

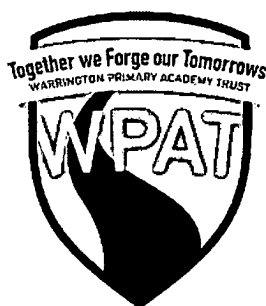
Company Registration No. 10181707 (England and Wales)

WARRINGTON PRIMARY ACADEMY TRUST

(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2018



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 (Resigned 25 April 2018)
P Worrall (Resigned 8 September 2017)
J Collacott (Appointed 27 April 2018)
J Martin (Appointed 27 April 2018)
J Greaves (Appointed 27 April 2018)
M Holt (Appointed 27 April 2018, Resigned 25 September 2018)

Trustees

J A Cahill (Chair)
C Smith (Appointed 25 April 2018)
L J Corlett (Resigned 17 July 2018)
P A Johnson
A B Ross
D Thompson
J A Muir (Resigned 3 December 2018)
R Catchpole (Appointed 25 April 2018)
P Bishop (Appointed 25 April 2018)

Senior management team

- CEO, Accounting Officer and Executive L Smith
Headteacher of Evelyn Street Primary School
- Headteacher of Evelyn Street Primary School J Hindley
- Headteacher of Penketh Primary School R Kayll
- Headteacher of Bruche Primary School C Jones
- Headteacher of Beamont Primary School K Morris
- Headteacher of Alderman Bolton P Warding
- Finance and Operations Director and CFO 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
Alderman Bolton Primary School
Beamont Primary School

Location

Warrington
Warrington
Warrington
Warrington
Warrington

R Kayll
J Hindley
C Jones
P Warding
K Morris

WARRINGTON PRIMARY ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

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 2018

The Trustees present their annual report together with the accounts and auditor's report of the charitable company for the year 1 September 2017 to 31 August 2018. The annual report serves the purposes of both a Trustees' Report, and a Directors' Report under company law.

The Trust welcomed two new schools into Warrington Primary Academy Trust (WPAT) on 1 May 2018. Its academy schools now have a combined pupil capacity of 1,587 and have a roll of 1,448 in the school census in January 2018.

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 WPAT 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 appoint by ordinary resolution up to 5 Trustees, additional Trustees are co-opted by the Trust Board.

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/she resigns their office by notice to the Academy Trust or if he/she is removed by the person or persons who appointed or elected them, 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 2018

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 to these key strategic personnel.

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the relevant period	2
Full-time equivalent employee number	97.20

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	2
1%-50%	-
51%-99%	-
100%	-

Percentage of pay bill spent on facility time

Total cost of facility time	-
Total pay bill	2,709,464
Percentage of the total pay bill spent on facility time	-

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	-
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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 25.

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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WARRINGTON PRIMARY ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Objectives, strategies and activities

Core Values and Strategic Approach

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

WARRINGTON PRIMARY ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Strategic Report

Achievements and performance

All Warrington Primary Academy Trust Schools are currently rated as good or outstanding in their latest Ofsted reports. Progress and attainment are both equally important for every learner within WPAT and we are relentless in our pursuit of excellence for every child. Many of our schools are regularly in the top 100 schools in the country for key stage 2 results and/or progress. 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.

The 2017/18 end of year performance data is shown below.

Alderman Bolton Primary

EYFS Good level of development: 68.2%

Phonics % at expected standard in Y1: 82.1%

Key Stage One

Expected Standard in Reading: 73.0%

Expected Standard in Writing: 73.0%

Expected standard in Maths: 81.1%

Key Stage Two

Expected Standard in Reading: 71.1%

Expected Standard in Writing: 71.1%

Expected standard in Maths: 78.9%

Expected standard in RWM: 71.9%

Greater Depth in Reading: 12.5%

Greater Depth in Writing: 18.8%

Greater Depth in Maths: 28.1%

Greater Depth in RWM: 9.4%

Beamont Primary

EYFS Good level of development: 62.7%

Phonics % at expected standard in Y1: 78.3%

Key Stage One

Expected Standard in Reading: 63.8%

Expected Standard in Writing: 62.1%

Expected standard in Maths: 67.2%

Key Stage Two

Expected Standard in Reading: 69.8%

Expected Standard in Writing: 66.7%

Expected standard in Maths: 64.8%

Expected standard in RWM: 50.9%

Greater Depth in Reading: 18.5%

Greater Depth in Writing: 14.8%

Greater Depth in Maths: 14.8%

Greater Depth in RWM: 3.7%

WARRINGTON PRIMARY ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Achievements and performance (continued)

Penketh Primary

EYFS Good level of development: 76.7%

Phonics % at expected standard in Y1: 85.7%

Key Stage One

Expected Standard in Reading: 80.0%

Expected Standard in Writing: 80.0%

Expected standard in Maths: 83.3%

Key Stage Two

Expected Standard in Reading: 96.8%

Expected Standard in Writing: 80.6%

Expected standard in Maths: 90.3%

Expected standard in RWM: 80.6%

Greater Depth in Reading: 41.9%

Greater Depth in Writing: 16.1%

Greater Depth in Maths: 19.4%

Greater Depth in RWM: 3.2%

Evelyn Street Primary

EYFS Good level of development: 74.4%

Phonics % at expected standard in Y1: 95.2%

Key Stage One

Expected Standard in Reading: 88.6%

Expected Standard in Writing: 84.1%

Expected standard in Maths: 88.6%

Key Stage Two

Expected Standard in Reading: 100%

Expected Standard in Writing: 100%

Expected standard in Maths: 100%

Expected standard in RWM: 100%

Greater Depth in Reading: 80%

Greater Depth in Writing: 60%

Greater Depth in Maths: 76%

Greater Depth in RWM: 52%

Bruche Primary

EYFS Good level of development: 83.3%

Phonics % at expected standard in Y1: 93.5%

Key Stage One

Expected Standard in Reading: 82.1%

Expected Standard in Writing: 82.1%

Expected standard in Maths: 87.2%

Key Stage Two

Expected Standard in Reading: 96.6%

Expected Standard in Writing: 100%

Expected standard in Maths: 100%

Expected standard in RWM: 96.6%

Greater Depth in Reading: 27.6%

Greater Depth in Writing: 55.2%

Greater Depth in Maths: 48.3%

Greater Depth in RWM: 27.6%

WARRINGTON PRIMARY ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Key performance indicators

2017/18 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 five schools, the numbers on roll have increased by 5%
- Pupil Attendance: Overall attendance has improved on previous year to 96.0% and is in line with National for Primary schools
- EYFS: Improved or stable results across all five schools. Results for WPAT as a whole have increased since forming and remain above National.
- KS1: Since 2015/16, results in all WPAT schools have remained stable or have increased. As a whole results are above National average.
- KS2: Across WPAT as a whole, results are in line with previous year and are 9pp above National average.

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

Bruche, Evelyn Street and Penketh Primary Schools have been academies for the full financial year, Beamont and Alderman Bolton Schools joined WPAT on 1 May 2018.

Total income for the period was £15,143,013 of which £517,485 related to unrestricted funds, £5,179,179 to restricted funds and £9,446,349 to fixed asset funds. Total expenditure for the period was £7,141,292 of which £280,585 related to unrestricted funds, £6,559,940 to restricted funds and £264,767 to fixed asset funds.

Unrestricted reserves carried forward as at 31 August 2018 were £364,370 general restricted funds were in deficit at £329,027 consisting of a £996,000 LGPS deficit liability and restricted income funds of £666,973. Restricted fixed asset funds carried forward were £18,382,025.

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 £996,000 by 31 August 2018, 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 2018 the Trust held reserves of £1,031k (excluding pension reserves and restricted fixed assets funds). This was for Evelyn Street £86k, Penketh £44k, Bruche £7k, Beamont £239k, Alderman Bolton £193k and WPAT reserve £12k. In addition, £450k 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 2018

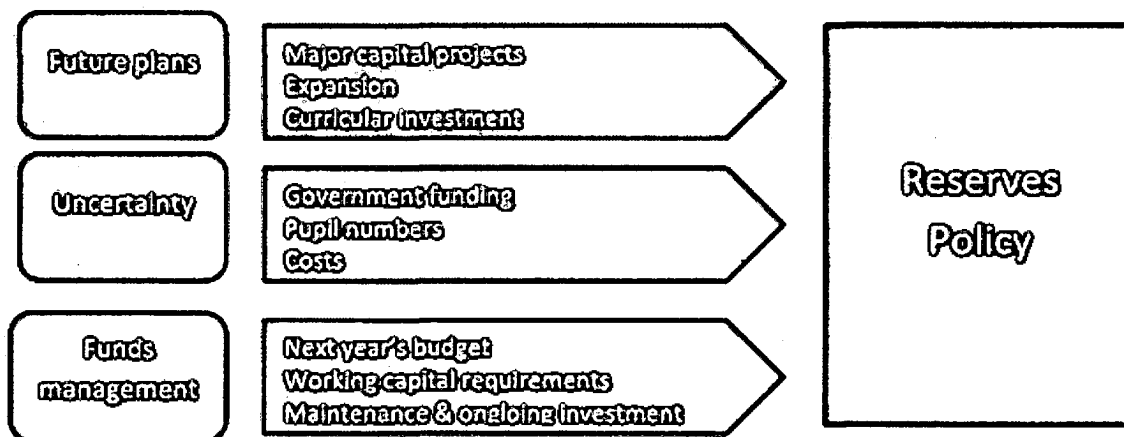
The financial impact of bringing two new schools into WPAT has been significant as it has doubled the size of the pupil cohort and the funding accounted for through the trust. WTSA were also selected by DfE to run a North West regional project to support schools to raise attainment in writing, communication and language for EYFS pupils, bringing £868k training investment into the area.

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% total GAG, income generation and carry forward balances accrued each year which can be used for future education purposes in line with each schools development plan. The unrestricted funds closing balance was £364k which equates to 6.54% funds in reserve. Already exceeding our 5% target ahead of schedule. 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

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.

WARRINGTON PRIMARY ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

The principal financial risks to which the Trust are exposed to are:

Key risk identified	How they are being managed
Failure to have sufficient funds cover the support staff pension deficit,	Established long term budgets for annual increases in pension contribution. Investigating insurance cover for medical retirement. Investigating long term solutions to have a cost neutral scheme.
Due diligence and on boarding process may not identify issues in advance and weaken Trust	Developed a systematic approach to capturing and assessing issues during the due diligence process to manage and implement if/when conversion takes place.
Changes to funding formulas	Maintain carry forward balances in excess of 5% total income each year. Responded to national consultations on funding formulas and projected 3 year budgets using pessimistic funding forecasts.

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.

Fundraising

The Trust adheres to the Charities (Protection and Social Investment) Act 2016 and follows the Charities Commission guidance on fundraising practices. The majority of funding for schools is through General Annual Grant but there are occasions when bodies such as the Parent and Teachers Association (PTA) of WPAT schools fund raise on behalf of their school or nominated charity. Each PTA has a constitution with clear purpose and accountability, reporting into their Local Governing Body.

Any further organisations who wish to fund raise on WPAT sites are approved in advance by the Headteacher if it is considered appropriate under the Charities Act 2016.

Plans for Future Periods

WPAT's ambitions are closely tied to our guiding principle: To deliver a first-class education through partnership, innovation, school improvement and accountability. Any developments must enhance this principle and not detract from it. Looking ahead we have set some key expectations for 2018 to 2021:

1. To measure continued improvement and sustained high standards in all our member schools to show the value of our innovative practices and MAT structure
2. To continue to grow the number of member schools in our MAT by at least one school per academic year, so that by 2021 we have between 8 and 10 members in total
3. To continue to proactively bid for Capital Improvement Funds to enhance our estate securing at least a further £3m by 2021

WARRINGTON PRIMARY ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

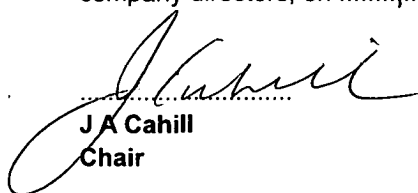
Auditor

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 17.12.18 and signed on its behalf by:


J A Cahill
Chair

WARRINGTON PRIMARY ACADEMY TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2018

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 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
C Smith (Appointed 25 April 2018)	2	2
L J Corlett (Resigned 17 July 2018)	5	5
P A Johnson	5	5
A B Ross	3	5
D Thompson	1	5
J A Muir (Resigned 3 December 2018)	1	5
R Catchpole (Appointed 25 April 2018)	2	2
P Bishop (Appointed 25 April 2018)	1	1

The composition of the Board of Trustees has changed with the recruitment of specialists in the field of HR, business/change management and facilities management. Further recruitment is focused on the areas of business law, governance and an educational specialist to replace a Trustee resignation from summer 2018.

The Board oversees the work of the company, setting and reviewing strategy, challenging leaders and reviewing finances. In order to generate capacity and focus for its in-depth work, The Board has instituted three committees, being Standards, Resources and Audit, which meet termly. The full Board meets at least termly and more often as required.

The Board admitted two new schools to the Trust in 2017/2018 following a rigorous due diligence process. It has kept finances, school performance and risk management under constant review and challenged leaders to take corrective action where deemed necessary.

The Board receives and uses independently verified data from different sources, including termly external reviews of all schools, DfE and EEF data. This data corroborates the analysis undertaken internally that forms the basis for strategies, intervention, deployment of leadership capacity and financial resources. Internal processes and financial data are audited forensically in both internal and external audit exercises, to test and confirm their robustness and accuracy.

WARRINGTON PRIMARY ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

Trustees developed the Trust's strategy further, crystallising it in a five-year strategy document. The strategy underpins all further development and growth of the Trust. Recruitment has led to the co-option of two further Trustees with expertise in the fields of business management, change management and facilities management. Trustees also reviewed the scope of their expertise to facilitate the anticipated growth of the Trust and decided to instigate further recruitment in the areas of business law, business/change management and education.

A self-review is scheduled for the spring, to coincide with the annual self-review process already in place for the LGBs in the Trust.

Review of value for money

The Accounting Officer has the responsibility for ensuring that the 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 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 Trust's 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 2017 to 31 August 2018 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 Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. This includes uncertainties regarding the extent to which teachers' pay increases and increases to the TPS contribution rates will be funded, and for how long. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Trust's significant risks that has been in place for the period 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the Board of Trustees.

WARRINGTON PRIMARY ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

The risk and control framework

The 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 Trustees procured internal audit functions from Warrington Borough Council. Key controls were agreed with the Audit Committee in advance were:

There is an adequate accountability framework in place, covering staff and Governors.
Budgets are properly set and monitored and the Local Bank Account is effectively managed.
All expenditure is properly authorised and monitored.
There is full accountability for staffing and payroll decisions.
All income due is received, accurately recorded and banked.
There are effective asset management and information security arrangements.

These were reviewed in each of the three original schools. The controls reviewed varied between schools to ensure that each key control was assessed in at least two of the schools. The 2018/2019 internal audit plan incorporates the two new schools.

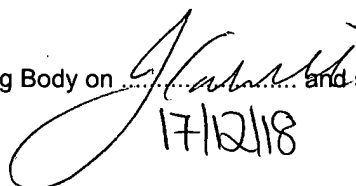
Review of effectiveness

The Accounting Officer has the 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 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 and signed on its behalf by:



17/12/18

J A Cahill
Chair

WARRINGTON PRIMARY ACADEMY TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE


FOR THE YEAR ENDED 31 AUGUST 2018

As accounting officer of Warrington Primary Academy Trust I have considered my responsibility to notify the academy trust governing body and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, 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 2017.

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 2017.

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.

Accounting Officer



17/12/18

WARRINGTON PRIMARY ACADEMY TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2018

The trustees (who 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 & 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 2017 to 2018;
- 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.

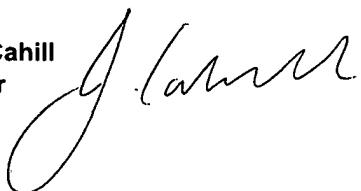
The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the accounts comply with 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 members of the governing body on 17/12/18 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

FOR THE YEAR ENDED 31 AUGUST 2018

Opinion

We have audited the accounts of Warrington Primary Academy Trust for the year ended 31 August 2018 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 2017 to 2018 issued by the Education & 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 2018 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 2017 to 2018.

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)

FOR THE YEAR ENDED 31 AUGUST 2018

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report including the incorporated strategic report for the financial year for which the accounts are prepared is consistent with the accounts; and
- the trustees' report including the incorporated strategic report 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 accounts

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

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

WARRINGTON PRIMARY ACADEMY TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2018

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



**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

19/12/18

WARRINGTON PRIMARY ACADEMY TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO WARRINGTON PRIMARY ACADEMY TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY FOR THE YEAR ENDED 31 AUGUST 2018

In accordance with the terms of our engagement letter dated 24 June 2016 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, 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 2017 to 31 August 2018 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 2017, 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 2017 to 2018. 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 2017 to 31 August 2018 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 2017 to 2018 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 & SKILLS FUNDING AGENCY (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

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 1 September 2017 to 31 August 2018 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

19/12/18

WARRINGTON PRIMARY ACADEMY TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2018

	Notes	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total 2018 £	Total 2017 £
Income and endowments from:						
Donations and capital grants	3	1,295	4,500	219,349	225,144	1,682,113
Donations - transfer from local authority on conversion	27	250,599	(351,000)	9,227,000	9,126,599	3,007,003
Charitable activities:						
- Funding for educational operations	4	199,363	4,752,676	-	4,952,039	3,341,521
- Funding for teaching school		-	773,003	-	773,003	292,869
Other trading activities	5	66,228	-	-	66,228	27,691
Investments	6	-	-	-	-	29
Total income and endowments		517,485	5,179,179	9,446,349	15,143,013	8,351,226
Expenditure on:						
Raising funds	7	37,193	-	-	37,193	-
Charitable activities:						
- Educational operations	9	243,392	6,223,177	264,767	6,731,336	4,193,217
- Teaching school		-	372,763	-	372,763	243,104
Total expenditure	7	280,585	6,595,940	264,767	7,141,292	4,436,321
Net income/(expenditure)		236,900	(1,416,761)	9,181,582	8,001,721	3,914,905
Transfers between funds		-	1,308,989	(1,308,989)	-	-
Other recognised gains and losses						
Actuarial gains/(losses) on defined benefit pension schemes	21	-	254,000	-	254,000	(121,000)
Net movement in funds		236,900	146,228	7,872,593	8,255,721	3,793,905
Reconciliation of funds						
Total funds brought forward		127,470	(475,255)	10,509,432	10,161,647	6,367,742
Total funds carried forward	19	364,370	(329,027)	18,382,025	18,417,368	10,161,647


WARRINGTON PRIMARY ACADEMY TRUST

BALANCE SHEET

AS AT 31 AUGUST 2018

	Notes	2018 £	2017 £
Fixed assets			
Intangible assets	13	6,332	12,668
Tangible assets	14	18,303,763	9,285,328
		<u>18,310,095</u>	<u>9,297,996</u>
Current assets			
Debtors	15	804,224	732,778
Cash at bank and in hand		946,626	1,365,075
		<u>1,750,850</u>	<u>2,097,853</u>
Current liabilities			
Creditors: amounts falling due within one year	16	(639,257)	(538,202)
Net current assets		<u>1,111,593</u>	<u>1,559,651</u>
Total assets less current liabilities		<u>19,421,688</u>	<u>10,857,647</u>
Creditors: amounts falling due after more than one year	17	(8,320)	-
Net assets excluding pension liability		<u>19,413,368</u>	<u>10,857,647</u>
Defined benefit pension scheme liability	21	(996,000)	(696,000)
Net assets		<u><u>18,417,368</u></u>	<u><u>10,161,647</u></u>
Funds of the academy trust:			
Restricted funds	19		
- Fixed asset funds		18,382,025	10,509,432
- Restricted income funds		666,973	220,745
- Pension reserve		(996,000)	(696,000)
Total restricted funds		<u>18,052,998</u>	<u>10,034,177</u>
Unrestricted income funds	19	<u>364,370</u>	<u>127,470</u>
Total funds		<u><u>18,417,368</u></u>	<u><u>10,161,647</u></u>

The accounts on pages 22 to 50 were approved by the trustees and authorised for issue on 17/12/18 and are signed on their behalf by:


J A Cahill
Chair

Company Number 10181707

WARRINGTON PRIMARY ACADEMY TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2018

	Notes	2018 £	£	2017 £	£
Cash flows from operating activities					
Net cash used in operating activities	22		(597,532)		(407,445)
Cash flows from investing activities					
Dividends, interest and rents from investments		-		29	
Capital grants from DfE Group		214,349		1,629,357	
Purchase of tangible fixed assets		(44,866)		(14,375)	
Net cash provided by investing activities			169,483		1,615,011
Cash flows from financing activities					
New other loan		10,880		-	
Repayment of other loan		(1,280)		-	
Net cash provided by/(used in) financing activities			9,600		-
Net (decrease)/increase in cash and cash equivalents in the reporting period			(418,449)		1,207,566
Cash and cash equivalents at beginning of the year			1,365,075		157,509
Cash and cash equivalents at end of the year			946,626		1,365,075

WARRINGTON PRIMARY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

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 2017 to 2018 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 27.

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 2018

1 Accounting policies

(Continued)

Grants

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 2018

1 Accounting policies

(Continued)

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

This includes all expenditure incurred by the academy trust to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Charitable activities

These are costs incurred on the academy trust's educational operations, including support costs and costs relating to the governance of the academy trust apportioned to charitable activities.

1.6 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

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 YEAR ENDED 31 AUGUST 2018

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 Leased assets

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.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a projected unit method. The TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate..

WARRINGTON PRIMARY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

(Continued)

The LGPS is a funded multi-employer scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to 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.

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 2018

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 2018 £	Total 2017 £
Donated fixed assets	-	5,000	5,000	-
Capital grants	-	214,349	214,349	1,629,357
Other donations	1,295	4,500	5,795	52,756
	<u>1,295</u>	<u>223,849</u>	<u>225,144</u>	<u>1,682,113</u>

The income from donations and capital grants was £225,144 (2017: £1,682,113) of which £1,295 was unrestricted (2017: £298), £4,500 was restricted (2017: £52,458) and £219,349 was restricted fixed assets (2017: £1,629,357).

WARRINGTON PRIMARY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

4 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
DfE / ESFA grants				
General annual grant (GAG)	-	3,669,782	3,669,782	2,601,070
Start up grants	-	-	-	25,000
Other DfE / ESFA grants	-	635,540	635,540	352,372
	-	4,305,322	4,305,322	2,978,442
Other government grants				
Local authority grants	-	402,575	402,575	160,500
Other funds				
Other incoming resources	199,363	44,779	244,142	202,579
Total funding	199,363	4,752,676	4,952,039	3,341,521

The income from funding for educational operations was £4,952,039 (2017: £3,341,521) of which £199,363 was unrestricted (2017: £181,260) and £4,752,676 was restricted (2017: £3,160,261).

5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Hire of facilities	9,987	-	9,987	19,503
Other income	56,241	-	56,241	8,188
	66,228	-	66,228	27,691

The income from other trading activities was £66,228 (2017: £27,691) of which £66,228 was unrestricted (2017: £27,691).

6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Short term deposits	-	-	-	29

The income from funding for investment income was £- (2017: £29) of which £- was unrestricted (2017: £29).

WARRINGTON PRIMARY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

7 Expenditure

	Staff costs £	Non Pay Expenditure Premises £	Other £	Total 2018 £	Total 2017 £
Expenditure on raising funds					
- Direct costs	37,193	-	-	37,193	-
Academy's educational operations					
- Direct costs	2,037,219	12,040	593,887	2,643,146	2,369,183
- Allocated support costs	1,872,911	1,785,790	429,489	4,088,190	1,824,034
Teaching school					
- Direct costs	117,825	-	223,666	341,491	223,519
- Allocated support costs	-	5,923	25,349	31,272	19,585
	<u>4,065,148</u>	<u>1,803,753</u>	<u>1,272,391</u>	<u>7,141,292</u>	<u>4,436,321</u>

The expenditure on raising funds was £37,193 (2017: £-) of which £37,193 was unrestricted (2017: £-).

Net income/(expenditure) for the year includes:

	2018 £	2017 £
Fees payable to auditor for audit services	11,000	10,750
Depreciation of tangible fixed assets	264,767	195,378
Net interest on defined benefit pension liability	23,000	14,000
	<u>298,767</u>	<u>220,128</u>

8 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:

- 5% of GAG income

The amounts charged during the year were as follows:

	2018 £	2017 £
Penketh Primary School	38,751	30,926
Evelyn Street Primary School	54,956	42,005
Bruche Primary School	39,958	31,111
Alderman Bolton Primary School	20,727	
Beamont Primary School	27,467	
	<u>181,859</u>	<u>104,042</u>

WARRINGTON PRIMARY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

9 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
Direct costs				
Educational operations	184,945	2,458,201	2,643,146	2,369,183
Teaching school	-	341,491	341,491	223,519
Support costs				
Educational operations	58,447	4,029,743	4,088,190	1,824,034
Teaching school	-	31,272	31,272	19,585
	<u>243,392</u>	<u>6,860,707</u>	<u>7,104,099</u>	<u>4,436,321</u>

The expenditure on educational operations was £6,731,336 (2017: £4,193,217) of which £243,392 was unrestricted (2017: £221,274), £6,223,177 was restricted (2017: £3,776,565) and £264,767 was restricted fixed assets (2017: £195,378).

The expenditure on teaching school was £372,763 (2017: £243,104) of which £372,763 was restricted (2017: £243,104).

	Teaching school £	Educational operations £	Total 2018 £	Total 2017 £
Analysis of support costs				
Support staff costs	-	1,872,911	1,872,911	597,877
Depreciation	-	252,727	252,727	184,571
Premises costs	5,923	1,486,169	1,492,092	685,632
Other support costs	25,349	461,633	486,982	362,929
Governance costs	-	14,750	14,750	12,610
	<u>31,272</u>	<u>4,088,190</u>	<u>4,119,462</u>	<u>1,843,619</u>

10 Staff

Staff costs

Staff costs during the year were:

	2018 £	2017 £
Wages and salaries	2,998,872	1,975,595
Social security costs	262,544	175,900
Pension costs	736,803	477,889
Staff costs	<u>3,998,219</u>	<u>2,629,384</u>
Agency staff costs	66,929	75,810
Total staff expenditure	<u>4,065,148</u>	<u>2,705,194</u>

WARRINGTON PRIMARY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

10 Staff

(Continued)

Staff numbers

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

	2018 Number	2017 Number
Teachers	68	35
Administration and support	148	58
Management	7	5
	<u>223</u>	<u>98</u>

The number of persons employed, expressed as a full time equivalent, was as follows:

	2018 Number	2017 Number
Teachers	61	30
Administration and support	90	38
Management	7	5
	<u>158</u>	<u>73</u>

Higher paid staff

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

	2018 Number	2017 Number
£60,001 - £70,000	4	2
£90,001 - £100,000	1	1
	<u>5</u>	<u>3</u>

The above employees participated in the Teacher's Pension Scheme and the Local Government Pension Scheme. During the year employer's pension contributions for these members of staff amounted to £43,654 (2017: £35,726).

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 £465,797 (2017: £351,670).

WARRINGTON PRIMARY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

11 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 £90,001 - £95,000 (2017: £95,001 - £100,000)

Employer's pension contributions £10,001 - £15,000 (2017: £15,001 - £20,000)

During the year ended 31 August 2018 expenses totalling £25 were reimbursed to one trustee (2017: £nil).

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

12 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

13 Intangible fixed assets

	Computer software £
Cost	
At 1 September 2017 and at 31 August 2018	19,004
Amortisation	
At 1 September 2017	6,336
Charge for year	6,336
At 31 August 2018	12,672
Carrying amount	
At 31 August 2018	6,332
At 31 August 2017	12,668

WARRINGTON PRIMARY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

14 Tangible fixed assets

	Land and buildings	Computer equipment	Fixtures, fittings & equipment	Total
	£	£	£	£
Cost				
At 1 September 2017	9,448,000	15,420	10,950	9,474,370
Transfer on conversion	9,227,000	-	-	9,227,000
Additions	-	10,260	39,606	49,866
At 31 August 2018	18,675,000	25,680	50,556	18,751,236
Depreciation				
At 1 September 2017	183,839	4,471	732	189,042
Charge for the year	250,465	5,704	2,262	258,431
At 31 August 2018	434,304	10,175	2,994	447,473
Net book value				
At 31 August 2018	18,240,696	15,505	47,562	18,303,763
At 31 August 2017	9,264,161	10,949	10,218	9,285,328

15 Debtors

	2018 £	2017 £
Trade debtors	90,938	2,910
VAT recoverable	88,022	69,931
Other debtors	1,800	714
Prepayments and accrued income	623,464	659,223
	804,224	732,778

16 Creditors: amounts falling due within one year

	2018 £	2017 £
Other loans	1,280	-
Trade creditors	38,822	42,845
Other taxation and social security	101,132	46,433
ESFA creditors	77,396	-
Other creditors	74,568	42,869
Accruals and deferred income	346,059	406,055
	639,257	538,202

WARRINGTON PRIMARY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

17	Creditors: amounts falling due after more than one year	2018 £	2017 £
	Other loans	8,320	-
		<u>8,320</u>	<u>-</u>
	Analysis of loans		
	Wholly repayable within five years	9,600	-
	Less: included in current liabilities	(1,280)	-
		<u>8,320</u>	<u>-</u>
	Amounts included above	<u>8,320</u>	<u>-</u>
	Loan maturity		
	Debt due in one year or less	1,280	-
	Due in more than one year but not more than two years	2,560	-
	Due in more than two years but not more than five years	5,760	-
		<u>9,600</u>	<u>-</u>
		<u>9,600</u>	<u>-</u>
18	Deferred income	2018 £	2017 £
	Deferred income is included within:		
	Creditors due within one year	168,879	179,404
		<u>168,879</u>	<u>179,404</u>
	Deferred income at 1 September 2017	179,404	168,581
	Released from previous years	(179,404)	(168,581)
	Resources deferred in the year	168,879	179,404
		<u>168,879</u>	<u>179,404</u>
	Deferred income at 31 August 2018	<u>168,879</u>	<u>179,404</u>

WARRINGTON PRIMARY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

19 Funds

	Balance at 1 September 2017 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2018 £
Restricted general funds					
General Annual Grant (GAG)	18,489	3,669,782	(4,803,323)	1,308,989	193,937
Start up grants	70,238	-	(70,238)	-	-
Other DfE / ESFA grants	46,412	635,540	(676,952)	-	5,000
Other government grants	-	402,575	(402,575)	-	-
Teaching school	49,765	773,003	(372,763)	-	450,005
Other restricted funds	35,841	49,279	(67,089)	-	18,031
Pension reserve	(696,000)	(351,000)	(203,000)	254,000	(996,000)
	<u>(475,255)</u>	<u>5,179,179</u>	<u>(6,595,940)</u>	<u>1,562,989</u>	<u>(329,027)</u>
Restricted fixed asset funds					
Transfer on conversion	9,272,160	9,227,000	(254,461)	-	18,244,699
DfE group capital grants	1,224,604	214,349	(3,336)	(1,353,855)	81,762
Capital expenditure from GAG	12,668	-	(6,692)	44,866	50,842
Private sector capital sponsorship	-	5,000	(278)	-	4,722
	<u>10,509,432</u>	<u>9,446,349</u>	<u>(264,767)</u>	<u>(1,308,989)</u>	<u>18,382,025</u>
Total restricted funds	<u>10,034,177</u>	<u>14,625,528</u>	<u>(6,860,707)</u>	<u>254,000</u>	<u>18,052,998</u>
Unrestricted funds					
General funds	<u>127,470</u>	<u>517,485</u>	<u>(280,585)</u>	<u>-</u>	<u>364,370</u>
Total funds	<u>10,161,647</u>	<u>15,143,013</u>	<u>(7,141,292)</u>	<u>254,000</u>	<u>18,417,368</u>

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.

WARRINGTON PRIMARY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

19 Funds

(Continued)

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

	Balance at 1 September 2016 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2017 £
Restricted general funds					
General Annual Grant (GAG)	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
Pension reserve	(306,000)	(105,000)	(164,000)	(121,000)	(696,000)
	<u>(156,655)</u>	<u>3,400,588</u>	<u>(4,019,669)</u>	<u>300,481</u>	<u>(475,255)</u>
Restricted fixed asset funds					
Transfer on conversion	6,409,930	3,068,000	(187,835)	(17,935)	9,272,160
DfE group capital grants	-	1,629,357	(1,207)	(403,546)	1,224,604
Capital expenditure from GAG	19,004	-	(6,336)	-	12,668
	<u>6,428,934</u>	<u>4,697,357</u>	<u>(195,378)</u>	<u>(421,481)</u>	<u>10,509,432</u>
Total restricted funds	<u>6,272,279</u>	<u>8,097,945</u>	<u>(4,215,047)</u>	<u>(121,000)</u>	<u>10,034,177</u>
Unrestricted funds					
General funds	<u>95,463</u>	<u>253,281</u>	<u>(221,274)</u>	<u>-</u>	<u>127,470</u>
Total funds	<u>6,367,742</u>	<u>8,351,226</u>	<u>(4,436,321)</u>	<u>(121,000)</u>	<u>10,161,647</u>

WARRINGTON PRIMARY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

19 Funds

(Continued)

A current year 12 months and prior year 12 months combined position is as follows:

	Balance at 1 September 2016 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2018 £
Restricted general funds					
General Annual Grant (GAG)	35,344	6,270,852	(7,842,729)	1,730,470	193,937
Start up grants	75,849	25,000	(100,849)	-	-
Other DfE / ESFA grants	19,568	987,912	(1,002,480)	-	5,000
Other government grants	14,584	563,075	(577,659)	-	-
Teaching school	-	1,065,872	(615,867)	-	450,005
Other restricted funds	4,000	123,056	(109,025)	-	18,031
Pension reserve	(306,000)	(456,000)	(367,000)	133,000	(996,000)
	<u>(156,655)</u>	<u>8,579,767</u>	<u>(10,615,609)</u>	<u>1,863,470</u>	<u>(329,027)</u>
Restricted fixed asset funds					
Transfer on conversion	6,409,930	12,295,000	(442,296)	(17,935)	18,244,699
DfE group capital grants	-	1,843,706	(4,543)	(1,757,401)	81,762
Capital expenditure from GAG	19,004	-	(13,028)	44,866	50,842
Private sector capital sponsorship	-	5,000	(278)	-	4,722
	<u>6,428,934</u>	<u>14,143,706</u>	<u>(460,145)</u>	<u>(1,730,470)</u>	<u>18,382,025</u>
Total restricted funds	<u>6,272,279</u>	<u>22,723,473</u>	<u>(11,075,754)</u>	<u>133,000</u>	<u>18,052,998</u>
Unrestricted funds					
General funds	<u>95,463</u>	<u>770,766</u>	<u>(501,859)</u>	<u>-</u>	<u>364,370</u>
Total funds	<u>6,367,742</u>	<u>23,494,239</u>	<u>(11,577,613)</u>	<u>133,000</u>	<u>18,417,368</u>

WARRINGTON PRIMARY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

19 Funds (Continued)

Total funds analysis by academy

	2018	2017
	£	£
Fund balances at 31 August 2018 were allocated as follows:		
Penketh Primary School	44,434	54,436
Evelyn Street Primary School	535,971	105,566
Bruche Primary School	7,131	36,751
Alderman Bolton Primary School	192,925	
Beamont Primary School	239,355	
Central services	11,527	151,462
Total before fixed assets fund and pension reserve	1,031,343	348,215
Restricted fixed asset fund	18,382,025	10,509,432
Pension reserve	(996,000)	(696,000)
Total funds	18,417,368	10,161,647

Total cost analysis by academy

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

	Teaching and educational support staff	Other support staff costs	Educational supplies	Other costs excluding depreciation	Total
	£	£	£	£	£
Penketh Primary School	481,827	284,944	113,322	630,171	1,510,264
Evelyn Street Primary School	652,528	465,713	391,727	253,285	1,763,253
Bruche Primary School	532,903	313,047	131,503	882,293	1,859,746
Alderman Bolton Primary School	217,712	193,034	40,313	28,610	479,669
Beamont Primary School	270,074	256,392	112,744	35,181	674,391
Central services	-	396,974	27,944	164,284	589,202
	2,155,044	1,910,104	817,553	1,993,824	6,876,525

WARRINGTON PRIMARY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

20 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2018 are represented by:				
Intangible fixed assets	-	-	6,332	6,332
Tangible fixed assets	-	-	18,303,763	18,303,763
Current assets	364,370	1,314,550	71,930	1,750,850
Creditors falling due within one year	-	(639,257)	-	(639,257)
Creditors falling due after one year	-	(8,320)	-	(8,320)
Defined benefit pension liability	-	(996,000)	-	(996,000)
Total net assets	364,370	(329,027)	18,382,025	18,417,368

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
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)
Total net assets	127,470	(475,255)	10,509,432	10,161,647

21 Pension 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 Cheshire West and Chester 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 2016.

Contributions amounting to £90,465 (2017: £41,195) were payable to the schemes at 31 August 2018 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' 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.

WARRINGTON PRIMARY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

21 Pension and similar obligations

(Continued)

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.

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)
- 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%

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 £262,671 (2017: £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 an unfunded multi-employer pension scheme. The academy trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 23.1 to 23.6% for employers and 5.5 to 12.5% for employees.

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 27) 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.

WARRINGTON PRIMARY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

21 Pension and similar obligations

(Continued)

Total contributions made	2018 £	2017 £
Employer's contributions	270,000	135,000
Employees' contributions	70,000	46,000
Total contributions	340,000	181,000

Principal actuarial assumptions	2018 %	2017 %
Rate of increase in salaries	2.6	2.7
Rate of increase for pensions in payment/inflation	2.3	2.4
Discount rate for scheme liabilities	2.8	2.5

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

	2018 Years	2017 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

Sensitivity analysis:	Approximate increase to employer liability %	Approximate monetary amount £000
0.5% decrease in real discount rate	14 to 17	531
0.5% increase in the salary increase rate	2 to 3	90
0.5% increase in the pension increase rate	12 to 13	434

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

	2018 Fair value £	2017 Fair value £
Equities	1,215,000	523,000
Bonds	1,088,000	429,000
Cash	25,000	21,000
Property	202,000	73,000
Total market value of assets	2,530,000	1,046,000

The actual return on scheme assets was £69,000 (2017: £116,000).

WARRINGTON PRIMARY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

21 Pension and similar obligations

(Continued)

Amount recognised in the Statement of Financial Activities	2018 £	2017 £
Current service cost	450,000	150,000
Interest income	(39,000)	-
Interest cost	62,000	14,000
Total operating charge	473,000	164,000

Changes in the present value of defined benefit obligations	2018 £	2017 £
At 1 September 2017	1,742,000	792,000
Obligations acquired on conversion	1,426,000	413,000
Current service cost	450,000	240,000
Interest cost	62,000	36,000
Employee contributions	70,000	46,000
Actuarial (gain)/loss	(224,000)	215,000
At 31 August 2018	3,526,000	1,742,000

Changes in the fair value of the academy trust's share of scheme assets	2018 £	2017 £
At 1 September 2017	1,046,000	486,000
Assets acquired on conversion	1,075,000	263,000
Interest income	39,000	22,000
Actuarial gain	30,000	94,000
Employer contributions	270,000	135,000
Employee contributions	70,000	46,000
At 31 August 2018	2,530,000	1,046,000

WARRINGTON PRIMARY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

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

	2018 £	2017 £
Net income for the reporting period (as per the Statement of Financial Activities)	8,001,721	3,914,905
Adjusted for:		
Net surplus on conversion to academy	(9,126,599)	(3,007,003)
Capital grants from DfE/ESFA and other capital income	(219,349)	(1,629,357)
Investment income receivable	-	(29)
Defined benefit pension costs less contributions payable	180,000	150,000
Defined benefit pension net finance cost	23,000	14,000
Depreciation of tangible fixed assets	264,767	195,378
(Increase) in debtors	(71,446)	(347,629)
Increase in creditors	99,775	258,287
Stocks, debtors and creditors transferred on conversion	250,599	44,003
Net cash used in operating activities	(597,532)	(407,445)

23 Commitments under operating leases

At 31 August 2018 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2018 £	2017 £
Amounts due within one year	8,030	4,131
Amounts due in two and five years	19,252	12,051
	27,282	16,182

24 Capital commitments

	2018 £	2017 £
Expenditure contracted for but not provided in the accounts	71,930	1,216,631

WARRINGTON PRIMARY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

25 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 £750 each to the Trust in relation to the Teaching School (2017: £1,925 and £750 respectively).

L Muir, spouse of J Muir, Trust director, is employed by the academy trust in an administrative capacity. L Muir was employed by the Trust prior to J Muir's appointed as Trust director and hence J Muir was not involved in the decision making process regarding appointment. L Muir is paid within the normal pay scale for her role and receives no special treatment as a result of her relationship to a director

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.

26 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.

27 Conversion to an academy

On 1 May 2018, Alderman Primary School and Beamont 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 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
Alderman Bolton Primary School	Warrington	1 May 2018
Beamont Primary School	Warrington	1 May 2018

WARRINGTON PRIMARY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

27 Conversion to an academy

(Continued)

	2018 £
Net assets transferred:	
Leasehold land and buildings	9,227,000
LGPS pension surplus/(deficit)	(351,000)
Cash and other funds	250,599
	<u>9,126,599</u>

	Unrestricted Funds £	Restricted funds: General Fixed asset £ £		Total 2018 £
Funds surplus/(deficit) transferred:				
Fixed assets funds	-	-	9,227,000	9,227,000
LGPS pension funds	-	(351,000)	-	(351,000)
Other funds	250,599	-	-	250,599
	<u>250,599</u>	<u>(351,000)</u>	<u>9,227,000</u>	<u>9,126,599</u>

WARRINGTON PRIMARY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

27 Conversion to an academy

(Continued)

Alderman Bolton Primary School

	2018 £
Net assets transferred:	
Leasehold land and buildings	3,200,000
Cash	85,426
LGPS pension surplus/(deficit)	(124,000)
	<u>3,161,426</u>

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total 2018 £
Funds surplus/(deficit) transferred:				
Fixed assets funds	-	-	3,200,000	3,200,000
LGPS pension funds	-	(124,000)	-	(124,000)
Other funds	85,426	-	-	85,426
	<u>85,426</u>	<u>(124,000)</u>	<u>3,200,000</u>	<u>3,161,426</u>

The school land and buildings are leased to the Trust under a 125 year lease from the Local Authority. These have been valued using the most recent insurance valuation in the absence of any other reasonable valuation and depreciated in line with the accounting policies to the date of conversion.

Beamont Primary School

	2018 £
Net assets transferred:	
Leasehold land and buildings	6,027,000
Other funds	165,172
LGPS pension funds	(227,000)
	<u>5,965,172</u>

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total 2018 £
Funds surplus/(deficit) transferred:				
Fixed assets funds	-	-	6,027,000	6,027,000
LGPS pension funds	-	(227,000)	-	(227,000)
Other funds	165,172	-	-	165,172
	<u>165,172</u>	<u>(227,000)</u>	<u>6,027,000</u>	<u>5,965,172</u>

WARRINGTON PRIMARY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

27 Conversion to an academy

(Continued)

The school land and buildings are leased to the Trust under a 125 year lease from the Local Authority. These have been valued using the most recent insurance valuation in the absence of any other reasonable valuation and depreciated in line with the accounting policies to the date of conversion.