

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 2021

WATERTON ACADEMY TRUST

CONTENTS

| | Page |
|--|-------------|
| Reference and administrative details | 1 - 2 |
| Trustees' report | 3 - 12 |
| Governance statement | 13 - 15 |
| Statement of regularity, propriety and compliance | 16 |
| Statement of trustees' responsibilities | 17 |
| Independent auditor's report on the financial statements | 18 - 20 |
| Independent reporting accountant's report on regularity | 21 - 22 |
| Group statement of financial activities including income and expenditure account | 23 - 24 |
| Group balance sheet | 25 |
| Balance sheet | 26 |
| Group statement of cash flows | 27 |
| Notes to the financial statements including accounting policies | 28 - 55 |

WATERTON ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees

Mr P Beaman
Mr D Dickinson (no longer a Trustee as of 2 March 2021) (CEO & Accounting Officer)
Mr S Johnson (Chair of Trustees (Appointed 3 March 2021))
Mr J Shaw
Mr S Bates (Chair of the East LHB)
Mrs R Cook (Chair of Trustees) (Resigned 2 March 2021)
Mrs L Rowlinson-Brown
Mr A Goudie (Chair of the West LHB, appointed 23 June 2021)
Mr N Shaw (Appointed 9 December 2020)
Mrs K Davies (Appointed 22 February 2021)
Mrs J Henson (Appointed 22 February 2021)

Members

Mr A Warboys
Mrs R Cook (Resigned 2 March 2021)
Mr A Buckley
Mrs L Greensides (Appointed 22 February 2021)
Mrs H Honeyman (Appointed 14 July 2021)
Mrs B Nixon (Appointed 10 May 2021)

Senior leadership team

| | |
|--|---|
| Chief Executive Officer (CEO) | Mr D Dickinson |
| Chief Operations Officer (COO) | Mrs V Collins |
| Chief Financial Officer (CFO) | Mrs P Knox |
| Chief Education Standards Officer (CESO) | Mrs L Cavell (Appointed 1 September 2020) |

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 School
Waterton Pre School - Wrenthorpe

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, Cudworth
Imperial Avenue, Wrenthorpe

Headteacher

Mr A Harpham
Ms S Gordon (Executive Headteacher)
Mr L Welsh
Mrs C Holloway
Ms S Gordon (Executive Headteacher)
Mrs J Dunderdale
Mrs S Maiden (Interim)
Mrs J Coyle
Mrs S Thompson (Executive Headteacher)
Mrs S Thompson (Executive Headteacher)
Mr C Johnson
Mr R Cochrane
Mr J Bean
Mrs R Cook (Executive Headteacher)

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

Womble 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 2021

The Trustees present their annual report together with the accounts and independent auditor's reports of the charitable company for the period 1 September 2020 to 31 August 2021. 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 2020 and Accounts Direction 2020-2021.

The financial statements have been prepared in accordance with the accounting policies on pages 28 to 32 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 3,631 and have a roll of 3,407 as taken from the Spring census 2021.

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

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 Trustees through Academy Ambassadors, networking etc. to ensure skillsets are appropriate.
- There are no Trustees who are employed by the Trust

Policies and procedures adopted for the induction and training of Trustees

The training and induction provided for each new Trustee will depend on their existing experience. Copies of The Governance Handbook, Scheme of Delegation, Code of Conduct, relevant policies, procedures, minutes, accounts, budgets, plans and other documents are provided for all Trustees to assist them in their role. The Trust Governance Officer delivers an induction for new Members and Trustees and ensures access of opportunities for further training. Governors are also provided with a governance induction, range of materials, and a programme of training available.

WATERTON ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

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.

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 Local Hub Boards (LHBs) (West Hub and East Hub) and the Academy Standards Committees (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 as set out in the scheme of delegation.

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

WATERTON ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

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. Negotiations have at last progressed and it is hoped that an agreement will be in place before the end of 2021. 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.

Related parties and other connected charities and organisations

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

The Trust has commissioned works from Omnibus Education to deliver the Apprenticeship Programme. This is a related party transaction and all the appropriate procedures, declarations and ESFA approval were in place.

Engagement with employees (including disabled persons)

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 is 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.

Objectives and activities

Objectives 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 2021 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 ongoing challenges of 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;
- To progress the organisational model both in relation to growth and constitution; and
- To meet our charitable objective.

Objectives, strategies and activities

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

WATERTON ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

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.

Strategic report

Achievements and performance

Given the unprecedented circumstances surrounding COVID19 and the Government's suspension of statutory testing, the Trust has no officially recognised set of published results for 2020-21. 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.

Attendance

As with pupil outcomes, given the unprecedented circumstances surrounding COVID19, the Trust has no officially recognised set of published attendance figures for 2020-21. 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.

School Provision

Throughout the school year the Trust has continued to work with academies to develop the quality of provision. The table below evidences the impact that our work is having on the quality of education within our academies. Of the thirteen academies within the Trust, only South Kirby has seen provision and inspection outcomes reverse. This has resulted in South Kirby becoming a priority academy for the academic year 2021/22.

| | Risk Banding at Conversion | Ofsted Grade at Conversion | Current Risk Banding | Current Ofsted Grade |
|------|----------------------------|----------------------------|----------------------|----------------------|
| WPA | 2 | 2 | 2 | 2 |
| CIS | 3 | 2 | 2 | 2 |
| NJA | 4 | 4 | 2 | 2 |
| NCPA | 3 | 2 | 2 | 2 |
| LBIS | 1 | 1 | 1 | Awaiting |
| WA | 2 | 2 | 2 | 2 |
| SCS | 2 | 2 | 2 | 2 |
| CTA | 4 | 4 | 3 | 3 |
| AMD | 3 | 2 | 2 | Awaiting |
| WEA | 2 | 2 | 2 | 2 |
| KMA | 4 | 4 | 3 | Awaiting |
| CPS | 2 | 2 | 2 | Awaiting |
| SKA | 3 | 2 | 3 | 3 |

WATERTON ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

COVID Response

The challenges that COVID19 has presented throughout the year have revolved around our duty to ensure that our children and staff remain well whilst we deliver quality education provision. The Board of Trustees have been steadfast in this regard. Trustees have instructed that the Executive Team align practice and procedures with Government/DfE guidance. All Waterton academies have been supported throughout, with Risks Assessments and Outbreak Plans being put in place across the organisation. All schools have remained open during the pandemic and a remote delivery platform has also been established for those children unable to attend our academies.

The Trust is keen to continue with 'business as usual' wherever possible. The below developments have been delivered despite the challenges presented by COVID19. It would be impossible to list all the developments that have taken place throughout 2020-21, however the ones presented are representative of the positive, 'can do' attitude that has been the cornerstone of our endeavours this year.

Developments

KS1 Assessment Unit: The Trust and leaders at Churchfield have created a KS1 Assessment Centre (KS1 WAC) in a disused part of school. The KS1 WAC has been commissioned by the LA and work was completed August 28 2021.

Barnsley Office Space: The recent development in relation to recruitment and the strategic growth plan have led to the opening of a Barnsley Office. The office houses the newly formed IT Services and Digital Media Team.

Office 365 Single Tenancy: In order to provide children with the opportunity to access learning remotely, an Office 365 Single Tenancy has been developed. Delivered through Microsoft Teams, children are able to attend online lessons, access learning resources and communicate with class teachers and learning groups. This provision will be continually developed by the new formed Blended Learning Network.

Excellence Guides: The Trust is keen to continue to promote 'Excellence Throughout' and as such has created a suite of guidance documents for stakeholders. These documents reference what the Trust believe to be the bar for practice and will be distributed to stakeholders.

Apprenticeship Project: The Trust is now a certified Apprenticeship provider. Our first course, Supporting Learning in Primary Schools, has been written. Cohort one commenced in the Spring Term and all is going as planned. Cohort Two will commence during the Autumn Term. Cohort three is programmed to commence Spring 2022. The Trust is now starting to draw down funding now that the first cohort is live.

The Centre for Excellence: The creation of a bespoke CPD centre. This invaluable resource is now located in what was Walton library. The CfE not only provides a space to deliver numerous CPD courses, but also generates revenue for the Trust. The Centre is also the hub from where we have launched our online curriculum offer.

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.

Promoting 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 2021

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 2021 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 2021 was £2,268,601.

During the period, the Trust's finances have once again been affected by the COVID19 pandemic. A substantial loss of income in relation to school meals, lettings, breakfast clubs and after-school care was experienced in all settings. However, cost efficiencies in other areas, particularly staffing, supply cover and planned works have resulted in a significant increase in reserves.

DfE grants to support COVID19 recovery and meeting additional costs have been received and this income is identified separately in our financial statements. The Trust also benefitted from the DfE laptop scheme.

A planned organisational model for growth is in place but 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 included the completion of the second phase of development on the Mill Dam site, expanding the Early Years setting, and phase 1 of roofing works at Lee Brigg. Significant and unplanned capital expenditure has been spent on emergency works at Sharlston Community School, due to severe structural defects of the building. Discussions are ongoing with the DfE with regard to financial assistance to fund further works.

At 31 August 2021 the net book value of fixed assets was £30,896,801. 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 £12.3m to £13.5m during the period.

2021 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;
- All appropriate grants in relation to COVID19 are identified and claimed for in accordance with DfE requirements;
- Actual expenditure incurred does not exceed that planned in any single financial year;
- Three-year financial forecasts are prepared to ensure that the Trust remains financially viable;
- Each member academy sets a balanced annual budget agreed at both trust and local level, with final budget ratification by the Trust Board;
- Numbers on roll and school place capacity is constantly monitored to ensure maximum revenue is maintained;
- Capital investment is made in line with the Asset Management Plan;
- Surplus funds are invested in line with Trust policy;
- Benchmarking against key cost areas is undertaken on an annual basis to ensure levels of expenditure are within recognised thresholds; and
- Statutory accounts and other returns are prepared and submitted to the Education and Skills Funding Agency (ESFA) in line with agreed timescales.

WATERTON ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

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 2021, total reserves were £20,081,260, of which £18,515,770 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 2021

Principal risks and uncertainties

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:

- COVID19: the development of the COVID19 pandemic has had a major impact on the Trust's operations. The ability to operate 'normally' is a real risk in the current COVID19 climate;
- 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;
- Capital: the compliant management of the Trust estate is becoming increasingly difficult due to insufficient capital income and there is a real risk that, over time, the Trust will be unable to maintain appropriate learning spaces in some of our academies. The Estates Team ensure Trustees are well informed regards this issue;
- 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. Regular safeguarding audits are undertaken and a programme of training for staff is in place;
- 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;
- Rising staff costs: it will be necessary to put in place a suitable strategy to ensure financial stability is sustainable, without affecting the quality of education provision across the Trust. A number of academies are currently going through staffing reviews to ensure that structures are appropriate and financially sustainable;
- Cash Flow: there is no significant risk that the Trust will be unable to finance its day-to-day operations. Cash flow is monitored on a daily basis at Trust level, to ensure that all financial commitments are met and movement of funds between academies is undertaken as necessary;
- Failures in governance and/or management: the potential failure to effectively manage the Trust's finances, internal controls, compliance with regulations and legislation, statutory returns, etc is an identified risk;
- 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; and
- Fraud and mismanagement of funds: all appropriate staff receive training to keep them updated with best financial practice and further develop their skills. Regular networking events are held across the Trust to share best practice and address areas for improvement. At Trust level, the CFO is tasked with ensuring appropriate practice is adhered to and compliant with ESFA regulations.

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 2020-21 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.

WATERTON ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Streamlined energy and carbon reporting

Energy consumption

Aggregate of energy consumption in the year

kWh
3,265,021

Emissions of CO2 equivalent

Scope 1 - direct emissions

- Gas combustion

metric tonnes

451.41

- Fuel consumed for owned transport

-

451.41

Scope 2 - indirect emissions

- Electricity purchased

169.97

Scope 3 - other indirect emissions

- Fuel consumed for transport not owned by the Academy Trust

-

Total gross emissions

621.38

Intensity ratio

Tonnes CO2e per pupil

0.18

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.

Intensity measurement

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

Measures taken to improve energy efficiency

LED lighting and energy efficient radiators have been installed at various sites in our family of schools. Roofing works have been completed in line with up to date CDM regulations which cover newly installed insulations and felt roofing systems.

We have made outstanding efforts to reduce our carbon output by procuring 100% renewable electricity for the new contract commencing in April 2022. We are also working with a third party to create a strategy to help students become more aware of waste energy and how to minimise this. We are hoping that this in turn, will reduce our consumption and as result, further reduce our carbon output.

Technology has been utilised for staff and Trustee meetings to reduce the need for travel between sites and hybrid working arrangements for office-based staff continue with a mixture of office and home working.

WATERTON ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Plans for future periods

The Trust will continue to develop its family of schools in order to support children, some of whom come from challenging backgrounds. The Trust will seek to sponsor additional schools and allow voluntary convertors to join. Allowing further conversions and sponsorship 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 continue to grow outside the Wakefield area and create geographically suitable hubs but will build capacity to support new schools as necessary.

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

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

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

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

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

The Trust will further develop our Apprenticeship training offer and benefit from this additional revenue funding 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 21 December 2021 and signed on its behalf by:

Mr D Dickinson
CEO & Accounting Officer

Mr S Johnson
Chair of Trustees (Appointed 3 March 2021)

WATERTON ACADEMY TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2021

Scope of responsibility

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

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

Governance

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

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

| Trustees | Meetings attended | Out of possible |
|--|-------------------|-----------------|
| Mr P Beaman | 2 | 4 |
| Mr D Dickinson (no longer a Trustee as of 2 March 2021) (CEO & Accounting Officer) | 3 | 3 |
| Mr S Johnson (Chair of Trustees (Appointed 3 March 2021)) | 4 | 4 |
| Mr J Shaw | 3 | 4 |
| Mr S Bates (Chair of the East LHB) | 3 | 4 |
| Mrs R Cook (Chair of Trustees) (Resigned 2 March 2021) | 3 | 3 |
| Mrs L Rowlinson-Brown | 3 | 4 |
| Mr A Goudie (Chair of the West LHB, appointed 23 June 2021) | 4 | 4 |
| Mr N Shaw (Appointed 9 December 2020) | 2 | 3 |
| Mrs K Davies (Appointed 22 February 2021) | 2 | 2 |
| Mrs J Henson (Appointed 22 February 2021) | 2 | 2 |

During the year, the Trust Board identified the need to recruit new Trustees and had a particular focus on adding to the educational expertise of the board. Using Academy Ambassadors and existing networks, N Shaw, K Davies and J Henson were appointed by the Members throughout the course of the year. In line with guidance, the Trust Board agreed that the CEO should no longer hold the role of Trustee, but will continue to attend all meetings of the Trust Board.

The LHBs continue to be delegated the work of the Standards and Resources Committee through the Scheme of Delegation. All those Governors who serve on either the West Hub Board or the East Hub Board have, within their remit, the full breadth of the work of the Resources Committee and the Standards Committee of their respective Hub Board, to ensure full knowledge and understanding of the respective Hub's Academies.

WATERTON ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Trustees are appointed by the Trust Board to Chair each of the LHBs and there is a feedback mechanism in place for communication between the Trust Board and LHBs, and to and from ASCs. The Trust Board and LHBs receive similar detailed reports, and have considered the quality and nature of the reports during the year and confirmed that they are appropriate, include good quality data, and enable them to effectively discharge their responsibilities.

The Trust Board met 4 times during the year, and the LHBs met 3 times during the year. This enables detailed review of performance data and effective oversight of funds.

A review of the implementation of the recommendations of the NGA external review of governance (2017-18) has taken place and any matters addressed by the Chair, Governance Officer and CEO. Whilst there has been no formal annual review of effectiveness, with new Trustees now in place, a review will be in place during 2021-22. The Trust Board will evaluate its own performance and address any issues around attendance, engagement and contribution as well as conduct an up to date skills audit.

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;
- Securing funding from Bamsley MBC to develop the KS1 Assessment Centre at Churchfield;
- Utilising COVID19 grants to enhance learning provision and secure outcomes for pupils; and
- Ongoing self-evaluation of procedures and working practice to drive improvement and cost

The purpose of the system of internal control

The system of internal control is based on an ongoing 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 2020 to 31 August 2021 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 2020 to 31 August 2021 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.

WATERTON ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

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 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.

To fulfil the requirements of the ESFA and the Academies Financial Handbook, the Board of Trustees has appointed Ann D'Arcy, Financial Consultant, to lead on the internal scrutiny work and produce the annual report for trustees and ESFA. The Internal Scrutiny plan for 2020/21 included the following financial control areas:

- The Internal Control Framework – testing of the procurement process;
- HR and Payroll Frameworks – evaluation and testing of the HR and Payroll frameworks; and
- Risk Management – review of the Risk Register.

Non-Financial reviews were carried out by external consultants in the following areas and included in the annual report on Internal Scrutiny:

- Risk Management and Health & Safety Audits
- Safeguarding Audits

Based on the work undertaken within the year, the overall audit opinion is that the Trust has reasonable and effective procedures in place to address risk management, controls and governance. An Action Plan has been prepared to identify areas for improvement and recommendations.

An Audit and Risk Committee has recently been established to maintain an oversight of the Trust's financial, governance, risk management and internal control systems. The Committee will meet at least once a term and will receive reports from the external auditor and internal scrutineer and provide feedback to the Trust Board.

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 works.

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 2020 to 31 August 2021.

Approved by order of the Board of Trustees on 21 December 2021 and signed on its behalf by:

.....
Mr D Dickinson
CEO & Accounting Officer

.....
Mr S Johnson
Chair of Trustees (Appointed 3 March 2021)

WATERTON ACADEMY TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2021

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 2020.

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 2020.

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

21 December 2021

WATERTON ACADEMY TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2021

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 21 December 2021 and signed on its behalf by:

.....
Mr D Dickinson
CEO & Accounting Officer

.....
Mr S Johnson
Chair of Trustees (Appointed 3 March 2021)

WATERTON ACADEMY TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2021

Opinion

We have audited the accounts of Waterton Academy Trust (the 'parent Company') and its subsidiary (the 'group') for the year ended 31 August 2021 which comprise 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 2020 to 2021 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 2021 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 2020 to 2021.

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

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Academy Trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

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 2021

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

We obtained an understanding of the academy and the sector in which it operates to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussions with management, application of cumulative audit knowledge and experience of the sector.

WATERTON ACADEMY TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2021

We determined the principal laws and regulations relevant to the academy in this regard to be those arising from the Companies Act 2006, Local tax laws and regulations, Anti Money Laundering Legislation and Bribery Act 2010. We determined the principal laws and regulations relevant to the academy in this regard to be those arising from the Companies Act 2006, Local tax laws and regulations, Anti Money Laundering Legislation and Bribery Act 2010.

We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the academy with those laws and regulations. These procedures included, but were not limited to; a review of the Board minutes throughout the year and post year end. A review of general ledger transactions and discussions with management.

We also identified the risks of material misstatement of the financial statements due to fraud. We considered, in addition to the non-rebuttable presumption of a risk of fraud arising from management override of controls, including the potential for management bias identified in relation to the provisions and estimates and and we addressed this by challenging the assumptions and judgements made by management when auditing that significant accounting estimate.

As in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included, but were not limited to: the testing of journals; reviewing accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

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.

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 Parker (Senior Statutory Auditor)
for and on behalf of GBAC Limited

21 December 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 2021

In accordance with the terms of our engagement letter dated 9 November 2021 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, 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 2020 to 31 August 2021 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 2020, 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 2020 to 2021. 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 2020 to 31 August 2021 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 Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts 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 2021

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 2020 to 31 August 2021 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:

WATERTON ACADEMY TRUST

GROUP STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 AUGUST 2021

| | Notes | Unrestricted Funds £ | Restricted funds: General £ | Fixed asset £ | Total 2021 £ | Total 2020 £ |
|---|----------|----------------------------|-----------------------------------|------------------|--------------------|--------------------|
| Income and endowments from: | | | | | | |
| Donations and capital grants | 3 | 78,087 | - | 972,537 | 1,050,624 | 696,128 |
| Donations - transfer of existing academy into the trust | | - | - | - | - | 2,978,022 |
| Charitable activities: | | | | | | |
| - Funding for educational operations | 4 | - | 18,874,501 | - | 18,874,501 | 17,581,171 |
| Other trading activities | 6 | 192,276 | 419,849 | - | 612,125 | 593,078 |
| Investments | 5 | 298 | - | - | 298 | 1,931 |
| Total | | 270,661 | 19,294,350 | 972,537 | 20,537,548 | 21,850,330 |
| Expenditure on: | | | | | | |
| Raising funds | 8 | - | 18,540 | - | 18,540 | 12,756 |
| Charitable activities: | | | | | | |
| - Educational operations | 9 | 29,645 | 19,921,449 | 531,440 | 20,482,534 | 20,033,356 |
| Total | 8 | 29,645 | 19,939,989 | 531,440 | 20,501,074 | 20,046,112 |
| Net income/(expenditure) | | 241,016 | (645,639) | 441,097 | 36,474 | 1,804,218 |
| Transfers between funds | 19 | - | (238,244) | 606,905 | 368,661 | - |
| Other recognised losses | | | | | | |
| Actuarial gains/(losses) on defined benefit pension schemes | 21 | - | 60,000 | - | 60,000 | (2,658,000) |
| Net movement in funds | | 241,016 | (823,883) | 1,048,002 | 465,135 | (853,782) |
| Reconciliation of funds | | | | | | |
| Total funds brought forward | | 1,324,474 | (11,966,006) | 30,257,657 | 19,616,125 | 20,469,907 |
| Total funds carried forward | | 1,565,490 | (12,789,889) | 31,305,659 | 20,081,260 | 19,616,125 |

WATERTON ACADEMY TRUST

GROUP STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

| Comparative year information Year ended 31 August 2020 | Notes | Unrestricted Funds £ | Restricted funds: General £ | Fixed asset £ | Total 2020 £ |
|---|-------|----------------------------|-----------------------------------|------------------|--------------------|
| Income and endowments from: | | | | | |
| Donations and capital grants | 3 | 145,485 | - | 550,643 | 696,128 |
| Donations - transfer from local authority on conversion | | 171,022 | (630,000) | 3,437,000 | 2,978,022 |
| Charitable activities: | | | | | |
| - Funding for educational operations | 4 | - | 17,581,171 | - | 17,581,171 |
| Other trading activities | 6 | 87,626 | 505,452 | - | 593,078 |
| Investments | 5 | 1,931 | - | - | 1,931 |
| Total | | 406,064 | 17,456,623 | 3,987,643 | 21,850,330 |
| Expenditure on: | | | | | |
| Raising funds | 8 | - | 12,756 | - | 12,756 |
| Charitable activities: | | | | | |
| - Educational operations | 9 | 111,575 | 19,325,435 | 596,346 | 20,033,356 |
| Total | 8 | 111,575 | 19,338,191 | 596,346 | 20,046,112 |
| Net income/(expenditure) | | 294,489 | (1,881,568) | 3,391,297 | 1,804,218 |
| Transfers between funds | 19 | - | (23,034) | 23,034 | - |
| Other recognised losses | | | | | |
| Actuarial losses on defined benefit pension schemes | 21 | - | (2,658,000) | - | (2,658,000) |
| Net movement in funds | | 294,489 | (4,562,602) | 3,414,331 | (853,782) |
| Reconciliation of funds | | | | | |
| Total funds brought forward | | 1,029,985 | (7,403,404) | 26,843,326 | 20,469,907 |
| Total funds carried forward | | 1,324,474 | (11,966,006) | 30,257,657 | 19,616,125 |

WATERTON ACADEMY TRUST

GROUP BALANCE SHEET

AS AT 31 AUGUST 2021

| | Notes | 2021 £ | 2020 £ |
|---|-------|--------------|--------------|
| Fixed assets | | | |
| Tangible assets | 13 | 30,896,801 | 29,973,404 |
| Current assets | | | |
| Stocks | 14 | 24,725 | 31,667 |
| Debtors | 15 | 711,354 | 1,029,254 |
| Cash at bank and in hand | | 3,491,002 | 1,937,284 |
| | | 4,227,081 | 2,998,205 |
| Current liabilities | | | |
| Creditors: amounts falling due within one year | 16 | (1,506,332) | (956,084) |
| Net current assets | | 2,720,749 | 2,042,121 |
| Total assets less current liabilities | | 33,617,550 | 32,015,525 |
| Creditors: amounts falling due after more than one year | 18 | (43,290) | (50,400) |
| Net assets before defined benefit pension scheme liability | | 33,574,260 | 31,965,125 |
| Defined benefit pension scheme liability | 21 | (13,493,000) | (12,349,000) |
| Total net assets | | 20,081,260 | 19,616,125 |
| Funds of the Academy Trust: | | | |
| Restricted funds | 19 | | |
| - Fixed asset funds | | 31,305,659 | 30,257,657 |
| - Restricted income funds | | 703,111 | 382,994 |
| - Pension reserve | | (13,493,000) | (12,349,000) |
| Total restricted funds | | 18,515,770 | 18,291,651 |
| Unrestricted income funds | 19 | 1,565,490 | 1,324,474 |
| Total funds | | 20,081,260 | 19,616,125 |

The accounts set out on pages 23 to 55 were approved by the board of Trustees and authorised for issue on 21 December 2021 and are signed on its behalf by:

Mr D Dickinson
CEO & Accounting Officer

Mr S Johnson
Chair of Trustees (Appointed 3 March 2021)
Company Number 09124782

WATERTON ACADEMY TRUST

BALANCE SHEET

AS AT 31 AUGUST 2021

| | | 2021 | 2020 |
|---|-------|--------------|--------------|
| | Notes | £ | £ |
| Fixed assets | | | |
| Tangible assets | 13 | 30,895,212 | 29,973,404 |
| Current assets | | | |
| Stocks | 14 | 24,725 | 31,667 |
| Debtors | 15 | 709,791 | 1,029,254 |
| Cash at bank and in hand | | 3,108,272 | 1,530,428 |
| | | 3,842,788 | 2,591,349 |
| Current liabilities | | | |
| Creditors: amounts falling due within one year | 16 | (1,482,496) | (932,222) |
| Net current assets | | 2,360,292 | 1,659,127 |
| Total assets less current liabilities | | 33,255,504 | 31,632,531 |
| Creditors: amounts falling due after more than one year | 18 | (43,290) | (50,400) |
| Net assets before defined benefit pension scheme liability | | 33,212,214 | 31,582,131 |
| Defined benefit pension scheme liability | 21 | (13,493,000) | (12,349,000) |
| Total net assets | | 19,719,214 | 19,233,131 |
| Funds of the Academy Trust: | | | |
| Restricted funds | 19 | | |
| - Fixed asset funds | | 31,305,659 | 30,257,657 |
| - Restricted income funds | | 341,065 | - |
| - Pension reserve | | (13,493,000) | (12,349,000) |
| Total restricted funds | | 18,153,724 | 17,908,657 |
| Unrestricted income funds | 19 | 1,565,490 | 1,324,474 |
| Total funds | | 19,719,214 | 19,233,131 |

The accounts set out on pages 23 to 55 were approved by the board of Trustees and authorised for issue on 21 December 2021 and are signed on its behalf by:

Mr D Dickinson
CEO & Accounting Officer

Mr S Johnson
Chair of Trustees (Appointed 3 March 2021)
Company Number 09124782

WATERTON ACADEMY TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2021

| | Notes | 2021 £ | £ | 2020 £ | £ |
|---|-------|-------------|------------------|-----------|------------------|
| Cash flows from operating activities | | | | | |
| Net cash provided by/(used in) operating activities | 23 | | 1,646,547 | | (270,387) |
| Cash flows from investing activities | | | | | |
| Dividends, interest and rents from investments | | 298 | | 1,931 | |
| Capital grants from DfE Group | | 823,675 | | 550,643 | |
| Capital funding received from sponsors and others | | 148,862 | | - | |
| Purchase of tangible fixed assets | | (1,059,364) | | (398,178) | |
| Net cash (used in)/provided by investing activities | | | (86,529) | | 154,396 |
| Cash flows from financing activities | | | | | |
| New long term bank loan | | 8,100 | | - | |
| Repayment of long term bank loan | | (14,400) | | (7,200) | |
| Net cash used in financing activities | | | (6,300) | | (7,200) |
| Net increase/(decrease) in cash and cash equivalents in the reporting period | | | 1,553,718 | | (123,191) |
| Cash and cash equivalents at beginning of the year | | | 1,937,284 | | 2,060,475 |
| Cash and cash equivalents at end of the year | | | <u>3,491,002</u> | | <u>1,937,284</u> |

WATERTON ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

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 2020 to 2021 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 2021. 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 2021 is £1,565,490 (2020 £1,324,474).

WATERTON ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

(Continued)

1.4 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'.

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.

WATERTON ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

(Continued)

1.5 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.

1.6 Tangible fixed assets and depreciation

Assets costing £500 or more are capitalised as tangible fixed assets and are carried at cost or revaluation, 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 2021

1 Accounting policies

(Continued)

1.7 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.

1.8 Leasing and hire purchase commitments

Rentals under operating leases are charged on a straight-line basis over the lease term.

1.9 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.

1.10 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.

1.11 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 2021

1 Accounting policies

(Continued)

1.12 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 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. 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 2021 £ | Total 2020 £ |
|----------------------------|----------------------------|--------------------------|--------------------|--------------------|
| Private sponsorship | 52,819 | - | 52,819 | 49,246 |
| Capital grants | - | 972,537 | 972,537 | 550,643 |
| Other donations | 25,268 | - | 25,268 | 96,239 |
| | <u>78,087</u> | <u>972,537</u> | <u>1,050,624</u> | <u>696,128</u> |
| Funding for the Trust | 78,087 | 972,537 | 1,050,624 | 696,128 |
| Funding for the Pre School | - | - | - | - |
| | <u>78,087</u> | <u>972,537</u> | <u>1,050,624</u> | <u>696,128</u> |

WATERTON ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

4 Funding for the Academy Trust's educational operations

| | Unrestricted funds £ | Restricted funds £ | Total 2021 £ | Total 2020 £ |
|--|----------------------------|--------------------------|--------------------|--------------------|
| DfE / ESFA grants | | | | |
| General annual grant (GAG) | - | 14,136,617 | 14,136,617 | 13,242,572 |
| Start up grants | - | - | - | 25,000 |
| Other DfE group grants | - | 2,617,745 | 2,617,745 | 2,541,349 |
| | - | 16,754,362 | 16,754,362 | 15,808,921 |
| Other government grants | | | | |
| Local authority grants | - | 1,708,870 | 1,708,870 | 1,636,597 |
| COVID19 additional funding (DfE/ESFA) | | | | |
| Catch-up Premium | - | 190,060 | 190,060 | - |
| Other DfE/ESFA COVID-19 funding | - | 201,262 | 201,262 | - |
| | - | 391,322 | 391,322 | - |
| COVID19 additional funding (non-DfE/ESFA) | | | | |
| Coronavirus Job Retention Scheme grant | - | 19,947 | 19,947 | 135,653 |
| | - | 19,947 | 19,947 | 135,653 |
| Total funding | - | 18,874,501 | 18,874,501 | 17,581,171 |
| Funding for the Trust | - | 18,674,027 | 18,674,027 | 17,381,265 |
| Funding for the Pre School | - | 200,474 | 200,474 | 199,906 |
| Total funding | - | 18,874,501 | 18,874,501 | 17,581,171 |

5 Investment income

| | Unrestricted funds £ | Restricted funds £ | Total 2021 £ | Total 2020 £ |
|---------------------|----------------------------|--------------------------|--------------------|--------------------|
| Short term deposits | 298 | - | 298 | 1,931 |

WATERTON ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

6 Other trading activities

| | Unrestricted funds £ | Restricted funds £ | Total 2021 £ | Total 2020 £ |
|---|----------------------------|--------------------------|--------------------|--------------------|
| Hire of facilities | 19,771 | - | 19,771 | 18,855 |
| Catering income | - | 148,710 | 148,710 | 155,137 |
| Risk protection claims | - | 51,848 | 51,848 | 16,708 |
| Income from the academy trusts educational operations | 172,505 | 86,758 | 259,263 | 288,771 |
| Income from Pre School Activities | - | 132,533 | 132,533 | 113,607 |
| | <u>192,276</u> | <u>419,849</u> | <u>612,125</u> | <u>593,078</u> |

7 Central services

The Academy Trust has moved to a GAG pooling arrangement, whereby an operational budget is retained and managed centrally. This provides all constituent schools with leadership, financial and business services to maintain and improve educational standards across the Trust, promoting stronger outcomes for pupils.

The operational budget is funded by contributions from each academy, and reviewed annually at the beginning of the budget setting process. All schools manage their own Educational budget which is essentially staffing, curriculum resources and local agreements.

Wherever possible, contracts and SLA's are agreed as a trust wide arrangement, rather than individual schools, thereby promoting cost and operational efficiencies. Resources provided by Waterton Academy Trust from within the operational budget include the following:

- Leadership support – CEO
- School Improvement support – CESO and School Improvement Team
- Finance & Procurement Support – CFO and the central Finance team
- HR Support – COO and the central HR team
- Premises Support - COO and the central Estates team
- Governance Support – CEO and Governance Officer
- Supplies and services include but not exclusively:
 - Pupil Information and Data MIS
 - HR, Finance and Estates Management Information Systems,
 - Premises Compliance and Statutory Inspections
 - IT support and Website maintenance services
 - Telephony service operating lease,
 - Recruitment, Payroll and HR advisory services
 - Educational Psychology Services

WATERTON ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

7 Central services (Continued)

| Individual contributions to the operational budget were as follows: | 2021 £ | 2020 £ |
|---|------------------|----------------|
| Central Services | - | - |
| Normanton Common Primary | 136,188 | 72,631 |
| Normanton Junior | 157,496 | 80,271 |
| Walton Primary | 127,463 | 67,492 |
| Lee Brigg Infant | 59,639 | 31,867 |
| Crofton Infants | 76,283 | 42,596 |
| Sharlston Community | 129,866 | 23,466 |
| South Kirkby | 117,596 | 63,108 |
| Wrenthorpe | 130,316 | 70,524 |
| Cherry Tree | 136,934 | 77,800 |
| Ackworth Mill Dam | 71,816 | 33,133 |
| King's Meadow | 129,794 | 70,011 |
| West End | 94,392 | 51,804 |
| Waterton Pre School | - | - |
| Churchfield Primary School | 180,216 | 67,630 |
| | <u>1,547,999</u> | <u>752,333</u> |

8 Expenditure

| | Staff costs £ | Non Pay Expenditure Premises £ | Other £ | Total 2021 £ | Total 2020 £ |
|----------------------------------|-------------------|--------------------------------------|------------------|--------------------|--------------------|
| Expenditure on raising funds | | | | | |
| - Direct costs | - | - | 18,540 | 18,540 | 12,756 |
| Academy's educational operations | | | | | |
| - Direct costs | 12,780,659 | - | 592,069 | 13,372,728 | 13,807,719 |
| - Allocated support costs | 3,677,636 | 1,772,887 | 1,659,283 | 7,109,806 | 6,225,637 |
| | <u>16,458,295</u> | <u>1,772,887</u> | <u>2,269,892</u> | <u>20,501,074</u> | <u>20,046,112</u> |
| Expenditure for Trust | 16,165,144 | 1,749,530 | 2,232,444 | 20,147,118 | 19,742,690 |
| Expenditure for Pre School | 293,151 | 23,357 | 37,448 | 353,956 | 303,422 |
| | <u>16,458,295</u> | <u>1,772,887</u> | <u>2,269,892</u> | <u>20,501,074</u> | <u>20,046,112</u> |

WATERTON ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

| | | | | |
|---|---|--------------------|------------------|------------|
| 8 | Expenditure | (Continued) | | |
| | (Net income)/expenditure for the year includes: | 2021 | 2020 | |
| | | £ | £ | |
| | Fees payable to auditor for: | | | |
| | - Audit | 24,720 | 24,000 | |
| | - Other services | 23,167 | 21,791 | |
| | Operating lease rentals | 98,497 | 88,209 | |
| | Depreciation of tangible fixed assets | 497,415 | 431,698 | |
| | Net interest on defined benefit pension liability | 18,000 | 153,000 | |
| | | | | |
| 9 | Charitable activities | | | |
| | | Unrestricted funds | Restricted funds | Total |
| | | £ | £ | 2021 |
| | | | | £ |
| | Direct costs | | | |
| | Educational operations | - | 13,372,728 | 13,372,728 |
| | Support costs | | | |
| | Educational operations | 29,645 | 7,080,161 | 7,109,806 |
| | | | | |
| | | 29,645 | 20,452,889 | 20,482,534 |
| | | | | |

WATERTON ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

9 Charitable activities (Continued)

| | 2021 £ | 2020 £ |
|----------------------------------|------------------|------------------|
| Analysis of support costs | | |
| Support staff costs | 3,801,230 | 3,101,921 |
| Depreciation | 497,415 | 343,359 |
| Technology costs | 270,996 | 231,690 |
| Premises costs | 1,275,472 | 1,323,189 |
| Other support costs | 1,190,819 | 1,179,612 |
| Governance costs | 73,874 | 45,866 |
| | <u>7,109,806</u> | <u>6,225,637</u> |

10 Staff

Staff costs

Staff costs during the year were:

| | 2021 £ | 2020 £ |
|---|-------------------|-------------------|
| Wages and salaries | 11,638,540 | 11,059,648 |
| Social security costs | 981,077 | 908,609 |
| Pension costs | 3,551,392 | 3,282,971 |
| | <u>16,171,009</u> | <u>15,251,228</u> |
| Staff costs - employees | 16,171,009 | 15,251,228 |
| Agency staff costs | 262,791 | 353,287 |
| Staff restructuring costs | 24,495 | 56,432 |
| | <u>16,458,295</u> | <u>15,660,947</u> |
| Staff development and other staff costs | 195,529 | 82,030 |
| | <u>16,653,824</u> | <u>15,742,977</u> |

Staff restructuring costs comprise:

| | | |
|--------------------|---------------|---------------|
| Severance payments | <u>24,495</u> | <u>56,432</u> |
|--------------------|---------------|---------------|

Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £24,495 (2020: £56,432). Individually, the payments were: £10,691, £3,738. and £10,066.

WATERTON ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

10 Staff

(Continued)

Staff numbers

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

| | 2021 Number | 2020 Number |
|----------------------------|----------------|----------------|
| Teachers | 173 | 137 |
| Administration and support | 362 | 391 |
| Management | 16 | 17 |
| | <u>551</u> | <u>545</u> |

Higher paid staff

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

| | 2021 Number | 2020 Number |
|---------------------|----------------|----------------|
| £60,000 - £70,000 | 6 | 6 |
| £70,000 - £80,000 | 4 | 3 |
| £130,000 - £140,000 | 1 | 1 |
| | <u>11</u> | <u>10</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 £1,411,755 (2020 £1,533,113).

11 Trustees' remuneration and expenses

One or more of the Trustees has been paid remuneration or has received other benefits from an employment with the Academy Trust. The CEO and other staff members only receive remuneration in respect of services they provide undertaking the roles of CEO and staff members under their contracts of employment, and not in respect of their services as Trustees.

The value of CEO remuneration and other benefits was as follows:

David Dickinson (CEO)

Remuneration £130,000 - £135,000 (2020 £125,000 - £130,000)

Employers pension contributions £30,000 - £35,000 (2020 £30,000 - £35,000)

During the year ended 31 August 2021, travel and subsistence expenses totalling £840 (2020 £0) were reimbursed or paid directly to the CEO.

WATERTON ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

12 Trustees' and officers' insurance

In accordance with normal commercial practice, the Academy Trust has adopted the Risk Protection Arrangement (RPA), in accordance with the Academies Financial Handbook to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. The RPA provides cover up to £5,000,000 on any one claim and the cost for the year ended 31 August 2021 is included in the total insurance cost, but cannot be separately identified.

13 Tangible fixed assets Group

| | Land and buildings | Leasehold imp'ments | Computer equipment | Fixtures, fittings & equipment | Total |
|-----------------------|-----------------------|------------------------|-----------------------|--------------------------------------|------------|
| | £ | £ | £ | £ | £ |
| Cost | | | | | |
| At 1 September 2020 | 30,190,024 | 554,752 | 294,788 | 398,172 | 31,437,736 |
| Transfer | 123,121 | (123,121) | - | - | - |
| Additions | 529,354 | 114,184 | 371,193 | 44,633 | 1,059,364 |
| Revaluation | 11,184 | - | - | - | 11,184 |
| At 31 August 2021 | 30,853,683 | 545,815 | 665,981 | 442,805 | 32,508,284 |
| Depreciation | | | | | |
| At 1 September 2020 | 954,147 | 22,997 | 259,406 | 227,782 | 1,464,332 |
| Transfer | 10,402 | (10,402) | - | - | - |
| Revaluation | (350,264) | - | - | - | (350,264) |
| Charge for the year | 290,588 | 47,332 | 91,924 | 67,571 | 497,415 |
| At 31 August 2021 | 904,873 | 59,927 | 351,330 | 295,353 | 1,611,483 |
| Net book value | | | | | |
| At 31 August 2021 | 29,948,810 | 485,888 | 314,651 | 147,452 | 30,896,801 |
| At 31 August 2020 | 29,235,877 | 531,755 | 35,382 | 170,390 | 29,973,404 |

WATERTON ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

13 Tangible fixed assets (Continued)

| 13 Tangible fixed assets Company | Land and buildings | Leasehold imp'ments | Computer equipment | Fixtures, fittings & equipment | Total |
|-------------------------------------|-----------------------|------------------------|-----------------------|--------------------------------------|-------------------|
| | £ | £ | £ | £ | £ |
| Cost | | | | | |
| At 1 September 2020 | 30,190,024 | 554,752 | 294,788 | 398,172 | 31,437,736 |
| Transfer | 123,121 | (123,121) | - | - | - |
| Additions | 529,354 | 114,184 | 369,263 | 44,633 | 1,057,434 |
| Revaluation | 11,184 | - | - | - | 11,184 |
| | <u>30,853,683</u> | <u>545,815</u> | <u>664,051</u> | <u>442,805</u> | <u>32,506,354</u> |
| At 31 August 2021 | 30,853,683 | 545,815 | 664,051 | 442,805 | 32,506,354 |
| Depreciation | | | | | |
| At 1 September 2020 | 954,147 | 22,997 | 259,406 | 227,782 | 1,464,332 |
| Transfer | 10,402 | (10,402) | - | - | - |
| Revaluation | (350,264) | - | - | - | (350,264) |
| Charge for the year | 290,588 | 47,332 | 91,583 | 67,571 | 497,074 |
| | <u>904,873</u> | <u>59,927</u> | <u>350,989</u> | <u>295,353</u> | <u>1,611,142</u> |
| At 31 August 2021 | 904,873 | 59,927 | 350,989 | 295,353 | 1,611,142 |
| Net book value | | | | | |
| At 31 August 2021 | <u>29,948,810</u> | <u>485,888</u> | <u>313,062</u> | <u>147,452</u> | <u>30,895,212</u> |
| At 31 August 2020 | <u>29,235,877</u> | <u>531,755</u> | <u>35,382</u> | <u>170,390</u> | <u>29,973,404</u> |

Analysis of cost or valuation of land and buildings:

| | 2021 £ | 2020 £ |
|--|-------------------|-------------------|
| Revalued Land & Buildings | 12,417,916 | - |
| Transferred in valuation of Land & Buildings | 18,435,767 | 30,190,024 |
| | <u>30,853,683</u> | <u>30,190,024</u> |

DfE procure valuations of the land and buildings of all new academies and revaluations of academy land and buildings that were valued 5 years ago. This valuation is made based on depreciated replacement cost (DRC). During the year Normanton Junior Academy, Normanton Common Primary Academy, Lee Brigg Infants' School, Crofton Infants' School, West End Academy and Churchfield Academy have all been revalued. All remaining schools will be revalued within the five year cycle as released by the DfE.

WATERTON ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

13

Tangible fixed assets

(Continued)

Comparable historical cost for the land and buildings included at valuation:

| | 2021 | 2020 |
|--------------------------|------------|------|
| | £ | £ |
| Cost | 12,406,730 | - |
| Accumulated depreciation | 468,676 | - |
| At 31 August 2021 | 11,938,054 | - |

All other tangible fixed assets are stated at historical cost.

14

Stocks

| | Group | Academy | Group | Academy |
|------------------|--------|---------|--------|---------|
| | 2021 | 2021 | 2020 | 2020 |
| | £ | £ | £ | £ |
| Stationery stock | 24,725 | 24,725 | 31,667 | 31,667 |

15

Debtors

| | Group | Academy | Group | Academy |
|--------------------------------|---------|---------|-----------|-----------|
| | 2021 | 2021 | 2020 | 2020 |
| | £ | £ | £ | £ |
| Trade debtors | 33,223 | 31,660 | 23,929 | 23,929 |
| VAT recoverable | 194,827 | 194,827 | 577,177 | 577,177 |
| Prepayments and accrued income | 483,304 | 483,304 | 428,148 | 428,148 |
| | 711,354 | 709,791 | 1,029,254 | 1,029,254 |

16

Creditors: amounts falling due within one year

| | Group | Academy | Group | Academy |
|------------------------------------|-----------|-----------|---------|---------|
| | 2021 | 2021 | 2020 | 2020 |
| | £ | £ | £ | £ |
| Government loans | 15,210 | 15,210 | 14,400 | 14,400 |
| Trade creditors | 547,067 | 530,045 | 40,612 | 22,300 |
| Other taxation and social security | 513,402 | 511,298 | 486,575 | 485,225 |
| Accruals and deferred income | 430,653 | 425,943 | 414,497 | 410,297 |
| | 1,506,332 | 1,482,496 | 956,084 | 932,222 |

17

Deferred income

| | 2021 | 2020 |
|-------------------------------------|---------|---------|
| | £ | £ |
| Deferred income is included within: | | |
| Creditors due within one year | 360,323 | 290,906 |

WATERTON ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

| 17 | Deferred income | (Continued) | |
|----|--|----------------|----------------|
| | Deferred income at 1 September 2020 | 290,906 | 257,145 |
| | Released from previous years | (290,906) | (257,145) |
| | Resources deferred in the year | 360,323 | 290,906 |
| | Deferred income at 31 August 2021 | 360,323 | 290,906 |

At the balance sheet date the Academy Trust was holding funds of £360,323 (2020 £290,906) relating to Local Authority funding.

| 18 | Creditors: amounts falling due after more than one year | Group | Academy | Group | Academy |
|----|---|----------|----------|----------|----------|
| | | 2021 | 2021 | 2020 | 2020 |
| | | £ | £ | £ | £ |
| | Government loans | 43,290 | 43,290 | 50,400 | 50,400 |
| | Analysis of loans | | | | |
| | Wholly repayable within five years | 58,500 | 58,500 | 64,800 | 64,800 |
| | Less: included in current liabilities | (15,210) | (15,210) | (14,400) | (14,400) |
| | Amounts included above | 43,290 | 43,290 | 50,400 | 50,400 |
| | Loan maturity | | | | |
| | Debt due in one year or less | 15,210 | 15,210 | 7,200 | 7,200 |
| | Due in more than one year but not more than two years | 32,040 | 32,040 | 14,400 | 14,400 |
| | Due in more than two years but not more than five years | 10,440 | 10,440 | 28,800 | 28,800 |
| | Due in more than five years | 810 | 810 | 14,400 | 14,400 |
| | | 58,500 | 58,500 | 64,800 | 64,800 |

Included above is a loan of £58,500 from Salix Finance Limited which is provided on the following terms:
5 years repayment schedule at 0% interest.

WATERTON ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

19 Funds

| | Balance at 1 September 2020 £ | Income £ | Expenditure £ | Gains, losses and transfers £ | Balance at 31 August 2021 £ |
|-------------------------------------|--|-------------------|---------------------|--|--------------------------------------|
| Restricted general funds | | | | | |
| General Annual Grant (GAG) | - | 14,136,617 | (13,557,308) | (238,244) | 341,065 |
| Other DfE / ESFA grants | - | 2,617,745 | (2,615,981) | - | 1,764 |
| Other government grants | - | 2,120,139 | (2,121,903) | - | (1,764) |
| Other restricted funds | 382,994 | 419,849 | (440,797) | - | 362,046 |
| Pension reserve | (12,349,000) | - | (1,204,000) | 60,000 | (13,493,000) |
| | <u>(11,966,006)</u> | <u>19,294,350</u> | <u>(19,939,989)</u> | <u>(178,244)</u> | <u>(12,789,889)</u> |
| Restricted fixed asset funds | | | | | |
| Inherited on conversion | 27,847,191 | - | (267,641) | 361,461 | 27,941,011 |
| DfE group capital grants | 1,801,468 | 972,537 | (263,799) | - | 2,510,206 |
| Capital expenditure from GAG | 608,998 | - | - | 245,444 | 854,442 |
| | <u>30,257,657</u> | <u>972,537</u> | <u>(531,440)</u> | <u>606,905</u> | <u>31,305,659</u> |
| Total restricted funds | <u>18,291,651</u> | <u>20,266,887</u> | <u>(20,471,429)</u> | <u>428,661</u> | <u>18,515,770</u> |
| Unrestricted funds | | | | | |
| General funds | <u>1,324,474</u> | <u>270,661</u> | <u>(29,645)</u> | <u>-</u> | <u>1,565,490</u> |
| Total funds | <u>19,616,125</u> | <u>20,537,548</u> | <u>(20,501,074)</u> | <u>428,661</u> | <u>20,081,260</u> |

WATERTON ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

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 2021.

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 2021

19 Funds

(Continued)

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

| | Balance at 1 September 2019 £ | Income £ | Expenditure £ | Gains, losses and transfers £ | Balance at 31 August 2020 £ |
|-------------------------------------|--|-------------------|---------------------|--|--------------------------------------|
| Restricted general funds | | | | | |
| 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> |
| Restricted fixed asset funds | | | | | |
| Transfer 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> |
| Total restricted funds | <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> |
| Unrestricted funds | | | | | |
| General funds | <u>1,029,985</u> | <u>406,064</u> | <u>(111,575)</u> | <u>-</u> | <u>1,324,474</u> |
| Total funds | <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 2021

| 19 Funds | (Continued) | |
|--|--------------|--------------|
| Total funds analysis by academy | 2021 | 2020 |
| Fund balances at 31 August 2021 were allocated as follows: | £ | £ |
| Central Services | 145,670 | 84,393 |
| Normanton Common Primary | 223,383 | 179,397 |
| Normanton Junior | 118,889 | 111,186 |
| Walton Primary | (31,941) | (33,893) |
| Lee Brigg Infant | 11,460 | (11,777) |
| Crofton Infants | 166,979 | 140,245 |
| Sharlston Community | 27,861 | (47,624) |
| South Kirkby | 395,818 | 291,665 |
| Wrenthorpe | 232,827 | 261,645 |
| Cherry Tree | 14,913 | (33,332) |
| Ackworth Mill Dam | 70,036 | 22,849 |
| King's Meadow | 128,995 | 86,056 |
| West End | 99,239 | 46,436 |
| Waterton Pre School | 360,457 | 382,994 |
| Churchfield Primary School | 304,015 | 227,228 |
| Total before fixed assets fund and pension reserve | 2,268,601 | 1,707,468 |
| Restricted fixed asset fund | 31,305,659 | 30,257,657 |
| Pension reserve | (13,493,000) | (12,349,000) |
| Total funds | 20,081,260 | 19,616,125 |

WATERTON ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

19 Funds

(Continued)

Walton Primary Academy is carrying a net deficit of £31,941,(2020 £33,893).

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. Expenditure has been rationalised wherever possible without impacting negatively on outcomes. The Central Team are working closely with the school but income from breakfast and after school clubs simply did not achieve the expected level due to the pandemic. Additionally, a programme of decoration was partially funded by the Trust from Access to Reserves due to the lack of funds at school level.

Schools return to surplus

Cherry Tree

With the campus model now in place for Ackworth Mill Dam and Cherry Tree, there have been realised savings due to shared leadership of an executive head and head of school. This has reduced overall leadership costs and facilitated shared teaching and resource management.

Lee Brigg Infant

The campus model was introduced in Normanton Common Primary Academy and Lee Brigg Infant School in September 2020. Again, we are beginning to see savings within leadership costs, they have been particularly beneficial to Lee Brigg Infant School which is the smallest school within our Trust.

Sharlston Community

Increased funding from higher pupil numbers and stable staffing costs have enabled the school to return to surplus.

The Trust works closely with school based leadership teams providing support, and challenge where necessary to ensure that sound financial decisions improve the outcomes for pupils.

WATERTON ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

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 2021 | Total 2020 |
|-----------------------------|--|------------------------------|-------------------------|--|-------------------|-------------------|
| | £ | £ | £ | £ | £ | £ |
| Central Services | 509,075 | 623,255 | 27,447 | 600,609 | 1,760,386 | 1,141,286 |
| Normanton Common Primary | 1,124,464 | 170,067 | 48,443 | 174,508 | 1,517,482 | 1,560,450 |
| Normanton Junior | 1,141,576 | 225,518 | 53,339 | 182,510 | 1,602,943 | 1,619,884 |
| Walton Primary | 1,000,308 | 194,175 | 42,119 | 187,317 | 1,423,919 | 1,499,022 |
| Lee Brigg Infant | 526,916 | 86,637 | 11,094 | 87,509 | 712,156 | 795,507 |
| Crofton Infants | 654,386 | 105,180 | 35,158 | 124,169 | 918,893 | 969,495 |
| Sharlston Community | 1,002,650 | 155,243 | 61,591 | 186,356 | 1,405,840 | 1,465,744 |
| South Kirkby | 806,471 | 124,888 | 59,894 | 153,040 | 1,144,293 | 1,192,155 |
| Wrenthorpe | 924,510 | 147,419 | 64,520 | 193,768 | 1,330,217 | 1,359,050 |
| Cherry Tree | 1,115,265 | 189,966 | 33,841 | 160,566 | 1,499,638 | 1,663,953 |
| Ackworth Mill Dam | 579,934 | 108,264 | 22,595 | 124,204 | 834,997 | 794,054 |
| King's Meadow | 983,126 | 158,944 | 30,729 | 185,268 | 1,358,067 | 1,486,668 |
| West End | 717,333 | 108,960 | 31,478 | 134,037 | 991,808 | 1,053,559 |
| Waterton Pre School | 287,474 | 2,826 | 12,344 | 48,119 | 350,763 | 333,438 |
| Churchfield Primary School | | | | | | |
| | 1,404,320 | 213,888 | 57,477 | 269,729 | 1,945,414 | 1,408,151 |
| | <u>12,777,808</u> | <u>2,615,230</u> | <u>592,069</u> | <u>2,811,709</u> | <u>18,796,816</u> | <u>18,342,416</u> |

20 Analysis of net assets between funds

| | Unrestricted Funds £ | Restricted funds: General £ | Fixed asset £ | Total Funds £ |
|--|----------------------------|-----------------------------------|-------------------|---------------------|
| Fund balances at 31 August 2021 are represented by: | | | | |
| Tangible fixed assets | - | - | 30,896,801 | 30,896,801 |
| Current assets | 3,115,112 | 703,111 | 408,858 | 4,227,081 |
| Creditors falling due within one year | (1,506,332) | - | - | (1,506,332) |
| Creditors falling due after one year | (43,290) | - | - | (43,290) |
| Defined benefit pension liability | - | (13,493,000) | - | (13,493,000) |
| Total net assets | <u>1,565,490</u> | <u>(12,789,889)</u> | <u>31,305,659</u> | <u>20,081,260</u> |

WATERTON ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

20 Analysis of net assets between funds

(Continued)

| | Unrestricted Funds £ | Restricted funds: General £ | Fixed asset £ | Total Funds £ |
|--|----------------------------|-----------------------------------|-------------------|---------------------|
| Fund balances at 31 August 2020 are represented by: | | | | |
| 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) |
| Total net assets | 1,324,474 | (11,966,006) | 30,257,657 | 19,616,125 |

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 2019.

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 2021

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 £1,639,736 (2020 £1,513,259).

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 16.1 - 16.8% for employers and 5.5 - 12.5% for employees. The estimated value of employer contributions for the forthcoming year is £685,428.

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 | 2021 £ | 2020 £ |
|--|-----------|-----------|
| Employer's contributions | 716,000 | 641,000 |
| Employees' contributions | 249,000 | 232,000 |
| Total contributions | 965,000 | 873,000 |
| Principal actuarial assumptions | 2021 % | 2020 % |
| Rate of increase in salaries | 3.85 | 3.55 |
| Rate of increase for pensions in payment/inflation | 2.60 | 2.30 |
| Discount rate for scheme liabilities | 1.70 | 1.70 |
| Inflation assumption (CPI) | 2.60 | 2.30 |

WATERTON ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

21 Pension and similar obligations

(Continued)

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

| | 2021 Years | 2020 Years |
|----------------------|---------------|---------------|
| Retiring today | | |
| - Males | 21.9 - 22.5 | 21.8 - 22.4 |
| - Females | 24.7 - 25.3 | 24.6 - 25.2 |
| Retiring in 20 years | | |
| - Males | 22.6 - 24.0 | 22.5 - 23.9 |
| - Females | 25.8 - 27.2 | 25.7 - 27.1 |

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

| | 2021 Fair value £ | 2020 Fair value £ |
|------------------------------|-------------------------|-------------------------|
| Equities | 12,247,000 | 9,289,000 |
| Government bonds | 1,351,000 | 1,256,000 |
| Corporate bonds | 740,000 | 661,000 |
| Cash | 331,000 | 231,000 |
| Property | 671,000 | 578,000 |
| Other assets | 502,000 | 359,000 |
| Total market value of assets | 15,842,000 | 12,374,000 |

The actual return on scheme assets was £2,726,000 (2020: £(214,000)).

Amount recognised in the statement of financial activities

| | 2021 £ | 2020 £ |
|------------------------|-----------|-----------|
| Current service cost | 1,902,000 | 1,760,000 |
| Interest income | (405,000) | (228,000) |
| Interest cost | 423,000 | 381,000 |
| Total operating charge | 1,920,000 | 1,913,000 |

WATERTON ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

| | |
|--|--------------------|
| 21 Pension and similar obligations | (Continued) |
| Changes in the present value of defined benefit obligations | 2021 £ |
| At 1 September 2020 | 24,723,000 |
| Current service cost | 2,092,000 |
| Interest cost | 423,000 |
| Employee contributions | 249,000 |
| Actuarial loss | 2,071,000 |
| Benefits paid | (223,000) |
| At 31 August 2021 | 29,335,000 |
| Changes in the fair value of the Academy Trust's share of scheme assets | 2021 £ |
| At 1 September 2020 | 12,374,000 |
| Interest income | 405,000 |
| Actuarial (gain)/loss | 2,321,000 |
| Employer contributions | 716,000 |
| Employee contributions | 249,000 |
| Benefits paid | (223,000) |
| At 31 August 2021 | 15,842,000 |

22 Defined contribution schemes

A defined contribution pension scheme is operated for all qualifying employees of Waterton Pre School. The assets of the scheme are held separately from those of the group in an independently administered fund. The charge to the statement of financial activity in respect of the defined contribution scheme is £2,826 (2020 - £2,818).

WATERTON ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

23 Reconciliation of net income to net cash flow from operating activities

| | 2021 £ | 2020 £ |
|--|------------------|------------------|
| Net income for the reporting period (as per the statement of financial activities) | 43,674 | 1,804,218 |
| Adjusted for: | | |
| Net surplus on conversion to academy | - | (2,978,022) |
| Capital grants from DfE and other capital income | (972,537) | (550,643) |
| Investment income receivable | (298) | (1,931) |
| Defined benefit pension costs less contributions payable | 1,186,000 | 1,119,000 |
| Defined benefit pension scheme finance cost | 18,000 | 153,000 |
| Depreciation of tangible fixed assets | 497,415 | 431,698 |
| Decrease/(increase) in stocks | 6,955 | (11,105) |
| Decrease/(increase) in debtors | 317,900 | (424,184) |
| Increase in creditors | 549,438 | 16,560 |
| Stocks, debtors and creditors transferred on conversion | - | 171,022 |
| Net cash provided by/(used in) operating activities | 1,646,547 | (270,387) |

24 Analysis of changes in net funds

| | 1 September 2020 £ | Cash flows £ | 31 August 2021 £ |
|--|--------------------------|------------------|---------------------|
| Cash | 1,937,284 | 1,553,718 | 3,491,002 |
| Loans falling due within one year | (14,400) | (810) | (15,210) |
| Loans falling due after more than one year | (50,400) | 7,110 | (43,290) |
| | 1,872,484 | 1,560,018 | 3,432,502 |

25 Long-term commitments, including operating leases

At 31 August 2021 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

| | 2021 £ | 2020 £ |
|-----------------------------------|----------------|----------------|
| Amounts due within one year | 66,234 | 90,100 |
| Amounts due in two and five years | 79,336 | 147,287 |
| | 145,570 | 237,387 |

WATERTON ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

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 D Dickinson, brother of David Dickinson, CEO, is engaged as a consultant to deliver training to both internal and external trainees as part of the Apprenticeship Programmes in the Centre of Excellence. An updated declaration of interests has been completed by the CEO.
- Mr A Thompson, son of Mrs S Thompson (Executive Headteacher) is working as a Teaching Assistant at Ackworth Mill Dam, and receives a salary within the normal pay range for the role and receives no special treatment as a result of his relationship to an employee of the Trust.
- Mrs M Ainsworth, administrator for the Trust, is wife of a director of the company CEAG Limited who have provided PPE for the Trust following the Trusts procurement process.

27 Members' liability

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

WATERTON ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

28 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.

| | 2021 | 2020 |
|--|--------------|--------------|
| | £'000 | £'000 |
| Income | | |
| Coronavirus Job Retention Scheme Grant | 11 | 17 |
| Other income | 190 | 200 |
| Trading income | <u>132</u> | <u>113</u> |
| | 333 | 330 |
| Expenditure | | |
| Direct staff costs | (293) | (261) |
| Other support costs | <u>(61)</u> | <u>(72)</u> |
| | (354) | (333) |
| Surplus from all sources | (21) | (3) |
| | | |
| Total assets as at 31 August 2021 | 386 | 407 |
| Total liabilities as at 31 August 2021 | (24) | (24) |
| Waterton Pre School Balance at 31 August 2021 | 362 | 383 |

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.