		(920,941)	
<b>Net current assets</b>			<u>1,659,127</u>		<u>1,368,187</u>
<b>Total assets less current liabilities</b>			<u>31,632,531</u>		<u>27,938,111</u>
Creditors: amounts falling due after more than one year	17		(50,400)		(64,800)
<b>Net assets before defined benefit pension scheme liability</b>			<u>31,582,131</u>		<u>27,873,311</u>
Defined benefit pension scheme liability	21		(12,349,000)		(7,789,000)
<b>Total net assets</b>			<u><u>19,233,131</u></u>		<u><u>20,084,311</u></u>
<b>Funds of the Academy Trust:</b>					
<b>Restricted funds</b>	19				
- Fixed asset funds			30,257,657		26,843,326
- Pension reserve			(12,349,000)		(7,789,000)
<b>Total restricted funds</b>			<u>17,908,657</u>		<u>19,054,326</u>
<b>Unrestricted income funds</b>	19		<u>1,324,474</u>		<u>1,029,985</u>
<b>Total funds</b>			<u><u>19,233,131</u></u>		<u><u>20,084,311</u></u>

The accounts set out on pages 25 to 56 were approved by the board of Trustees and authorised for issue on 27 January 2021 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 2020

	Notes	2020 £	£	2019 £	£
<b>Cash flows from operating activities</b>					
Net cash (used in)/provided by operating activities	23		(270,387)		753,620
<b>Cash flows from investing activities</b>					
Dividends, interest and rents from investments		1,931		1,155	
Capital grants from DfE Group		550,643		1,040,845	
Purchase of tangible fixed assets		(398,178)		(843,808)	
<b>Net cash provided by investing activities</b>			154,396		198,192
<b>Cash flows from financing activities</b>					
Loan		-		72,000	
Repayment of long term bank loan		(7,200)		-	
<b>Net cash (used in)/provided by financing activities</b>			(7,200)		72,000
<b>Net (decrease)/increase in cash and cash equivalents in the reporting period</b>			(123,191)		1,023,812
Cash and cash equivalents at beginning of the year			2,060,475		1,036,663
<b>Cash and cash equivalents at end of the year</b>			1,937,284		2,060,475

# **WATERTON ACADEMY TRUST**

## **NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2020**

---

### **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 2019 to 2020 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 2020. 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 2020 is £1,324,474 (2019 £1,029,985 ).



# WATERTON ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

---

### 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 27.

#### 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 2020

### 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'ments	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 2020

---

### 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 net income or expenditure 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 2020

### 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 2020. 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 2020 £	Total 2019 £
Private sponsorship	49,246	-	49,246	37,971
Capital grants	-	550,643	550,643	1,040,845
Other donations	96,239	-	96,239	487,739
	<u>145,485</u>	<u>550,643</u>	<u>696,128</u>	<u>1,566,555</u>
Funding for the Trust	145,485	550,643	696,128	1,216,900
Funding for the Pre School	-	-	-	349,655
	<u>145,485</u>	<u>550,643</u>	<u>696,128</u>	<u>1,566,555</u>

# WATERTON ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 4 Funding for the Academy Trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
<b>DfE / ESFA grants</b>				
General annual grant (GAG)	-	13,242,572	13,242,572	11,834,696
Start up grants	-	25,000	25,000	-
Other DfE group grants	-	2,541,349	2,541,349	1,845,751
	-	15,808,921	15,808,921	13,680,447
<b>Other government grants</b>				
Local authority grants	-	1,636,597	1,636,597	1,295,816
<b>Exceptional government funding</b>				
Coronavirus Job Retention Scheme Grant	-	135,653	135,653	-
<b>Total funding</b>	-	17,581,171	17,581,171	14,976,263
Funding for the Trust	-	17,381,265	17,381,265	14,829,880
Funding for the Pre School	-	199,906	199,906	146,383
<b>Total funding</b>	-	17,581,171	17,581,171	14,976,263

The academy trust has been eligible to claim additional funding in year from government support schemes in response to the coronavirus outbreak. The funding received is shown above under "exceptional government funding".

- The academy furloughed some of its wraparound care staff under the government's CJRS. The funding received of £135,653 relates to staff costs in respect of 153 staff which are included within note 10.

### 5 Investment income

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Short term deposits	1,931	-	1,931	1,155

# WATERTON ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 6 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Hire of facilities	18,855	-	18,855	43,436
Catering income	-	155,137	155,137	224,473
Risk protection claims	-	16,708	16,708	-
Income from the academy trusts educational operations	68,771	220,000	288,771	480,886
Income from Pre School Activities	-	113,607	113,607	129,692
	<u>87,626</u>	<u>505,452</u>	<u>593,078</u>	<u>878,487</u>

### 7 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 2020

### 7 Central services

(Continued)

The amounts charged during the year were as follows:

	2020 £	2019 £
Central Services	-	-
Normanton Common Primary	72,631	74,371
Normanton Junior	80,271	76,106
Walton Primary	67,492	69,090
Lee Brigg Infant	31,867	31,060
Crofton Infants	42,596	41,985
Sharlston Community	23,466	58,841
South Kirkby	63,108	59,446
Wrenthorpe	70,524	68,722
Cherry Tree	77,800	71,924
Ackworth Mill Dam	33,133	32,127
King's Meadow	70,011	74,321
West End	51,804	51,988
Waterton Pre School	-	-
Churchfield Primary School	67,630	-
	<u>752,333</u>	<u>709,981</u>

### 8 Expenditure

	Staff costs £	Non Pay Expenditure Premises £	Other £	Total 2020 £	Total 2019 £
Expenditure on raising funds					
- Direct costs	-	-	857,973	857,973	813,159
Academy's educational operations					
- Direct costs	12,559,026	88,339	935,689	13,583,054	11,943,249
- Allocated support costs	3,101,921	1,666,548	836,616	5,605,085	4,880,904
	<u>15,660,947</u>	<u>1,754,887</u>	<u>2,630,278</u>	<u>20,046,112</u>	<u>17,637,312</u>
Expenditure for Trust	15,400,015	1,721,848	2,620,827	19,742,690	17,417,461
Expenditure for Pre School	260,932	33,039	9,451	303,422	219,851
	<u>15,660,947</u>	<u>1,754,887</u>	<u>2,630,278</u>	<u>20,046,112</u>	<u>17,637,312</u>

# WATERTON ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

8	Expenditure	(Continued)			
	Net income/(expenditure) for the year includes:	2020	2019		
		£	£		
	Fees payable to auditor for:				
	- Audit	24,000	23,000		
	- Other services	21,791	14,255		
	Operating lease rentals	88,209	55,104		
	Depreciation of tangible fixed assets	431,698	405,709		
	Net interest on defined benefit pension liability	153,000	92,000		
9	Charitable activities				
		Unrestricted funds	Restricted funds	Total	Total
		£	£	2020	2019
				£	£
	Direct costs				
	Educational operations	-	13,583,054	13,583,054	11,943,249
	Support costs				
	Educational operations	111,575	5,493,510	5,605,085	4,880,904
		111,575	19,076,564	19,188,139	16,824,153



# WATERTON ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 9 Charitable activities (Continued)

	2020 £	2019 £
<b>Analysis of support costs</b>		
Support staff costs	3,101,921	2,721,250
Depreciation	343,359	253,576
Premises costs	1,323,189	1,102,347
Other support costs	566,085	541,823
Governance costs	270,531	261,908
	<u>5,605,085</u>	<u>4,880,904</u>

### 10 Staff

#### Staff costs

Staff costs during the year were:

	2020 £	2019 £
Wages and salaries	11,059,648	9,775,821
Social security costs	908,609	807,462
Pension costs	3,282,971	2,344,624
Staff costs - employees	<u>15,251,228</u>	<u>12,927,907</u>
Agency staff costs	353,287	435,748
Staff restructuring costs	56,432	34,100
	<u>15,660,947</u>	<u>13,397,755</u>
Staff development and other staff costs	82,030	108,928
Total staff expenditure	<u>15,742,977</u>	<u>13,506,683</u>

Staff restructuring costs comprise:

Severance payments	<u>56,432</u>	<u>34,100</u>
--------------------	---------------	---------------

#### Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £56,432 (2019: £34,100). Individually, the payments were: £11,932, £11,000, £15,500 and £18,000.

# WATERTON ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 10 Staff

(Continued)

#### Staff numbers

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

	2020 Number	2019 Number
Teachers	137	142
Administration and support	391	354
Management	17	17
	<u>545</u>	<u>513</u>

#### Higher paid staff

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

	2020 Number	2019 Number
£60,000 - £70,000	6	8
£70,000 - £80,000	3	-
£110,000 - £120,000	-	1
£120,000 - £130,000	1	-
	<u>1</u>	<u>9</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 £1,646,014 (2019 £1,318,801).

### 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 £125,000 - £130,000 (2019 £115,000 - £120,000)

Employer's pension contributions £30,000 - £35,000 (2019 £15,000 - £20,000)

During the year ended 31 August 2020, travel and subsistence expenses totalling £0 (2019 £630) were reimbursed or paid directly to no Trustees (2019 1 Trustee).

# WATERTON ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 12 Insurance for Trustees and officers

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 2020 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
	£	£	£	£	£
<b>Cost</b>					
At 1 September 2019	26,753,024	173,741	279,927	395,866	27,602,558
Additions	3,437,000	381,011	14,861	2,306	3,835,178
At 31 August 2020	30,190,024	554,752	294,788	398,172	31,437,736
<b>Depreciation</b>					
At 1 September 2019	680,340	1,450	201,827	149,017	1,032,634
Charge for the year	273,807	21,547	57,579	78,765	431,698
At 31 August 2020	954,147	22,997	259,406	227,782	1,464,332
<b>Net book value</b>					
At 31 August 2020	29,235,877	531,755	35,382	170,390	29,973,404
At 31 August 2019	26,072,684	172,291	78,100	246,849	26,569,924

### 14 Stocks

	Group 2020	Academy 2020	Group 2019	Academy 2019
	£	£	£	£
Stationery stock	31,667	31,667	20,562	20,562

### 15 Debtors

	Group 2020	Academy 2020	Group 2019	Academy 2019
	£	£	£	£
Trade debtors	23,929	23,929	35,890	35,890
VAT recoverable	577,177	577,177	57,567	57,567
Prepayments and accrued income	428,148	428,148	511,613	511,613
	1,029,254	1,029,254	605,070	605,070

# WATERTON ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

16	Creditors: amounts falling due within one year	Group	Academy	Group	Academy
		2020 £	2020 £	2019 £	2019 £
	Government loans	14,400	14,400	7,200	7,200
	Trade creditors	40,612	22,300	42,127	42,002
	Other taxation and social security	486,575	485,225	354,152	349,079
	Accruals and deferred income	414,497	410,297	528,845	522,660
		<u>956,084</u>	<u>932,222</u>	<u>932,324</u>	<u>920,941</u>
		<u><u>956,084</u></u>	<u><u>932,222</u></u>	<u><u>932,324</u></u>	<u><u>920,941</u></u>
17	Creditors: amounts falling due after more than one year	Group	Academy	Group	Academy
		2020 £	2020 £	2019 £	2019 £
	Government loans	50,400	50,400	64,800	64,800
		<u>50,400</u>	<u>50,400</u>	<u>64,800</u>	<u>64,800</u>
		<u><u>50,400</u></u>	<u><u>50,400</u></u>	<u><u>64,800</u></u>	<u><u>64,800</u></u>
	<b>Analysis of loans</b>				
	Wholly repayable within five years	64,800	64,800	72,000	72,000
	Less: included in current liabilities	(14,400)	(14,400)	(7,200)	(7,200)
		<u>50,400</u>	<u>50,400</u>	<u>64,800</u>	<u>64,800</u>
		<u><u>50,400</u></u>	<u><u>50,400</u></u>	<u><u>64,800</u></u>	<u><u>64,800</u></u>
	<b>Loan maturity</b>				
	Debt due in one year or less	7,200	7,200	7,200	7,200
	Due in more than one year but not more than two years	14,400	14,400	14,400	14,400
	Due in more than two years but not more than five years	28,800	28,800	28,800	28,800
	Due in more than five years	14,400	14,400	21,600	21,600
		<u>64,800</u>	<u>64,800</u>	<u>72,000</u>	<u>72,000</u>
		<u><u>64,800</u></u>	<u><u>64,800</u></u>	<u><u>72,000</u></u>	<u><u>72,000</u></u>

Included above is a loan of £64,800 from Salix Finance Limited which is provided on the following terms:  
5 years repayment schedule at 0% interest.

18	Deferred income	2020 £	2019 £
	Deferred income is included within:		
	Creditors due within one year	<u>290,906</u>	<u>257,145</u>
		<u><u>290,906</u></u>	<u><u>257,145</u></u>

# WATERTON ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

<b>18</b>	<b>Deferred income</b>		<b>(Continued)</b>
	Deferred income at 1 September 2019	257,145	695,015
	Released from previous years	(257,145)	(695,015)
	Resources deferred in the year	290,906	257,145
	<b>Deferred income at 31 August 2020</b>	<b>290,906</b>	<b>257,145</b>

At the balance sheet date the Academy Trust was holding funds of £290,906 (2019 £257,145) relating to Local Authority funding.

<b>19</b>	<b>Funds</b>	<b>Balance at 1 September 2019 £</b>	<b>Income £</b>	<b>Expenditure £</b>	<b>Gains, losses and transfers £</b>	<b>Balance at 31 August 2020 £</b>
	<b>Restricted general funds</b>					
	General Annual Grant (GAG)	-	13,242,572	(13,219,538)	(23,034)	-
	Start up grants	-	25,000	(25,000)	-	-
	Other DfE / ESFA grants	-	2,541,349	(2,541,349)	-	-
	Other government grants	-	1,772,250	(1,772,250)	-	-
	Other restricted funds	385,596	505,452	(508,054)	-	382,994
	Pension reserve	(7,789,000)	(630,000)	(1,272,000)	(2,658,000)	(12,349,000)
		<u>(7,403,404)</u>	<u>17,456,623</u>	<u>(19,338,191)</u>	<u>(2,681,034)</u>	<u>(11,966,006)</u>
	<b>Restricted fixed asset funds</b>					
	Inherited on conversion	24,666,336	3,437,000	(256,145)	-	27,847,191
	DfE group capital grants	1,591,026	550,643	(340,201)	-	1,801,468
	Capital expenditure from GAG	585,964	-	-	23,034	608,998
		<u>26,843,326</u>	<u>3,987,643</u>	<u>(596,346)</u>	<u>23,034</u>	<u>30,257,657</u>
	<b>Total restricted funds</b>	<u>19,439,922</u>	<u>21,444,266</u>	<u>(19,934,537)</u>	<u>(2,658,000)</u>	<u>18,291,651</u>
	<b>Unrestricted funds</b>					
	General funds	<u>1,029,985</u>	<u>406,064</u>	<u>(111,575)</u>	<u>-</u>	<u>1,324,474</u>
	<b>Total funds</b>	<u>20,469,907</u>	<u>21,850,330</u>	<u>(20,046,112)</u>	<u>(2,658,000)</u>	<u>19,616,125</u>

# WATERTON ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

---

### 19 Funds

(Continued)

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

#### **Restricted funds**

##### **Fixed asset funds**

Fixed asset funds are used solely for capital purposes in line with the strategic objectives of the Trust. The capital grant conditions allow the funds to be used for improvement to buildings and other facilities, including ICT, or capital repairs / refurbishment in accordance with priorities set by each school. Where the grant is used for expenditure to repair and maintain schools or non-capital ICT this expenditure is allocated in the year.

##### **Restricted income funds**

Restricted income funding is received from the ESFA and Local Authority 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. 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 2020.

##### **Pension reserves**

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.

#### **Unrestricted funds**

Unrestricted funds will be used towards meeting the charitable objectives of the Trust at the discretion of the Trustees.

# WATERTON ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 19 Funds

(Continued)

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

	Balance at 1 September 2018 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2019 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	-	11,834,696	(11,758,331)	(76,365)	-
Other DfE / ESFA grants	-	1,845,751	(1,845,751)	-	-
Other government grants	-	1,295,816	(1,295,816)	-	-
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>
<b>Restricted fixed asset funds</b>					
Transfer 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>
<b>Total restricted funds</b>	<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>
<b>Unrestricted funds</b>					
General funds	<u>1,398,934</u>	<u>245,816</u>	<u>(614,765)</u>	<u>-</u>	<u>1,029,985</u>
<b>Total funds</b>	<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>

# WATERTON ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

19 Funds	(Continued)	
<b>Total funds analysis by academy</b>	<b>2020</b>	<b>2019</b>
Fund balances at 31 August 2020 were allocated as follows:	£	£
Central Services	84,393	45,539
Normanton Common Primary	179,397	167,769
Normanton Junior	111,186	127,283
Walton Primary	(33,893)	(50,356)
Lee Brigg Infant	(11,777)	39,532
Crofton Infants	140,245	69,844
Sharlston Community	(47,624)	(42,381)
South Kirkby	291,665	202,702
Wrenthorpe	261,645	277,006
Cherry Tree	(33,332)	46,148
Ackworth Mill Dam	22,849	(4,389)
King's Meadow	86,056	132,273
West End	46,436	19,015
Waterton Pre School	382,994	385,596
Churchfield Primary School	227,228	-
Total before fixed assets fund and pension reserve	1,707,468	1,415,581
Restricted fixed asset fund	30,257,657	26,843,326
Pension reserve	(12,349,000)	(7,789,000)
Total funds	19,616,125	20,469,907



# WATERTON ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

---

### 19 Funds

(Continued)

Walton Primary Academy is carrying a net deficit of £33,893, (2019 £50,356).

Sharlston Community School is carrying a deficit of £47,624 (2019 £42,381).

Lee Brigg Infant School is carrying a net deficit of £11,777.

Cherry Tree Academy is carrying a net deficit of £33,332

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

#### Walton Primary

The School has remained in a deficit position for a number of years but this year returned an in-year surplus, reducing the overall deficit position. Expenditure has been rationalised wherever possible without impacting negatively on outcomes, which remain strong. The Central Team are working closely with the school to consider further reductions in staffing but a future maternity cover will further exacerbate the budget position. A balanced operational budget will be delivered in 2020/21.

#### Sharlston Community School

Over the past couple of years, the budget for SCS has deteriorated significantly due to investment in the site, LTS and a high level of maternity covers. The planned reduction in the deficit position at year-end did not materialise due to a loss of income in Early Years. An increase in pupil numbers will alleviate budget pressure in the longer term and a balanced operational budget is in place for 2020/21.

#### Lee Brigg Infants School

The school is the smallest in the Trust and is challenging financially, particularly in staffing. An Executive HT has been appointed to manage this school and NCPA. This will encourage collaboration and joint working across the two sites and a planned staffing restructure will result in both schools returning balanced operational budgets.

#### Cherry Tree Academy

A staffing review resulted in a new leadership team, and the introduction of the Trust's first Executive HT over two schools. Consequently, additional costs in relation to settlement agreements were expended but cost savings across both settings will be made in future years. The Coverdale behavioural unit in school continued to be a drain on financial resources in 2019/20, but the transitional period to full closure is underway and the full benefit will be realised in 2020/21.

# WATERTON ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 19 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 2020	Total 2019
	£	£	£	£	£	£
Central Services	412,362	522,198	-	206,726	1,141,286	1,388,889
Normanton Common Primary	1,086,731	173,728	86,823	213,168	1,560,450	1,538,602
Normanton Junior	1,109,310	169,496	98,882	242,196	1,619,884	1,472,064
Walton Primary	1,031,767	153,488	64,522	249,245	1,499,022	1,497,100
Lee Brigg Infant	570,523	67,267	25,573	132,144	795,507	766,981
Crofton Infants	675,278	74,440	27,938	191,839	969,495	866,013
Sharlston Community	1,011,815	123,988	79,909	250,032	1,465,744	1,369,594
South Kirkby	751,297	120,073	93,071	227,714	1,192,155	1,196,465
Wrenthorpe	940,806	114,956	74,066	229,222	1,359,050	1,264,402
Cherry Tree	1,203,450	169,930	94,943	195,630	1,663,953	1,513,110
Ackworth Mill Dam	527,803	84,441	32,632	149,178	794,054	807,010
King's Meadow	1,034,771	122,475	60,810	268,612	1,486,668	1,357,862
West End	734,147	77,591	57,491	184,330	1,053,559	1,010,376
Waterton Pre School	258,114	2,818	11,377	61,129	333,438	240,135
Churchfield Primary School	1,029,281	187,604	50,036	141,230	1,408,151	-
	<u>12,377,455</u>	<u>2,164,493</u>	<u>858,073</u>	<u>2,942,395</u>	<u>18,342,416</u>	<u>16,288,603</u>

### 20 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
<b>Fund balances at 31 August 2020 are represented by:</b>				
Tangible fixed assets	-	-	29,973,404	29,973,404
Current assets	2,266,158	382,994	349,053	2,998,205
Creditors falling due within one year	(948,884)	-	(7,200)	(956,084)
Creditors falling due after one year	7,200	-	(57,600)	(50,400)
Defined benefit pension liability	-	(12,349,000)	-	(12,349,000)
<b>Total net assets</b>	<u>1,324,474</u>	<u>(11,966,006)</u>	<u>30,257,657</u>	<u>19,616,125</u>

# WATERTON ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 20 Analysis of net assets between funds

(Continued)

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
<b>Fund balances at 31 August 2019 are represented by:</b>				
Tangible fixed assets	-	-	26,569,924	26,569,924
Current assets	2,017,544	385,596	282,967	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)
<b>Total net assets</b>	<b>1,092,420</b>	<b>(7,403,404)</b>	<b>26,780,891</b>	<b>20,469,907</b>

### 21 Pension and similar obligations

The Academy Trust's employees belong to three 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 are managed by West Yorkshire Pension Fund and South Yorkshire Pension Fund. 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.

##### 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.

# WATERTON ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 21 Pension and similar obligations

(Continued)

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 £1,513,259 (2019 £920,214).

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% - 16.1% for employers and 5.5% - 12.5% for employees. The estimated value of employer contributions for the forthcoming year is £685,428.

As described in note 27 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.

Total contributions made	2020 £	2019 £
Employer's contributions	641,000	570,000
Employees' contributions	232,000	214,000
Total contributions	873,000	784,000

# WATERTON ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 21 Pension and similar obligations (Continued)

Principal actuarial assumptions	2020 %	2019 %
Rate of increase in salaries	3.55	3.35
Rate of increase for pensions in payment/inflation	2.30	2.10
Discount rate for scheme liabilities	1.70	1.90
Inflation assumption (CPI)	2.30	2.10

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

	2020 Years	2019 Years
Retiring today		
- Males	21.8 - 22.4	22.1
- Females	24.6 - 25.2	25.4
Retiring in 20 years		
- Males	22.5 - 23.9	23.2
- Females	25.7 - 27.1	27.2

The Trust now operates within two local authority pension schemes and the actuarial reports are performed by two different actuaries. The sensitivity analysis performed by the different actuaries does not align perfectly with the sensitivity criteria highlighted in the disclosure, where relevant a range has been provided.

The Academy Trust's share of the assets in the scheme	2020 Fair value £	2019 Fair value £
Equities	9,289,000	8,547,000
Government bonds	1,256,000	1,156,000
Corporate bonds	661,000	496,000
Cash	231,000	209,000
Property	578,000	485,000
Other assets	359,000	121,000
Total market value of assets	12,374,000	11,014,000

The actual return on scheme assets was £(214,000) (2019: £1,033,000).

# WATERTON ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

<b>21 Pension and similar obligations</b>	<b>(Continued)</b>	
<b>Amount recognised in the Statement of Financial Activities</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Current service cost	1,760,000	1,008,000
Past service cost	-	413,000
Interest income	(228,000)	(272,000)
Interest cost	381,000	364,000
Total operating charge	1,913,000	1,513,000
<b>Changes in the present value of defined benefit obligations</b>	<b>2020</b>	
	<b>£</b>	
At 1 September 2019	18,803,000	
Obligations acquired on conversion	1,649,000	
Current service cost	1,760,000	
Interest cost	381,000	
Employee contributions	232,000	
Actuarial loss	2,217,000	
Benefits paid	(319,000)	
At 31 August 2020	24,723,000	
<b>Changes in the fair value of the Academy Trust's share of scheme assets</b>	<b>2020</b>	
	<b>£</b>	
At 1 September 2019	11,014,000	
Assets acquired on conversion	1,020,000	
Interest income	228,000	
Actuarial loss/(gain)	(442,000)	
Employer contributions	641,000	
Employee contributions	232,000	
Benefits paid	(319,000)	
At 31 August 2020	12,374,000	
<b>22 Defined contribution schemes</b>		

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 £2,818 (2019 - £2,341).

# WATERTON ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 23 Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2020 £	2019 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	1,804,218	(152,417)
Adjusted for:		
Net surplus on conversion to academy	(2,807,000)	-
Net surplus on transfer of academy in the trust	-	(62,435)
Capital grants from DfE and other capital income	(550,643)	(1,040,845)
Investment income receivable	(1,931)	(1,155)
Defined benefit pension costs less contributions payable	1,119,000	851,000
Defined benefit pension scheme finance cost	153,000	92,000
Depreciation of tangible fixed assets	431,698	405,709
(Increase)/decrease in stocks	(11,105)	5,167
(Increase)/decrease in debtors	(424,184)	1,024,630
Increase/(decrease) in creditors	16,560	(368,034)
<b>Net cash (used in)/provided by operating activities</b>	<b>(270,387)</b>	<b>753,620</b>

### 24 Analysis of changes in net funds

	1 September 2019 £	Cash flows £	31 August 2020 £
Cash	2,060,475	(123,191)	1,937,284
Loans falling due within one year	(7,200)	(7,200)	(14,400)
Loans falling due after more than one year	(64,800)	14,400	(50,400)
	<b>1,988,475</b>	<b>(115,991)</b>	<b>1,872,484</b>

### 25 Commitments under operating leases

At 31 August 2020 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2020 £	2019 £
Amounts due within one year	90,100	47,973
Amounts due in two and five years	147,287	92,838
	<b>237,387</b>	<b>140,811</b>

# WATERTON ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 26 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.
- Mr Darren Dickinson, brother of David Dickinson, CEO, is engaged as a consultant to undertake review of disadvantaged pupil's and deliver training to Headteachers. During 2019-20 the ESFA gave approval for the Trust to run Apprenticeship Programmes and the Centre for Excellence was developed to deliver training. Mr Darren Dickinson was successful in the tender process for the design and delivery of apprenticeships in supporting teaching and learning in schools which will be provided for both internal and external learners. As the tender was above £20k ESFA approval was sought and supporting documentation in relation to the tender process, minutes of Trustee meetings, policies etc was submitted together with the related party transaction online return. Approval was given 16th September and the first cohort will commence in January 2021. An updated declaration of interests has been completed by the CEO.
- 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.

### 27 Conversion to an academy

On 1 December 2019 the Churchfield Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Waterton Academy Trust from the Barnsley Local Authority for £nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair values and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the statement of financial activities as donations – transfer from local authority on conversion.

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the statement of financial activities.

Academy	Location	Date of conversion		
Churchfield Primary School	Snydale Road, Barnsley	1 December 2019		
	Unrestricted funds	Restricted funds:		Total
		General	Fixed asset	2020
Net assets transferred:	£	£	£	£
Leasehold land and buildings	-	-	3,437,000	3,437,000
Pension scheme deficit	-	(630,000)	-	(630,000)
LA budget fund	171,022	-	-	171,022
	171,022	(630,000)	3,437,000	2,978,022



# WATERTON ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 27 Conversion to an academy

(Continued)

	Unrestricted funds £	Restricted funds: General £	Fixed asset £	Total 2020 £
<b>Funds surplus/(deficit) transferred:</b>				
Fixed assets funds	-	-	3,437,000	3,437,000
LA budget funds	171,022	-	-	171,022
LGPS pension funds	-	(630,000)	-	(630,000)
	<u>171,022</u>	<u>(630,000)</u>	<u>3,437,000</u>	<u>2,978,022</u>

### 28 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.

# WATERTON ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2020

### 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.

	2020 £'000	2019 £'000
<b>Income</b>		
Funds on transfer from the Local Authority		350
Coronavirus Job Retention Scheme Grant	17	
Other income	200	146
Trading income	<u>113</u>	<u>130</u>
	330	626
<b>Expenditure</b>		
Direct staff costs	(261)	(184)
Other support costs	<u>(72)</u>	<u>(56)</u>
	(333)	(240)
<b>Surplus from all sources</b>	<b>(3)</b>	<b>386</b>
Total assets as at 31 August 2020	407	397
Total liabilities as at 31 August 2020	(24)	(11)
<b>Waterton Pre School Balance at 31 August 2020</b>	<b>383</b>	<b>386</b>

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.