

Company Registration No. 10181707 (England and Wales)

# **WARRINGTON PRIMARY ACADEMY TRUST**

**(A COMPANY LIMITED BY GUARANTEE)**

**TRUSTEES' REPORT AND AUDITED ACCOUNTS**

**FOR THE PERIOD ENDED 31 AUGUST 2016**



# WARRINGTON PRIMARY ACADEMY TRUST

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# WARRINGTON PRIMARY ACADEMY TRUST

## REFERENCE AND ADMINISTRATIVE DETAILS

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### Trustees

Mrs J A Cahill (Appointed 16 May 2016)  
Mrs L J Corlett (Appointed 16 May 2016)  
Mrs P A Johnson (Appointed 16 May 2016)  
Mrs L N Muir (Appointed 4 October 2016)  
Ms A B Ross (Appointed 16 May 2016)  
Mr D Thompson (Appointed 16 May 2016)

### Members

Julie Ann Cahill - Chair  
Catherine Ann Dean Smith  
Pam Worrall

### Senior management team

- CEO, Accounting Officer and Principal of Evelyn Street Primary School L Smith  
- Principal of Penketh Primary School S Dymond  
- Finance and Operations Director N Edwards

### Company secretary

Dr C Kressel

### Company registration number

10181707 (England and Wales)

### Registered office

Evelyn Street Primary School  
Evelyn Street  
Warrington  
WA5 1BD

### Academies operated

Penketh Primary School  
Evelyn Street Primary School

### Location

Warrington  
Warrington

### Head teacher

Mrs Susan Dymond  
Mrs Lousie Smith

### Independent auditor

Moore and Smalley LLP  
Richard House  
9 Winckley Square  
Preston  
PR1 3HP

### Solicitors

Browne Jacobson LLP  
Victoria Square House  
Victoria Square  
Birmingham  
B2 4BU

# **WARRINGTON PRIMARY ACADEMY TRUST**

## **TRUSTEES' REPORT**

### ***FOR THE PERIOD ENDED 31 AUGUST 2016***

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The trustees present their annual report together with the accounts and independent auditor's report of the charitable company for the period 16 May 2016 to 31 August 2016. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The trust during this period operated 2 primary academies in Warrington from 1 August 2016 to 31 August 2016. Its academies have a combined pupil capacity of 577 and had a roll of 444 in the school census on January 2016. Both schools are oversubscribed and Evelyn Street has increasing pupil numbers due to a recently increased published admission number.

#### **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 charitable company is known as WPAT.

The trustees of Warrington Primary Academy Trust are also the directors of the charitable company for the purposes of company law. Details of the trustees who served during the period 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

The Trust has purchased indemnity insurance to protect governors and officers from claims arising in connection with Academy business. This is under the Risk Protection Arrangement with the EFA. The insurance provides unlimited cover for governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business.

##### Method of recruitment and appointment or election of trustees

The Members may appoint by ordinary resolution up to 5 Trustees. The total number of Trustees including the Chief Executive Officer if they so choose to act as Trustee who are employees of the Academy Trust shall not exceed one third of the total number of Trustees. Parent Trustees which is contested shall be held by secret ballot.

The term of office for any Trustee shall be four years. Subject to remaining eligible to be a particular type of Trustee, any Trustee may be re-appointed or re-elected at a General Meeting.

A Trustee shall cease to hold office if he resigns his office by notice to the Academy Trust or if he is removed by the person or persons who appointed or elected him, or otherwise by ordinary resolution of the Members in accordance with the Companies Act 2006 and written notice thereof is given to the Clerk

##### Policies and procedures adopted for the induction and training of trustees

All policies and procedures have transferred where applicable from the previous two community schools. Each of these is systematically being reviewed over the next two years to ensure fitness for purpose.

# **WARRINGTON PRIMARY ACADEMY TRUST**

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

**FOR THE PERIOD ENDED 31 AUGUST 2016**

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### Organisational structure

A scheme of delegation has been established and agreed by the Trust.

Responsibilities have been allocated to Members, the Trust Board, the CEO and Executive, Committees and local governing bodies. The committees which are being established are Resources, Audit and Standards.

The Trust Board will be responsible for overall vision and strategy.

### Arrangements for setting pay and remuneration of key management personnel

All terms and conditions of teachers and support staff remain in line with those set nationally. Performance management and remuneration of the CEO, Principals and Finance and Operations Director are the decision of the Trust Board. Performance management of subsequent teams is delegated these key strategic personnel.

### Related parties and other connected charities and organisations

There are no connected organisations or related parties during the period.

### **Objectives and activities**

#### Objects and aims

We are a caring family of schools in which diversity is valued. We are ambitious for our children and staff, supporting them in achieving the possible outcomes. We do this through forging and growing relationships within our communities and being stronger together as a network of schools.

We are creating a community where children are encouraged to explore, discover and question, in a calm and stimulating environment to become strong confident independent learners. We will continue to grow our family of schools in order to share our experiences and to be enriched by others.

#### Objectives, strategies and activities

The main strategic aims of the new multi academy trust are:

- To develop the vision ethos and culture of our new organisation. Provide a commonality of approach demonstrated through our processes and procedures.
- Establish a multi academy Estates Plan for the three sites to ensure effective estates, risk and future capacity management.
- To develop robust financial systems across partner schools to ensure financial solvency and growth.
- Develop the arm of the MAT to ensure that the multi academy through sponsorship to other schools as an affiliated member or associated school.

### Public benefit

The trustees have complied with their duty to have due regard to the guidance on public benefit issued by the Charity Commission in exercising their powers and duties.

## **Strategic report**

### **Achievements and performance**

Evelyn Street Primary and Penketh Primary Schools converted to academies on 1 August 2016 to form Warrington Primary Academy Trust. Work is progressing at pace on the strategic aims of the MAT.

### Key performance indicators

The company is in its infancy. Warrington Primary Academy Trust was established, processes established and legally formed in the 2015/16 academic year.

# **WARRINGTON PRIMARY ACADEMY TRUST**

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

**FOR THE PERIOD ENDED 31 AUGUST 2016**

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### 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 foreseeable future. For this reason the board of trustees continues to adopt the going concern basis in preparing the accounts. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies.

### **Financial review**

Warrington Primary School and Penketh Primary School converted on 1 August 2016 and as such few transactions have occurred in the one month to 31 August 2016.

Other than GAG and other grant funding, all transfers on conversion from the Local Authority have been included.

Total income for the period was £6,828,386 of which £95,463 related to unrestricted funds, £322,993 to restricted funds and £6,409,930 to fixed asset funds. Expenditure for the period, all of which related to restricted funds was £154,644.

### Reserves policy

The Trustees are in the process of establishing a reserves policy.

Unrestricted reserves carried forward as at 31 August 2016 were £95,463, general restricted funds were £149,345 and restricted fixed asset funds were £6,428,934.

### Principal risks and uncertainties

Trustees are in the process of reviewing the principle risks and uncertainties that the Trust may be exposed to. Policies will be put in place following the completion of the risk assessment to ensure that risks are appropriately mitigated.

A new financial system is in the process of being implemented which will ensure that controls and procedures are operating consistently across the schools and allow for central reporting and oversight of performance.

### Financial and risk management objectives and policies

A budget has been prepared for the forthcoming year and the Trust is in the process of preparing a three year plan.

### **Plans for future periods**

The Trustees will seek to effectively establish the Trust in the new academic year. In addition, an additional school, Bruche Primary School joined the MAT with effect from 1 September 2016.

# WARRINGTON PRIMARY ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

**FOR THE PERIOD ENDED 31 AUGUST 2016**

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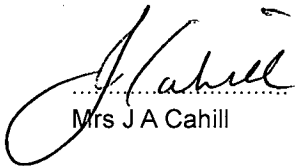
### Auditor

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.

A resolution proposing that Moore and Smalley LLP be reappointed as auditor of the charitable company will be put to the members.

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 16/2/17, and signed on its behalf by:



Mrs J A Cahill

# WARRINGTON PRIMARY ACADEMY TRUST

## GOVERNANCE STATEMENT

**FOR THE PERIOD ENDED 31 AUGUST 2016**

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### Scope of responsibility

As trustees we acknowledge we have overall responsibility for ensuring that Warrington Primary 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, 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 Warrington Primary 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 2 times during the period. Attendance during the period at meetings of the board of trustees was as follows:

Trustees	Meetings attended	Out of possible
Mrs J A Cahill (Appointed 16 May 2016)	2	2
Mrs L J Corlett (Appointed 16 May 2016)	2	2
Mrs P A Johnson (Appointed 16 May 2016)	2	2
Mrs L N Muir (Appointed 4 October 2016)	0	0
Ms A B Ross (Appointed 16 May 2016)	2	2
Mr D Thompson (Appointed 16 May 2016)	1	2

The Board is being reviewed constantly to add to the dynamic of the business functions. A finance and business executive was appointed in October 2016 and a solicitor is actively being sought. The governance has been reviewed by a National Leader of Governance and approved by the Regional Schools Commissioner.

While the Trust was being established and schools converting to academy status no separate Committees were held. Both Evelyn Street and Penketh Primary Schools converted 1 August 2016 when there were minimal transactions other than payroll costs. The structure is now in place for 2016/17.

### Review of value for money

As accounting officer the chief executive 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, including the use of benchmarking data where available.

Costs will be reviewed going forward to ensure that the Trust is taking advantage of economies of scale throughout the Trust. Consistent systems and procedures are to be established and a new accounting system implemented so that performance can be monitored and reported for the Trust as a whole.

# **WARRINGTON PRIMARY ACADEMY TRUST**

## **GOVERNANCE STATEMENT (CONTINUED)**

**FOR THE PERIOD ENDED 31 AUGUST 2016**

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### **The purpose of the system of internal control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Warrington Primary Academy Trust for the period 16 May 2016 to 31 August 2016 and up to the date of approval of the annual report and accounts.

### **Capacity to handle risk**

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 16 May 2016 to 31 August 2016 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of trustees.

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

The board of trustees is considering the need for a specific internal audit function and will be making a decision on the approach to be taken in the new academic year.

The reviewer's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. Given the period under review, no checks have as yet been completed.

### **Review of effectiveness**

As accounting officer the chief executive has responsibility for reviewing the effectiveness of the system of internal control. During the period in question the review has been informed by:

- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

# WARRINGTON PRIMARY ACADEMY TRUST

## GOVERNANCE STATEMENT (CONTINUED)

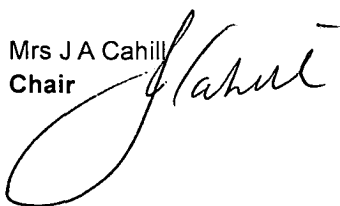
**FOR THE PERIOD ENDED 31 AUGUST 2016**

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The accounting officer has been advised of the implications of the result of their review of the system of internal control by the audit committee and a plan to ensure continuous improvement of the system is in place.

Approved by order of the board of trustees on 16/2/17 and signed on its behalf by:

Mrs J A Cahill  
Chair



Mrs L Smith  
Accounting officer



# WARRINGTON PRIMARY ACADEMY TRUST

## STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE FOR THE PERIOD ENDED 31 AUGUST 2016

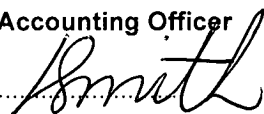
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As accounting officer of Warrington Primary Academy Trust I have considered my responsibility to notify the academy trust board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy 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 2015.

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 2015.

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

Mrs L Smith  
Accounting Officer



16/2/17

# WARRINGTON PRIMARY ACADEMY TRUST

## STATEMENT OF TRUSTEES' RESPONSIBILITIES

**FOR THE PERIOD ENDED 31 AUGUST 2016**

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

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

In preparing these accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016;
- 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.

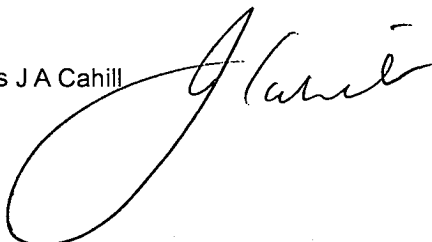
The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the accounts comply with 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 EFA/DfE have been applied for the purposes intended.

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

Approved by order of the board of trustees on 16/2/17 and signed on its behalf by:

Mrs J A Cahill



# **WARRINGTON PRIMARY ACADEMY TRUST**

## **INDEPENDENT AUDITOR'S REPORT ON THE ACCOUNTS TO THE MEMBERS OF WARRINGTON PRIMARY ACADEMY TRUST**

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We have audited the accounts of Warrington Primary Academy Trust for the period ended 31 August 2016 set out on pages 15 to 32. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016 issued by the Education Funding Agency.

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 its members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of trustees and auditors**

As explained more fully in the Trustees' Responsibilities Statement set out on page 10, the trustees, who are also the directors of Warrington Primary Academy Trust for the purposes of company law, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the accounts**

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

### **Basis of Qualified Opinion**

As disclosed in note 14 of the accounts, the Trust has not been able to obtain an FRS 102 valuation of its share of the Local Government Pension Scheme asset or liability due to the timing of its conversion. No liability or asset is therefore included in the accounts. We have been unable to obtain sufficient appropriate audit evidence to determine whether the omission of the net LGPS deficit or surplus on the balance sheet represents a material omission.

### **Qualified opinion on financial statements**

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2016 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction 2015 to 2016.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Trustees' Report including the incorporated strategic report for the financial period for which the accounts are prepared is consistent with the accounts.

# WARRINGTON PRIMARY ACADEMY TRUST

## INDEPENDENT AUDITOR'S REPORT ON THE ACCOUNTS TO THE MEMBERS OF WARRINGTON PRIMARY ACADEMY TRUST (CONTINUED)

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

In respect solely of the limitation on our work relating to the academy trust's membership of the Local Government Pension Scheme (LGPS), described above:

- We have not obtained all the information and explanations that we considered necessary for the purposes of the audit; and
- We were unable to determine whether adequate accounting records has been kept.

Other than the matter referred to above, we have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the accounts 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.



**Christine Wilson (Senior Statutory Auditor)**  
for and on behalf of Moore and Smalley LLP

**Chartered Accountants**

**Statutory Auditor**

Richard House

9 Winckley Square

Preston

PR1 3HP

Dated: 20/2/17

# **WARRINGTON PRIMARY ACADEMY TRUST**

## **INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO WARRINGTON PRIMARY ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY**

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In accordance with the terms of our engagement letter dated 24 June 2016 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 to 2016, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Warrington Primary Academy Trust during the period 16 May 2016 to 31 August 2016 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 Warrington Primary Academy Trust and EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Warrington Primary Academy Trust and EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Warrington Primary Academy Trust and EFA, for our work, for this report, or for the conclusion we have formed.

### **Respective responsibilities of Warrington Primary Academy Trust's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Warrington Primary Academy Trust's funding agreement with the Secretary of State for Education dated 27 July 2016 and the Academies Financial Handbook, extant from 1 September 2016, 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 2015 to 2016. 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 16 May 2016 to 31 August 2016 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

### **Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2015 to 2016 issued by EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes an evaluation of the control environment of the Trust together with enquiry, analytical review and substantive testing of transactions.

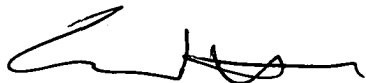
# WARRINGTON PRIMARY ACADEMY TRUST

## INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO WARRINGTON PRIMARY ACADEMY TRUST AND THE EDUCATION FUNDING AGENCY (CONTINUED)

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### Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 16 May 2016 to 31 August 2016 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Christine Wilson  
**Reporting Accountant**  
Moore and Smalley LLP

Dated: 2012/17

# WARRINGTON PRIMARY ACADEMY TRUST

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE PERIOD ENDED 31 AUGUST 2016

	Notes	Unrestricted Funds £	Restricted funds: General Fixed asset £ £		Total 2016 £
<b>Income and endowments from:</b>					
Donations - transfer from local authority on conversion	20	95,463	-	6,409,930	6,505,393
Charitable activities:					
- Funding for educational operations	2	-	322,993	-	322,993
<b>Total income and endowments</b>		95,463	322,993	6,409,930	6,828,386
<b>Expenditure on:</b>					
Charitable activities:					
- Educational operations	4	-	154,644	-	154,644
<b>Total expenditure</b>	3	-	154,644	-	154,644
<b>Net income/(expenditure)</b>		95,463	168,349	6,409,930	6,673,742
Transfers between funds		-	(19,004)	19,004	-
<b>Reconciliation of funds</b>					
Total funds carried forward		95,463	149,345	6,428,934	6,673,742

# WARRINGTON PRIMARY ACADEMY TRUST

## BALANCE SHEET

AS AT 31 AUGUST 2016

	Notes	2016 £	£
<b>Fixed assets</b>			
Intangible assets	8		19,004
Tangible assets	9		6,391,995
			<u>6,410,999</u>
<b>Current assets</b>			
Debtors	10	385,149	
Cash at bank and in hand		157,509	
		<u>542,658</u>	
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	11	(279,915)	
		<u></u>	
<b>Net current assets</b>			<u>262,743</u>
<b>Net assets</b>			<u>6,673,742</u>
<b>Funds of the academy trust:</b>			
<b>Restricted funds</b>	13		
- Fixed asset funds			6,428,934
- Restricted income funds			149,345
			<u>6,578,279</u>
<b>Total restricted funds</b>			<u>6,578,279</u>
<b>Unrestricted income funds</b>	13		95,463
			<u>95,463</u>
<b>Total funds</b>			<u>6,673,742</u>

The accounts set out on pages 15 to 32 were approved by the board of trustees and authorised for issue on 16/2/17 and are signed on its behalf by:

  
Mrs J A Cahill

Company Number 10181707

# WARRINGTON PRIMARY ACADEMY TRUST

## STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED 31 AUGUST 2016

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	Notes	2016 £	£
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	16		176,513
<b>Cash flows from investing activities</b>			
Payments to acquire intangible fixed assets		(19,004)	
			<u>(19,004)</u>
<b>Change in cash and cash equivalents in the reporting period</b>			157,509
Cash and cash equivalents at 16 May 2016			<u>-</u>
<b>Cash and cash equivalents at 31 August 2016</b>			<u><u>157,509</u></u>

# WARRINGTON PRIMARY ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE PERIOD ENDED 31 AUGUST 2016

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#### 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 2015 to 2016 issued by EFA, the Charities Act 2011 and the Companies Act 2006.

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

These accounts have been prepared for the period 16 May 2016 to 31 August 2016 which is a period of less than twelve months. Academy trusts are required by the Education Funding Agency to report annually to 31 August and the academy trust is not permitted under the Companies Act 2006 to extend its accounting reference date to more than eighteen months but it may shorten it.

##### 1.2 Going concern

The trustees assess whether the use of going concern is appropriate, ie 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 Conversion to an academy trust

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

The assets and liabilities transferred on conversion from Warrington Borough Council to the academy trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations – transfer from local authority on conversion in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

On conversion, the land and buildings of the school have been transferred under a 125 year lease from the Local Authority. No value was paid for the land and buildings which have been incorporated into the accounts as a donated asset at their insurance valuation.

In addition, the Trust inherited the fixtures and fittings and other tangible assets in use by the schools at the date of conversion. Except for certain computer equipment recently purchased, the remaining assets had been held for a significant period of time and were fully depreciated. An estimate of the current fair value was not readily available and the cost of obtaining a valuation was considered to be disproportionate to the value of including such a valuation in the accounts. No value has therefore been included in the accounts for these assets. the insurance value of fixtures and fittings and other assets inherited on conversion was £1,116,286.

Further details of the transaction are set out in note 20.

# WARRINGTON PRIMARY ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2016

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### 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.

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

##### Sponsorship income

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 financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be 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.

# WARRINGTON PRIMARY ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2016

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### 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.

##### Governance costs

These include the costs attributable to the academy trust's compliance with constitutional and statutory requirements, including audit, strategic management, trustees' meetings and reimbursed expenses.

#### 1.6 Intangible fixed assets and amortisation

Intangible assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment. Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

- Purchased computer software - 25% p.a. straight line

#### 1.7 Tangible fixed assets and depreciation

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost or valuation.

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. Where there are specific conditions attached to the funding that require the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet.

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.

# WARRINGTON PRIMARY ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2016

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### 1 Accounting policies

(Continued)

#### 1.8 Liabilities

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

#### 1.9 Leasing and hire purchase commitments

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

#### 1.10 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 prospective unit credit method. As stated in note 15, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore 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 scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses. Actuarial gains and losses are recognised immediately in other recognised gains and losses.

#### 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 funders where the asset acquired or created is held for a specific purpose.

# WARRINGTON PRIMARY ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2016

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### 1 Accounting policies

(Continued)

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Education Funding Agency.

#### 1.13 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 disclosed below.

##### **Present value of the Local Government Pension Scheme defined benefit liability**

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 or income for pensions include the discount rate. Any changes in these assumptions will impact the carrying amount of the pension liability. A provision for the defined benefit liability was not included in these accounts.

##### **Valuation of Land and Buildings**

An EFA valuation of the land and buildings transferred on conversion is not yet available. As such, the insurance valuation of the properties has been used.

##### Critical areas of judgement

There are no other critical areas of judgement in these accounts.

# WARRINGTON PRIMARY ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2016

### 2 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2016 £
<b>DfE / EFA grants</b>			
General annual grant (GAG)	-	152,043	152,043
Start up grants	-	125,000	125,000
Other DfE / EFA grants	-	25,568	25,568
	-	302,611	302,611
<b>Other government grants</b>			
Local authority grants	-	14,584	14,584
Special educational projects	-	5,798	5,798
	-	20,382	20,382
<b>Total funding</b>	-	322,993	322,993

### 3 Expenditure

	Staff costs £	Premises & equipment £	Other costs £	Total 2016 £
<b>Academy's educational operations</b>				
- Direct costs	90,595	-	4,548	95,143
- Allocated support costs	24,011	607	34,883	59,501
	114,606	607	39,431	154,644
<b>Total expenditure</b>	114,606	607	39,431	154,644

<b>Net income/(expenditure) for the period includes:</b>	<b>2016 £</b>
Fees paid to auditor for audit services	6,000

#### Central services

The academy trust has provided the following central services to its academies during the period:

- human resources;
- financial services;
- legal services.

# WARRINGTON PRIMARY ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2016

### 3 Expenditure

(Continued)

The academy trust charges for these services on the following basis:

- 4% of GAG income

The amounts charged during the period were as follows:

	Total £
Penketh Primary School	3,510
Evelyn Street Primary School	2,572
	<hr/>
	6,082
	<hr/>

### 4 Charitable activities

2016  
£

#### All from restricted funds:

Direct costs - educational operations	95,143
Support costs - educational operations	59,501
	<hr/>
	154,644
	<hr/>

2016  
£

#### Analysis of support costs

Support staff costs	24,011
Premises costs	3,604
Other support costs	972
Governance costs	30,914
	<hr/>
	59,501
	<hr/>

### 5 Staff costs

2016  
£

Wages and salaries	90,977
Social security costs	8,024
Operating costs of defined benefit pension schemes	14,432
	<hr/>
Staff costs	113,433
Supply staff costs	1,035
Staff development and other staff costs	138
	<hr/>
Total staff expenditure	114,606
	<hr/>

# WARRINGTON PRIMARY ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2016

### 5 Staff costs

(Continued)

#### Staff numbers

The average number of persons employed by the academy trust during the period was as follows:

	2016 Number
Teachers	22
Administration and support	32
Management	4
	<u>58</u>

#### Higher paid staff

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

	2016 Number
£70,001 - £80,000	<u>1</u>

#### Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team 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 £13,832.

### 6 Trustees' remuneration and expenses

None of the trustees has been paid remuneration or has received other benefits from an employment with the academy trust.

### 7 Trustees and officers insurance

In accordance with normal commercial practice the Academy has taken out insurance, however this is under the Risk Protection Arrangement (RPA) from the EFA. The Trust has been advised that this insurance provides unlimited cover for governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy business. The insurance cost relating to governors is not separately identifiable and is included within the total cost for the RPA

# WARRINGTON PRIMARY ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2016

### 8 Intangible fixed assets

	Software £
<b>Cost</b>	
At 16 May 2016	-
Additions	19,004
At 31 August 2016	19,004
<b>Net book value</b>	
At 31 August 2016	19,004

### 9 Tangible fixed assets

	Land and buildings £	Computer equipment £	Total £
<b>Cost</b>			
At 16 May 2016	-	-	-
Transfer on conversion	6,380,000	11,995	6,391,995
At 31 August 2016	6,380,000	11,995	6,391,995
<b>Depreciation</b>			
At 16 May 2016 and 31 August 2016	-	-	-
<b>Net book value</b>			
At 31 August 2016	6,380,000	11,995	6,391,995

### 10 Debtors

	2016 £
Prepayments and accrued income	385,149

### 11 Creditors: amounts falling due within one year

	2016 £
Other taxation and social security	24,786
Other creditors	21,798
Accruals and deferred income	233,331
	279,915

# WARRINGTON PRIMARY ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2016

<b>12</b>	<b>Deferred income</b>	<b>2016</b>
		<b>£</b>
	Deferred income is included within:	
	Creditors due within one year	168,581
		<u>168,581</u>
	Deferred income at 16 May 2016	-
	Released from previous years	-
	Amounts deferred in the period	168,581
		<u>168,581</u>
	<b>Deferred income at 31 August 2016</b>	<b>168,581</b>
		<u>168,581</u>

<b>13</b>	<b>Funds</b>	<b>Incoming resources</b>	<b>Resources expended</b>	<b>Gains, losses &amp; transfers</b>	<b>Balance at 31 August 2016</b>
		<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
	<b>Restricted general funds</b>				
	General Annual Grant	152,043	(116,699)	-	35,344
	Start up grants	125,000	(30,147)	(19,004)	75,849
	Other DfE / EFA grants	25,568	(6,000)	-	19,568
	Other government grants	20,382	(1,798)	-	18,584
		<u>322,993</u>	<u>(154,644)</u>	<u>(19,004)</u>	<u>149,345</u>
	<b>Funds excluding pensions</b>				
		<u>322,993</u>	<u>(154,644)</u>	<u>(19,004)</u>	<u>149,345</u>
	<b>Restricted fixed asset funds</b>				
	Inherited funds	6,409,930	-	-	6,409,930
	Capital expenditure from GAG and other funds	-	-	19,004	19,004
		<u>6,409,930</u>	<u>-</u>	<u>19,004</u>	<u>6,428,934</u>
	<b>Total restricted funds</b>	<u>6,732,923</u>	<u>(154,644)</u>	<u>-</u>	<u>6,578,279</u>
	<b>Unrestricted funds</b>				
	General funds	95,463	-	-	95,463
		<u>95,463</u>	<u>-</u>	<u>-</u>	<u>95,463</u>
	<b>Total funds</b>	<u>6,828,386</u>	<u>(154,644)</u>	<u>-</u>	<u>6,673,742</u>

# WARRINGTON PRIMARY ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2016

### 13 Funds

(Continued)

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

General Annual Grant must be used for the normal running expenses of the schools and any amounts carried forward at the end of a financial period must be used in accordance with the terms of the Funding Agreement. Neither school is subject to a limit on the GAG carried forward.

Other DFE/EFA grants comprise additional funding received for the furtherance of education, which must be used in accordance with the specific terms of each grant.

Other government grants include LEA funding for Special Educational Needs.

Restricted fixed asset funds include assets inherited on conversion and expenditure out of GAG and other funds.

#### Total funds analysis by academy

Fund balances at 31 August 2016 were allocated as follows:

	Total £
Penketh Primary School	87,822
Evelyn Street Primary School	75,054
Central services	81,932
	<hr/>
Total before fixed assets fund and pension reserve	244,808
Restricted fixed asset fund	6,428,934
Pension reserve	-
	<hr/>
Total funds	6,673,742
	<hr/> <hr/>

#### Total cost analysis by academy

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total £
Penketh Primary School	44,061	-	134	5,241	49,436
Evelyn Street Primary School	65,177	-	4,552	5,411	75,140
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	109,238	-	4,686	10,652	124,576
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

# WARRINGTON PRIMARY ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2016

### 14 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General      Fixed asset £              £		Total 2016 £
<b>Fund balances at 31 August 2016 are represented by:</b>				
Intangible fixed assets	-	-	19,004	19,004
Tangible fixed assets	-	-	6,391,995	6,391,995
Current assets	95,463	429,260	17,935	542,658
Creditors falling due within one year	-	(279,915)	-	(279,915)
	<hr/> 95,463	<hr/> 149,345	<hr/> 6,428,934	<hr/> 6,673,742

### 15 Pensions and similar obligations

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Warrington Borough Council. Both are multi-employer defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012, and that of the LGPS related to the period ended 31 March 2013.

Contributions amounting to £21,561 were payable to the schemes at 31 August 2016 and are included within creditors.

#### Teachers' Pension Scheme

##### Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

##### Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014.

# WARRINGTON PRIMARY ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2016

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### 15 Pensions and similar obligations

(Continued)

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%))
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%

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

The employer's pension costs paid to the TPS in the period amounted to £9,261.

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 a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The 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 employer contributions in the period were £5,171.

The LGPS obligation relates to the employees of the academy trust who were employees transferred as part of the conversion from the maintained school (as described in note 20) together with new employees who joined the scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy trust at the balance sheet date.

A valuation for the LGPS pension liability was not available as at 31 August 2016.

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.

# WARRINGTON PRIMARY ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2016

### 16 Reconciliation of net income to net cash flows from operating activities

2016  
£

Net income for the reporting period	6,673,742
Adjusted for:	
Net deficit/(surplus) transferred on conversion	(6,505,393)
(Increase)/decrease in debtors	(385,149)
Increase/(decrease) in creditors	279,915
Ddebtors and creditors transferred on conversion	113,398
<b>Net cash provided by operating activities</b>	<b>176,513</b>

### 17 Commitments under operating leases

At 31 August 2016 the total future minimum lease payments under non-cancellable operating leases were as follows:

2016  
£

Amounts due within one year	1,184
Amounts due in two and five years	4,341
	<b>5,525</b>

### 18 Related party transactions

No related party transactions took place in the period of account.

### 19 Members' liability

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he 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.

# WARRINGTON PRIMARY ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2016

### 20 Conversion to an academy

On 1 August 2016 Evelyn Street Primary School and Penketh Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Warrington Primary Academy Trust from the Warrington Local Authority for £nil consideration.

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

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

Academy	Location	Date of conversion
Penketh Primary School	Warrington	1 August 2016
Evelyn Street Primary School	Warrington	1 August 2016

	2016 £
<b>Net assets transferred:</b>	
Freehold land and buildings	6,391,995
Accrued income	113,398
	<u>6,505,393</u>

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total 2016 £
<b>Funds surplus/(deficit) transferred:</b>				
Fixed assets funds	-	-	6,409,930	6,409,930
Other funds	95,463	-	-	95,463
	<u>95,463</u>	<u>-</u>	<u>6,409,930</u>	<u>6,505,393</u>

Land and buildings were acquired from the Local Authority on conversion under a 125 year lease and have been incorporated into the accounts as a donated asset, based on their insurance valuation.

Other tangible assets acquired on conversion relate to computer equipment recently purchased and other assets which had been held for a significant period of time and were fully depreciated. An estimate of the current fair value was not readily available for these assets and the cost of obtaining a valuation was considered to be disproportionate to the value of including such a valuation in the accounts. No value has therefore been included in the accounts for these assets.