

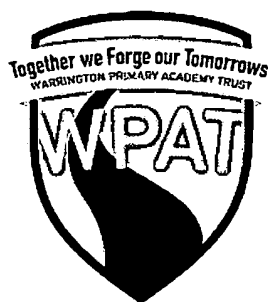
Company Registration No. 10181707 (England and Wales)

WARRINGTON PRIMARY ACADEMY TRUST

(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT AND AUDITED ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2017



TUESDAY



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COMPANIES HOUSE



MHA Moore & Smalley
Trusted Thinking

WARRINGTON PRIMARY ACADEMY TRUST

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WARRINGTON PRIMARY ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Members

J A Cahill - Chair
C A D Smith
P Worrall

Trustees

J A Cahill (Chair)
L J Corlett
P A Johnson
L N Muir (Appointed 4 October 2016 and resigned 25 April 2017)
A B Ross
D Thompson
Mr J A Muir (Appointed 26 April 2017)
Mrs L Smith (CEO)

Senior management team

- CEO, Accounting Officer and Executive Headteacher of Evelyn Street Primary School	L Smith
- Headteacher of Evelyn Street Primary School	J Hindley
- Headteacher of Penketh Primary School	S Dymond
- Headteacher of Bruche Primary School	C Jones
- Finance and Operations Director	N Edwards

Company secretary

C Kressel

Company name

Warrington Primary Academy Trust

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
Bruche Primary School

Location

Warrington	S Dymond
Warrington	J Hindley
Warrington	C Jones

Independent auditor

MHA Moore and Smalley
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 YEAR ENDED 31 AUGUST 2017

The trustees present their annual report together with the accounts and independent auditor's report of the charitable company for the period 1 September 2016 to 31 August 2017. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The trust during this period operated 3 primary academies in Warrington from 1 September 2016 to 31 August 2017. Its academies have a combined pupil capacity of 843 and had a roll of 698 in the school census on January 2017. All three 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 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

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 three community schools. Each of these is systematically being reviewed over the next two years to ensure they are fit for purpose.

Organisational structure

Responsibilities have been allocated to Members, the Trust Board, the CEO and Executive, Committees and Local Governing Bodies. The committees established are Pay, Resources, Audit and Standards.

The Trust Board is also responsible for overall vision and strategy.

WARRINGTON PRIMARY ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

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 other than those disclosed in note 23.

Objectives and activities

Objects and aims

Guiding Principle	To deliver a first class education through partnership, innovation, school improvement and accountability.
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Objectives, strategies and activities

Core Values and Strategic Approach

Core values	Children First	Resilience	Pioneering
	We have high expectations for every child. Everything we do as an organisation is in the interest of children first and foremost.	We are unrelenting in our pursuit of excellence whether it is for educational outcomes or for the business function of WPAT	We are passionate about learning about practice that will improve our children's lives and their outcomes
Strategic approach	Partnership	School Improvement	Accountable
	We work together to take the very best practice from all and to extend our reach to positively influence the outcome for more children	We develop intelligent leaders to lead beyond their schools to influence positively on the outcomes of more children	As an organisation we value quality assurance and see that individuals have a responsibility for doing the best that they can do. We welcome challenge and scrutiny.

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

All Warrington Primary Academy Trust Schools are currently rated as good or outstanding in their latest Ofsted reports. All WPAT schools are oversubscribed for September 2017 intake. Progress and attainment are both equally important for every learner within WPAT and we are relentless in our pursuit of the very best for every child. Many of our schools are regularly in the top 100 schools in the country for key stage 2 results. Our combined drive and passion for accelerated progress from on entry school data, no matter what the barriers for learning are, is what makes our Trust schools so desirable to parents and students.

WARRINGTON PRIMARY ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Key performance indicators

2016/17 was a productive first full year as a Trust. Pupil performance data remains extremely positive. This can be summarised with the following data:

- Ofsted Inspections: All schools are currently judged as Good or Outstanding
- Admissions: Across all three schools, the numbers on roll have increased by 7% since the MAT was formed and 17% since 2014/15
- Pupil Attendance: Overall attendance has improved on previous year from 96.5% to 97.2% and is higher than National for Primary schools (96.0%)
- EYFS: Improved results across all three schools. WPAT as a whole has improved by 5% in the past three years
- KS1: Across WPAT as a whole, reading, writing and maths (RWM) has shown improvement on previous year and is 17.4 percentage points above national average. For this measure, all schools are ranked in the top 13% nationally
- KS2: Across WPAT as a whole, results are in line with previous year and are 20 percentage points above national average. Two of the three schools are ranked in the top 4% nationally for this measure.

Going concern

After making appropriate enquiries, the governing body has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason the governing body 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

All three schools have been academies for the full financial year. The prior period consisted of one month's activity for Evelyn Street.

Total income for the period was £8,351,226 of which £253,281 related to unrestricted funds, £3,400,588 to restricted funds and £4,697,357 to fixed asset funds. Total expenditure for the period was £4,436,321 of which £221,274 related to unrestricted funds, £4,019,669 to restricted funds and £195,378 to fixed asset funds.

Unrestricted reserves carried forward as at 31 August 2017 were £127,470, general restricted funds were in deficit at £475,255 consisting of a £696,000 LGPS deficit liability and restricted income funds of £220,745. Restricted fixed asset funds carried forward were £10,509,432.

The Trust has inherited a deficit in respect of the Local Government Pension Scheme, which many of the non-teaching staff belong to. This deficit had increased to £696,000 by 31 August 2017, mainly due to changes in actuarial assumptions regarding future returns on investments and the present value of future liabilities. Each Academy in the Trust is currently paying contributions towards the deficit, funded out of GAG. The level of these deficit payments is reviewed at each actuarial valuation.

The Trust does not have an obligation to settle this liability immediately and there are no indications that it will crystallise in the foreseeable future. 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.

As at 31 August 2017 the Trust held reserves of £348k (excluding pension reserves and restricted fixed assets funds). This was for Evelyn Street £56k, Penketh £54k, Bruche £36k and WPAT reserve £151k. In addition, £50k was held in an earmarked reserve on behalf of Warrington Teaching School Alliance.

WARRINGTON PRIMARY ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

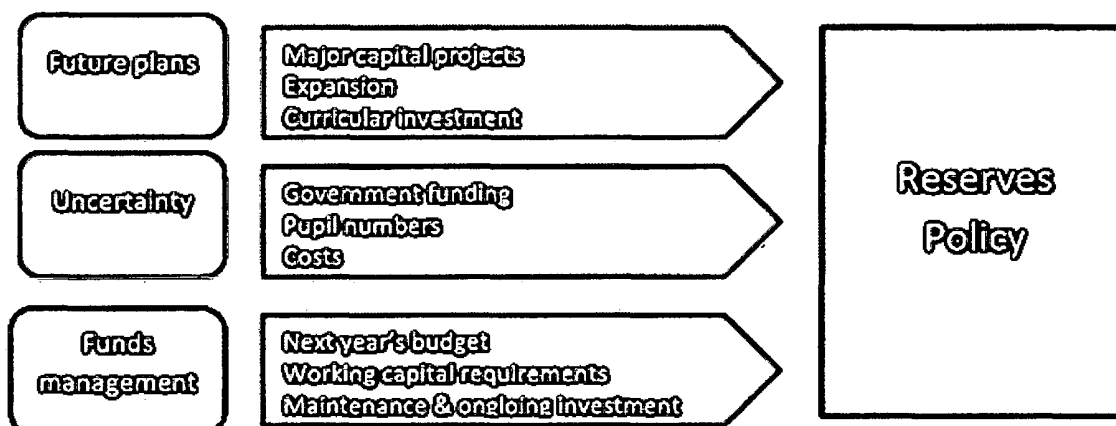
FOR THE YEAR ENDED 31 AUGUST 2017

Reserves policy

The Trustees have established a reserves policy that will be reviewed annually. The review will encompass the nature of the income and expenditure streams, the need to match income with commitments and the nature of reserves. It is the trustees policy to build up unrestricted reserves of 5% which can be used for future education purposes in line with each schools development plan. The trustees will ensure that the reserves policy continues to conform to the requirements laid down in the Academies Financial Handbook produced by DfE.

Investment policy and powers

The Trust has a target to carry forward a prudent value of 5% income in reserves each year. This applies to both school balances and WPAT central resources. Any balances significantly above and below 5% are monitored to ensure future financial viability or plans are implemented to use the funding for the pupils in school now. When academies identify the need to invest in specific capital projects they are able to set aside targeted funds to do so. The Trusts reserve policy is depicted in the diagram below.



Principal risks and uncertainties

The trustees have reviewed the key risks that WPAT is exposed to, together with the operating, financial and compliance controls that have been implemented to mitigate those risks. There is an active risk register that is reported to both Audit and Resources Committee Meetings.

WPAT Financial Regulations have been ratified by the Trust Board. The central financial accounting computer system has been established to ensure that controls and procedures are operating consistently across schools and allow for central reporting and oversight of performance.

Financial and risk management objectives and policies

All budgets have been prepared in detail for the forthcoming year along with three year plans for longer term projections. All schools aim for a 5% balance carried forward. Higher balances will be planned for if future fluctuations are anticipated.

WARRINGTON PRIMARY ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Plans for future periods

- All schools are again anticipated to be oversubscribed for September 2018 intake and therefore funding remains buoyant for WPAT schools.
- All budgets have fully costed three years financial plans and no issues are anticipated at this time due to careful management of resources.
- WPAT attracted significant capital investment in 2016/17 through Condition Improvement Fund (CIF) of £1.6m for the improvement of buildings. This was for roofs and boilers at Penketh and Bruche plus heating repairs at Evelyn Street schools.
- Due to the age of the buildings CIF funding will again be applied for in 2017/18 for essential works to heating pipework.
- The pension deficit discussed elsewhere in this report is a concern for all schools in the country and being managed through a long term strategy.
- There are a further two schools currently in application to join WPAT. The due diligence process is underway while awaiting the Academy Order. Both schools are in credit and have three year financial plans that show a balanced position.

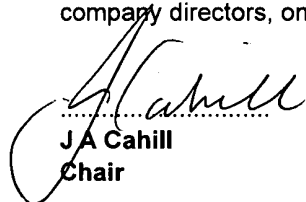
Auditor

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 MHA Moore and Smalley 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 governing body, as the company directors, on 14/12/17 and signed on its behalf by:



J A Cahill
Chair

WARRINGTON PRIMARY ACADEMY TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2017

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.

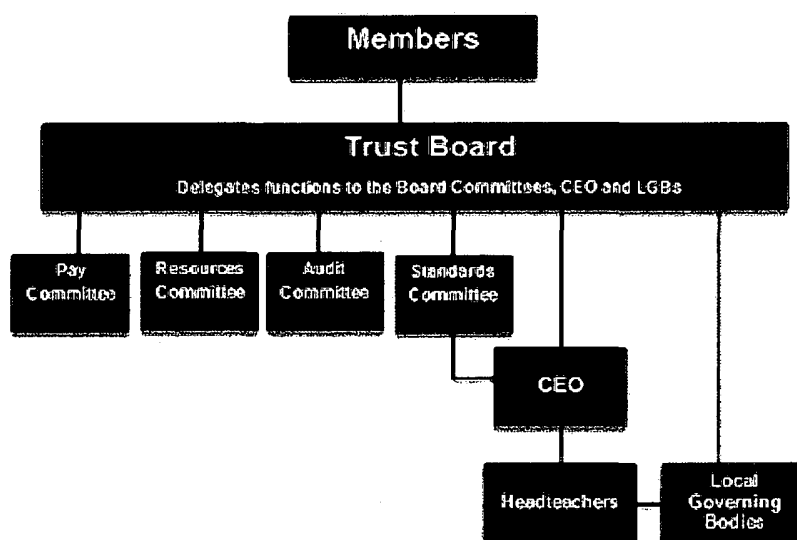
The governing body has delegated the day-to-day responsibility to the , as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement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

Governance

The trustees receive no remuneration for benefits in respect of their duties as trustees but are reimbursed for expenses incurred in carrying out their duties. The Board is constantly reviewed to add to the dynamic of the business functions. A finance and business executive was appointed in April 2017 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.

Trustees	Meetings attended	Out of possible
J A Cahill (Chair)	5	5
L J Corlett	5	5
P A Johnson	5	5
L N Muir (Appointed 4 October 2016 and resigned 25 April 2017)	3	3
A B Ross	3	5
D Thompson	1	5
Mr J A Muir (Appointed 26 April 2017)	1	2
Mrs L Smith (CEO)	5	5

The scheme of delegation has been amended during 2017. This is the key document defining the lines of responsibility and accountability in WPAT. It is simple and systematic way of ensuring that the members of trustees, board committees, local governing bodies and Headteachers are all clear about their roles and responsibilities.



WARRINGTON PRIMARY ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

Review of value for money

As accounting officer the 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.

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 1 September 2016 to 31 August 2017 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 1 September 2016 to 31 August 2017 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:

- robust Financial Regulations have been established with comprehensive budgeting and transactional monitoring systems;
- annual budget and periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the resources 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 has procured internal audit functions from Warrington Borough Council.

The reviewer's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems, however the Board are currently in the process of putting together an internal audit schedule and no visits took place in the year.

WARRINGTON PRIMARY ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

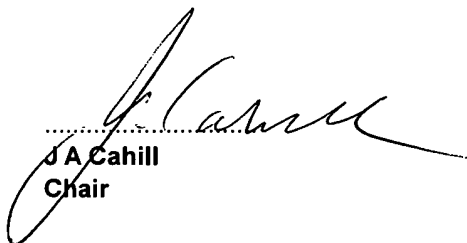
Review of effectiveness

As accounting officer the 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;
- 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.

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 governing body on 14/12/17 and signed on its behalf by:


J A Cahill
Chair



WARRINGTON PRIMARY ACADEMY TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2017

As accounting officer of Warrington Primary Academy Trust I have considered my responsibility to notify the academy trust governing body and the Education and Skills Funding Agency (ESFA) 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 2016.

I confirm that I and the academy trust's governing body 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 2016.

As explained in the governance statement, during the period the Directors considered their responsibility to implement a process for independent checking of financial controls, systems, transactions and risks and appointed an internal auditor. The Board are currently in the process of putting together an internal audit schedule to ensure that these take place going forward.

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 governing body and ESFA.



Mrs L Smith
Accounting Officer

14/12/17

WARRINGTON PRIMARY ACADEMY TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2017

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 and Skills 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:

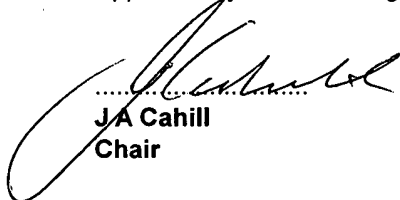
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting 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 governing body on 14/12/17 and signed on its behalf by:



J.A. Cahill
Chair

WARRINGTON PRIMARY ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WARRINGTON PRIMARY ACADEMY TRUST

Opinion

We have audited the accounts of Warrington Primary Academy Trust for the year ended 31 August 2017 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 2015 and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2017 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the accounts' section of our report. We are independent of the academy trust in accordance with the ethical requirements that are relevant to our audit of the accounts in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the accounts is not appropriate; or
- the trustees have not disclosed in the accounts any identified material uncertainties that may cast significant doubt about the academy trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the accounts are authorised for issue.

Other information

The other information comprises the information included in the annual report, other than the accounts and our auditor's report thereon. The trustees are responsible for the other information. 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.

WARRINGTON PRIMARY ACADEMY TRUST

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

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the Trustees' Report including the incorporated strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the 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 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.

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 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 financial statements

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

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

WARRINGTON PRIMARY ACADEMY TRUST

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

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. 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 auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Christine Wilson (Senior Statutory Auditor)
for and on behalf of MHA Moore and Smalley
Chartered Accountants
Statutory Auditor

Richard House
9 Winckley Square
Preston
PR1 3HP

18/02/17

WARRINGTON PRIMARY ACADEMY TRUST

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

In accordance with the terms of our engagement letter dated 24 June 2016 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, 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 1 September 2016 to 31 August 2017 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 ESFA 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 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 Warrington Primary Academy Trust and ESFA, 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 2016 to 2017. 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 2016 to 31 August 2017 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 2016 to 2017 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 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 AND SKILLS FUNDING AGENCY (CONTINUED)

Conclusion

As noted in the Accounting Officer's Statement of Regularity, Propriety and Company, during the year the Directors considered their responsibility to implement a process for independent checking of financial controls, systems, transactions and risks and appointed an internal auditor. The Board are currently in the process of putting together an internal audit schedule to ensure that these take place going forward.

Notwithstanding the above, 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 1 September 2016 to 31 August 2017 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

MHA Moore and Smalley

Reporting Accountant
MHA Moore and Smalley

18.1.2017

WARRINGTON PRIMARY ACADEMY TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2017

		Unrestricted funds	Restricted general funds	Restricted fixed asset funds	Total 2017	Total 2016
	Notes	£	£	£	£	as restated £
Income and endowments from:						
Donations and capital grants	3	298	52,458	1,629,357	1,682,113	-
Donations - transfer from local authority on conversion	25	44,003	(105,000)	3,068,000	3,007,003	6,199,393
Charitable activities:						
- Funding for educational operations	4	181,260	3,160,261	-	3,341,521	322,993
- Funding for teaching school		-	292,869	-	292,869	-
Other trading activities	5	27,691	-	-	27,691	-
Investments	6	29	-	-	29	-
Total income and endowments		<u>253,281</u>	<u>3,400,588</u>	<u>4,697,357</u>	<u>8,351,226</u>	<u>6,522,386</u>
Expenditure on:						
Charitable activities:						
- Educational operations	8	221,274	3,776,565	195,378	4,193,217	154,644
- Teaching school		-	243,104	-	243,104	-
Total expenditure	7	<u>221,274</u>	<u>4,019,669</u>	<u>195,378</u>	<u>4,436,321</u>	<u>154,644</u>
Net income/(expenditure)		32,007	(619,081)	4,501,979	3,914,905	6,367,742
Transfers between funds		-	421,481	(421,481)	-	-
Other recognised gains and losses						
Actuarial losses on defined benefit pension schemes	19	-	(121,000)	-	(121,000)	-
Net movement in funds		<u>32,007</u>	<u>(318,600)</u>	<u>4,080,498</u>	<u>3,793,905</u>	<u>6,367,742</u>
Reconciliation of funds						
Total funds brought forward		95,463	(156,655)	6,428,934	6,367,742	-
Total funds carried forward	17	<u>127,470</u>	<u>(475,255)</u>	<u>10,509,432</u>	<u>10,161,647</u>	<u>6,367,742</u>

WARRINGTON PRIMARY ACADEMY TRUST

BALANCE SHEET

AS AT 31 AUGUST 2017

		2017		2016 as restated	
	Notes	£	£	£	£
Fixed assets					
Intangible assets	12		12,668		19,004
Tangible assets	13		9,285,328		6,391,995
			<u>9,297,996</u>		<u>6,410,999</u>
Current assets					
Debtors	14	732,778		385,149	
Cash at bank and in hand		1,365,075		157,509	
		<u>2,097,853</u>		<u>542,658</u>	
Current liabilities					
Creditors: amounts falling due within one year	15	(538,202)		(279,915)	
Net current assets			<u>1,559,651</u>		<u>262,743</u>
Net assets excluding pension liability			<u>10,857,647</u>		<u>6,673,742</u>
Defined benefit pension liability	19		(696,000)		(306,000)
Net assets			<u><u>10,161,647</u></u>		<u><u>6,367,742</u></u>
Funds of the academy trust:					
Restricted funds	17				
- Fixed asset funds			10,509,432		6,428,934
- Restricted income funds			220,745		149,345
- Pension reserve			(696,000)		(306,000)
Total restricted funds			<u>10,034,177</u>		<u>6,272,279</u>
Unrestricted income funds	17		<u>127,470</u>		<u>95,463</u>
Total funds			<u><u>10,161,647</u></u>		<u><u>6,367,742</u></u>

The accounts set out on pages 17 to 42 were approved by the governing body and authorised for issue on 14/09/17 and are signed on its behalf by:


J A Cahill
Chair

Company Number 10181707

WARRINGTON PRIMARY ACADEMY TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2017

		2017		2016 as restated	
	Notes	£	£	£	£
Cash flows from operating activities					
Net cash provided by (used in) operating activities	22		(451,448)		176,513
Cash funds transferred on conversion			44,003		-
			<u>(407,445)</u>		<u>176,513</u>
Cash flows from investing activities					
Dividends, interest and rents from investments		29	-	-	-
Capital grants from DfE and ESFA		1,629,357	-	-	-
Payments to acquire intangible fixed assets		-	(19,004)	(19,004)	-
Payments to acquire tangible fixed assets		(14,375)	-	-	-
		<u></u>	<u>1,615,011</u>	<u>(19,004)</u>	<u>(19,004)</u>
Change in cash and cash equivalents in the reporting period			<u>1,207,566</u>		<u>157,509</u>
Cash and cash equivalents at 1 September 2016			157,509		-
Cash and cash equivalents at 31 August 2017			<u><u>1,365,075</u></u>		<u><u>157,509</u></u>

WARRINGTON PRIMARY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2017

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 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

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 25.

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.

WARRINGTON PRIMARY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies

(Continued)

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

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'.

Donated fixed assets

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.

WARRINGTON PRIMARY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

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:

- 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.

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 basis over its expected useful life, as follows:

Land and buildings	2% p.a. straight line
Computer equipment	25% p.a. straight line
Fixtures, fittings & equipment	20% p.a. straight line

WARRINGTON PRIMARY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies

(Continued)

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.

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 Financial instruments

The academy trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the academy trust and their measurement basis are as follows.

Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition.

Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.11 Taxation

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

1.12 Pensions benefits

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

WARRINGTON PRIMARY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

1 Accounting policies

(Continued)

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 19, 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.

1.13 Fund accounting

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

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

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

WARRINGTON PRIMARY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

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 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 which is based on a reinstatement value. Land and buildings will be reinstated at the EFA valuation once this is received, which is expected to be January 2018.

Critical areas of judgement

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

3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Capital grants	-	1,629,357	1,629,357	-
Other donations	298	52,458	52,756	-
	<u>298</u>	<u>1,681,815</u>	<u>1,682,113</u>	<u>-</u>

The income from donations and capital grants was £1,682,113 (2016: £-) of which £298 was unrestricted (2016: £-), £52,458 was restricted (2016: £-) and £1,629,357 was restricted fixed assets (2016: £-).

WARRINGTON PRIMARY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

4 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
DfE / ESFA grants				
General annual grant (GAG)	-	2,601,070	2,601,070	152,043
Start up grants	-	25,000	25,000	125,000
Other DfE / ESFA grants	-	352,372	352,372	25,568
National College grants	-	103,640	103,640	-
	-	3,082,082	3,082,082	302,611
Other government grants				
Local authority grants	-	160,500	160,500	14,584
Special educational projects	-	-	-	5,798
	-	160,500	160,500	20,382
Other funds				
Teaching School income	-	189,229	189,229	-
Other incoming resources	181,260	21,319	202,579	-
	181,260	210,548	391,808	-
Total funding	181,260	3,453,130	3,634,390	322,993

The income from funding for educational operations was £3,634,390 (2016: £322,993) of which £181,260 was unrestricted (2016: £-) and £3,453,130 was restricted (2016: £322,993).

5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Hire of facilities	19,503	-	19,503	-
Other income	8,188	-	8,188	-
	27,691	-	27,691	-

The income from other trading activities was £27,691 (2016: £-) of which £27,691 was unrestricted (2016: £-).

WARRINGTON PRIMARY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Short term deposits	29	-	29	-

The income from funding for investment income was £29 (2016: £-) of which £29 was unrestricted (2016: £-).

7 Expenditure

	Staff costs £	Premises & equipment £	Other costs £	Total 2017 £	Total 2016 £
Academy's educational operations					
- Direct costs	2,050,325	10,807	308,051	2,369,183	95,143
- Allocated support costs	597,877	883,905	342,252	1,824,034	59,501
Teaching school					
- Direct costs	56,992	-	166,527	223,519	-
- Allocated support costs	-	10,573	9,012	19,585	-
	<u>2,705,194</u>	<u>905,285</u>	<u>825,842</u>	<u>4,436,321</u>	<u>154,644</u>

Net income/(expenditure) for the year includes:	2017 £	2016 £
Fees payable to auditor for audit services	10,750	6,000
Depreciation of tangible fixed assets	195,378	-
Net interest on defined benefit pension liability	14,000	-

Central services

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

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

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

- 4% of GAG income

WARRINGTON PRIMARY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

7 Expenditure

(Continued)

The amounts charged during the year were as follows:

	Total £
Penketh Primary School	30,926
Evelyn Street Primary School	42,005
Bruche Primary School	31,111
	<u>104,042</u>

8 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2017 £	Total 2016 £
Direct costs - educational operations	177,085	2,192,098	2,369,183	95,143
Direct costs - teaching school	-	223,519	223,519	-
Support costs - educational operations	44,189	1,779,845	1,824,034	59,501
Support costs - teaching school	-	19,585	19,585	-
	<u>221,274</u>	<u>4,215,047</u>	<u>4,436,321</u>	<u>154,644</u>

The expenditure on educational operations was £4,193,217 (2016: £154,644) of which £221,274 was unrestricted (2016: £-), £3,776,565 was restricted (2016: £154,644) and £195,378 was restricted fixed assets (2016: £-).

The expenditure on teaching school was £243,104 (2016: £-) of which £243,104 was restricted (2016: £-).

	Teaching school £	Educational operations £	Total 2017 £	Total 2016 £
Analysis of support costs				
Support staff costs	-	597,877	597,877	24,011
Depreciation and amortisation	-	184,571	184,571	-
Premises costs	9,465	676,167	685,632	3,604
Other support costs	10,120	366,809	362,929	972
Governance costs	-	12,610	12,610	30,914
	<u>19,585</u>	<u>1,838,034</u>	<u>1,843,619</u>	<u>59,501</u>

WARRINGTON PRIMARY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

9 Staff costs

	2017 £	2016 £
Wages and salaries	1,975,595	90,977
Social security costs	175,900	8,024
Operating costs of defined benefit pension schemes	477,889	14,432
Staff costs	2,629,384	113,433
Supply staff costs	75,810	1,035
Total staff expenditure	2,705,194	114,468

Staff numbers

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

	2017 Number	2016 Number
Teachers	35	22
Administration and support	58	32
Management	5	4
	98	58

Higher paid staff

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

	2017 Number	2016 Number
£60,001 - £70,000	2	-
£70,001 - £80,000	-	1
£90,001 - £100,000	1	-

The above employees participated in the Teacher's Pension Scheme and the Local Government Pension Scheme. During the year ended 31 August 2017 employer's pension contributions for these members of staff amounted to £35,726 (2016: £nil).

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 £351,670 (2016: £13,832).

WARRINGTON PRIMARY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

10 Trustees' remuneration and expenses

None of the trustees has been paid remuneration or has received other benefits from an employment with the academy trust other than those set out below:

Louise Smith - Headteacher and CEO

Remuneration £95,001 - £100,000 (2016: £nil - £5,000)

Employer's pension contributions £15,001 - £20,000 (2016: £nil - £5,000)

During the year ended 31 August 2017 no expenses were reimbursed to the trustees (2016:£nil).

Related party transactions involving the governors are set out in note 23.

11 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

12 Intangible fixed assets

	Computer software £
Cost	
At 1 September 2016 and at 31 August 2017	19,004
Amortisation	
At 1 September 2016	-
Charge for year	6,336
At 31 August 2017	6,336
Net book value	
At 31 August 2017	12,668
At 31 August 2016	-

WARRINGTON PRIMARY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

13 Tangible fixed assets

	Land and buildings	Computer equipment	Fixtures, fittings & equipment	Total
	£	£	£	£
Cost				
At 1 September 2016	6,380,000	11,995	-	6,391,995
Additions	3,068,000	3,425	10,950	3,082,375
At 31 August 2017	9,448,000	15,420	10,950	9,474,370
Depreciation				
At 1 September 2016	-	-	-	-
Charge for the year	183,839	4,471	732	189,042
At 31 August 2017	183,839	4,471	732	189,042
Net book value				
At 31 August 2017	9,264,161	10,949	10,218	9,285,328
At 31 August 2016	6,380,000	11,995	-	6,391,995

14 Debtors

	2017 £	2016 £
Trade debtors	2,910	-
VAT recoverable	69,931	-
Other debtors	714	-
Prepayments and accrued income	659,223	385,149
	732,778	385,149

15 Creditors: amounts falling due within one year

	2017 £	2016 £
Trade creditors	42,845	-
Other taxation and social security	46,433	24,786
Other creditors	42,869	21,798
Accruals and deferred income	406,055	233,331
	538,202	279,915

WARRINGTON PRIMARY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

16	Deferred income				2017	2016
					£	£
	Deferred income is included within:					
	Creditors due within one year				179,404	168,581
	Deferred income at 1 September 2016				168,581	-
	Released from previous years				(168,581)	-
	Amounts deferred in the year				179,404	168,581
	Deferred income at 31 August 2017				179,404	168,581
17	Funds					
		Balance at			Gains,	Balance at
		1 September			losses and	31 August
		2016	Income	Expenditure	transfers	2017
		£	£	£	£	£
	Restricted general funds					
	General Annual Grant	35,344	2,601,070	(3,039,406)	421,481	18,489
	Start up grants	75,849	25,000	(30,611)	-	70,238
	Other DfE / ESFA grants	19,568	352,372	(325,528)	-	46,412
	Other government grants	14,584	160,500	(175,084)	-	-
	Teaching school	-	292,869	(243,104)	-	49,765
	Other restricted funds	4,000	73,777	(41,936)	-	35,841
	Funds excluding pensions	149,345	3,505,588	(3,855,669)	421,481	220,745
	Pension reserve	(306,000)	(105,000)	(164,000)	(121,000)	(696,000)
		(156,655)	3,400,588	(4,019,669)	300,481	(475,255)
	Restricted fixed asset funds					
	Transferred on conversion	6,409,930	3,068,000	(187,835)	(17,935)	9,272,160
	DfE / ESFA capital grants	-	1,629,357	(1,207)	(403,546)	1,224,604
	Capital expenditure from GAG and other funds	19,004	-	(6,336)	-	12,668
		6,428,934	4,697,357	(195,378)	(421,481)	10,509,432
	Total restricted funds	6,272,279	8,097,945	(4,215,047)	(121,000)	10,034,177
	Unrestricted funds					
	General funds	95,463	253,281	(221,274)	-	127,470
	Total funds	6,367,742	8,351,226	(4,436,321)	(121,000)	10,161,647

WARRINGTON PRIMARY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

17 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.

Movements in funds - previous year

	Balance at 16 May 2016 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2016 £
Restricted general funds					
General Annual Grant	-	152,043	(116,699)	-	35,344
Start up grants	-	125,000	(30,147)	(19,004)	75,849
Other DfE / ESFA grants	-	25,568	(6,000)	-	19,568
Other government grants	-	20,382	(1,798)	-	18,584
	<u>-</u>	<u>322,993</u>	<u>(154,644)</u>	<u>(19,004)</u>	<u>149,345</u>
Funds excluding pensions	-	322,993	(154,644)	(19,004)	149,345
Pension reserve	-	(306,000)	-	-	(306,000)
	<u>-</u>	<u>16,993</u>	<u>(154,644)</u>	<u>(19,004)</u>	<u>(156,655)</u>
Restricted fixed asset funds					
Transferred on conversion	-	6,409,930	-	-	6,409,930
Capital expenditure from GAG and other funds	-	-	-	19,004	19,004
	<u>-</u>	<u>6,409,930</u>	<u>-</u>	<u>19,004</u>	<u>6,428,934</u>
Total restricted funds	<u>-</u>	<u>6,426,923</u>	<u>(154,644)</u>	<u>-</u>	<u>6,272,279</u>
Unrestricted funds					
General funds	-	95,463	-	-	95,463
Total funds	<u>-</u>	<u>6,522,386</u>	<u>(154,644)</u>	<u>-</u>	<u>6,367,742</u>

WARRINGTON PRIMARY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

17 Funds

(Continued)

Total funds analysis by academy

	Total £
Fund balances at 31 August 2017 were allocated as follows:	
Penketh Primary School	54,436
Evelyn Street Primary School	105,566
Bruche Primary School	36,751
Central services	151,462
Total before fixed assets fund and pension reserve	348,215
Restricted fixed asset fund	10,509,432
Pension reserve	(696,000)
Total funds	10,161,647

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	612,807	75,568	99,131	337,365	1,124,871
Evelyn Street Primary School	836,124	185,347	268,516	324,930	1,614,917
Bruche Primary School	658,387	87,482	90,615	316,920	1,153,404
Central services	-	85,480	16,314	245,959	347,753
	2,107,318	433,877	474,576	1,225,174	4,240,945

WARRINGTON PRIMARY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

17 Funds

(Continued)

Funds analysis by academy - previous year

	Total 2016 £
Fund balances at 31 August 2016 were allocated as follows:	
Penketh Primary School	87,822
Evelyn Street Primary School	75,054
Central services	81,932
Total before fixed assets fund and pension reserve	244,808
Restricted fixed asset fund	6,428,934
Pension reserve	(306,000)
Total funds	6,367,742

Total cost analysis by academy - previous year

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2016 £
Penketh Primary School	44,061	-	134	5,241	49,436
Evelyn Street Primary School	65,177	-	4,552	5,411	75,140
	109,238	-	4,686	10,652	124,576

18 Analysis of net assets between funds

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total 2017 £
Fund balances at 31 August 2017 are represented by:				
Intangible fixed assets	-	-	12,668	12,668
Tangible fixed assets	-	-	9,285,328	9,285,328
Current assets	127,470	758,947	1,211,436	2,097,853
Creditors falling due within one year	-	(538,202)	-	(538,202)
Defined benefit pension liability	-	(696,000)	-	(696,000)
	127,470	(475,255)	10,509,432	10,161,647

WARRINGTON PRIMARY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

18 Analysis of net assets between funds

(Continued)

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total 2016 £
Fund balances at 31 August 2016 are represented by:				
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)
Defined benefit pension liability	-	(306,000)	-	(306,000)
	<u>95,463</u>	<u>(156,655)</u>	<u>6,428,934</u>	<u>6,367,742</u>

19 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 2017 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

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 YEAR ENDED 31 AUGUST 2017

19 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 (previously 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 is currently underway based on April 2016 data, 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 £178,925.

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 £134,965.

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 25) 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.

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	2017 £	2016 £
Employer's contributions (rounded)	135,000	-
Employees' contributions (rounded)	46,000	-
Total contributions	181,000	-

WARRINGTON PRIMARY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

19 Pensions and similar obligations

(Continued)

Principal actuarial assumptions	2017 %	2016 %
Rate of increases in salaries	2.7	2.2
Rate of increase for pensions in payment	2.4	1.9
Discount rate	2.5	2.5
Inflation assumption (CPI)	2.2	1.8

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

	2017 Years	2016 Years
Retiring today		
- Males	22.3	22.3
- Females	24.5	24.5
Retiring in 20 years		
- Males	23.9	23.9
- Females	26.5	26.5

The academy trust's share of the assets in the scheme

	2017 Fair value £	2016 Fair value £
Equities	523,000	233,000
Bonds	429,000	204,000
Cash	21,000	39,000
Property	73,000	10,000
Total market value of assets	1,046,000	486,000

Actual return on scheme assets - gain/(loss)	116,000	-
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Amounts recognised in the statement of financial activities

	2017 £	2016 £
Current service cost	150,000	-
Interest cost	14,000	-
Total operating charge	164,000	-

WARRINGTON PRIMARY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

19 Pensions and similar obligations (Continued)

Changes in the present value of defined benefit obligations	2017 £	2016 £
Obligations at 1 September 2016	792,000	-
Obligations acquired on conversion	413,000	792,000
Current service cost	240,000	-
Interest cost	36,000	-
Employee contributions	46,000	-
Actuarial loss	215,000	-
At 31 August 2017	<u>1,742,000</u>	<u>792,000</u>

Changes in the fair value of the academy trust's share of scheme assets

	2017 £	2016 £
Assets at 1 September 2016	486,000	-
Assets acquired on conversion	263,000	486,000
Interest income	22,000	-
Actuarial gain	94,000	-
Employer contributions	135,000	-
Employee contributions	46,000	-
At 31 August 2017	<u>1,046,000</u>	<u>486,000</u>

20 Commitments under operating leases

At 31 August 2017 the total future minimum lease payments under non-cancellable operating leases were as follows:

	2017 £	2016 £
Amounts due within one year	4,131	1,184
Amounts due in two and five years	12,051	4,341
	<u>16,182</u>	<u>5,525</u>

21 Capital commitments

	2017 £	2016 £
Expenditure contracted for but not provided in the accounts	<u>1,216,631</u>	<u>-</u>

WARRINGTON PRIMARY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2017

22 Reconciliation of net income to net cash flows from operating activities

	2017 £	2016 £
Net income for the reporting period	3,914,905	6,367,742
Adjusted for:		
Net surplus on conversion to academy	(3,007,003)	(6,199,393)
Capital grants from DfE/ESFA and other capital income	(1,629,357)	-
Investment income receivable	(29)	-
Defined benefit pension costs less contributions payable	150,000	-
Defined benefit pension net finance cost	14,000	-
Depreciation of tangible fixed assets	195,378	-
(Increase) in debtors	(347,629)	(385,149)
Increase in creditors	258,287	279,915
Stocks, debtors and creditors transferred on conversion	-	113,398
Net cash used in operating activities	(451,448)	176,513

23 Related party transactions

Owing to the nature of the academy trust's operations and the composition of the governing body 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 transactions took place in the period of account.

During the year two of the Trust directors, Louise Corlett and Penny Johnson provided consultancy of £1,925 and £750, respectively, to the Trust in relation to the Teaching School (2016: £nil).

The academy procured the above services at arms' length in accordance with its financial regulations, which the above individuals neither participated in, nor influenced. In entering into the transactions the academy has complied with the requirements of ESFA's Academies Financial Handbook 2016.

24 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 YEAR ENDED 31 AUGUST 2017

25 Conversion to an academy

On 1 September 2016 Bruche 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 conversion.

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

Academy	Location	Date of conversion
Bruche Primary School	Warrington	1 September 2016

Net assets transferred:	2017 £
Leasehold land and buildings	3,068,000
Cash	44,003
LGPS pension surplus/(deficit)	(105,000)
	<u>3,007,003</u>

	Unrestricted Funds £	Restricted funds:		Total 2017 £
Funds surplus/(deficit) transferred:		General £	Fixed asset £	
Fixed assets funds	-	-	3,068,000	3,068,000
LGPS pension funds	-	(105,000)	-	(105,000)
Other funds	44,003	-	-	44,003
	<u>44,003</u>	<u>(105,000)</u>	<u>3,068,000</u>	<u>3,007,003</u>

Land and buildings were donated by 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.

WARRINGTON PRIMARY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2017

26 Prior period adjustment

A prior period adjustment affected the figures reported for the comparative period for funds and net income or expenditure, as follows.

	Notes	1 September 2015 £	31 August 2016 £
Reconciliation of funds			
Funds as previously reported		-	6,673,742
Adjustments arising:			
Inclusion of FRS 102 pension liability		-	(306,000)
Funds as restated		-	6,367,742
Reconciliation of net income for the previous financial period	Notes		2016 £
Net income as previously reported			6,673,742
Adjustments arising:			
Inclusion of FRS 102 pension liability			(306,000)
Net income as restated			6,367,742

Notes to restatement

A valuation of the Local Government Pension Scheme deficit was not available for the period ended 31 August 2016. In the year ended 31 August 2017 a prior period adjustment has been made to include opening values provided on the valuation at that date, bringing in the opening value of the LGPS deficit at 1 September 2016 of £306,000.