

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 2021



WARRINGTON PRIMARY ACADEMY TRUST

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WARRINGTON PRIMARY ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Members

J Collacott (Chair)
J Martin
J Greaves
D Williams
P Blyth

Trustees

J A Cahill (Resigned 28 February 2021)
Ms C Smith
Mr R Catchpole
Mr D Littlewood (Resigned 16 April 2021)
Ms L Sheppey (Appointed 14 September 2020)
Mr A A Brown (Appointed 19 April 2021)
Ms A Nicholson (Appointed 14 June 2021)
Ms E Sharpe (Appointed 19 April 2021)
Mr C A Forrest (Appointed 24 June 2021)

Senior management team

| | |
|--|-----------|
| - CEO, Accounting Officer and Executive Headteacher of Evelyn Street Primary | L Smith |
| - Headteacher of Evelyn Street Primary | J Hindley |
| - Headteacher of Penketh Primary | R Kayll |
| - Executive Headteacher of Bruche Primary, Ditton Primary and Deputy CEO | C Jones |
| - Headteacher of Beamont Primary | K Morris |
| - Head of School of Alderman Bolton Primary | S Morris |
| - Head of School of Ditton Primary | J Pyne |
| - Executive Headteacher of Simms Cross Primary and Alderman Bolton Primary | P Warding |
| - Finance and Operations Director and CFO | N Edwards |

Company secretary

C Kressel

Company registration number

10181707 (England and Wales)

Principal and registered office

Evelyn Street Primary School
Evelyn Street
Warrington
WA5 1BD

Academies operated

Ditton Primary School
Penketh Primary School
Evelyn Street Primary School
Bruche Primary School
Alderman Bolton Primary School
Beamont Primary School
Simms Cross Primary School

Location

| | |
|------------|-----------|
| Halton | J Pyne |
| Warrington | R Kayll |
| Warrington | J Hindley |
| Warrington | C Jones |
| Warrington | S Morris |
| Warrington | K Morris |
| Halton | P Warding |

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 2021

The Trustees present their annual report together with the accounts and auditor's report of the charitable company for the year 1 September 2020 to 31 August 2021. The annual report serves the purposes of both a Trustees' Report, and a Directors' Report under company law.

The Trust academy schools have a combined pupil capacity of 2,189 and have a roll of 2,063 in the school census in January 2020.

Structure, governance and management

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust.

The 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 ESFA. 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 five 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 transferred where applicable from the previous community schools. Each of these has been systematically reviewed and been ratified by Trustees to ensure they are fit for purpose.

WARRINGTON PRIMARY ACADEMY TRUST

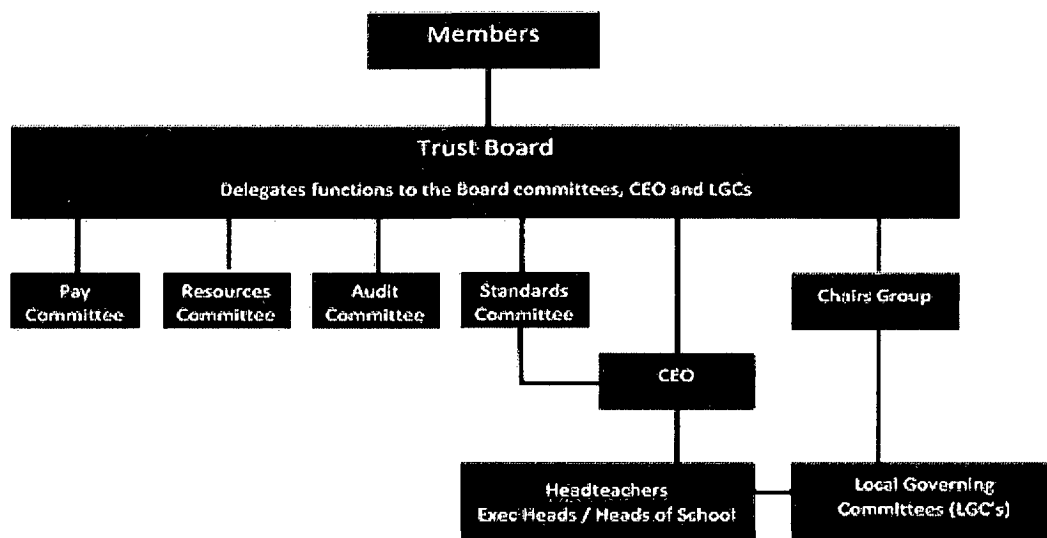
TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Organisational structure

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

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



Arrangements for setting pay and remuneration of key management personnel

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

WARRINGTON PRIMARY ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Trade union facility time

Relevant union officials

| | |
|--|--------|
| Number of employees who were relevant union officials during the relevant period | 4 |
| Full-time equivalent employee number | 212.80 |

Percentage of time spent on facility time

| Percentage of time | Number of employees |
|--------------------|---------------------|
| 0% | 4 |
| 1%-50% | - |
| 51%-99% | - |
| 100% | - |

Percentage of pay bill spent on facility time

| | |
|---|-----------|
| Total cost of facility time | 5,534 |
| Total pay bill | 8,187,803 |
| 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 | - |
|---|---|

Engagement with employees

This has been evidenced through:

- The Trust has a whistleblowing procedure and staff are secure in its use.
- All staff are clear in how strong ethics guide our values within the trust and can translate for the children in our schools.
- Wellbeing has been a huge focus for WPAT. We are committed to fostering a culture of co-operation, trust and mutual respect, where all individuals are treated with fairness and dignity, and can work at their optimum level.
- WPAT undertake regular performance reviews and work satisfaction surveys e.g. BP2W and ensure there is follow up action.
- Staff appraisal and career pathways are ethically guided and leaders are confident in having supportive and challenging conversations.
- There are full recognition of and engagement with staff unions.

WPAT is an equal opportunities employer. There is full and fair consideration of applicants for employment of disabled persons, having regard to their aptitudes, including continued employment and training of persons who become disabled along with training, career development and promotion of disabled persons employed by the Trust.

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 26.

Objectives and activities

Objects and aims

WPAT Guiding Principle

To deliver a first class education through partnership, innovation, school improvement and accountability.

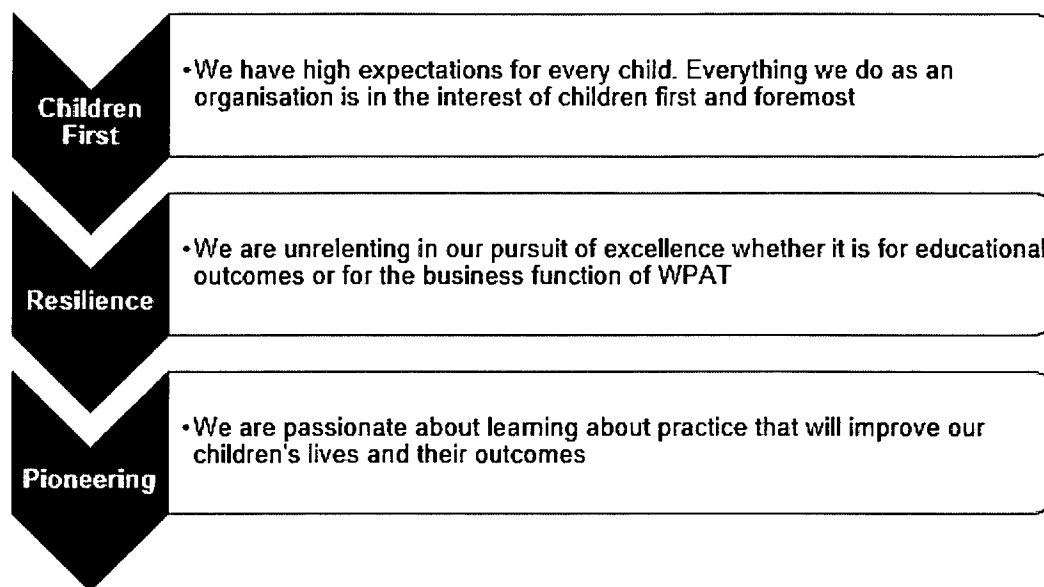
WARRINGTON PRIMARY ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Objectives, strategies and activities

WPAT Core values



WPATs Strategic approach

| Partnership | School Improvement | Accountability |
|---|--|--|
| We work together to take the very best practice from all and to extend our reach to positively influence the outcome for more children. | We develop intelligent leaders to lead beyond their schools to influence positively on the outcomes of more children | We value quality assurance & see that individuals have a responsibility for doing the best that they can do. We welcome challenge & scrutiny |

Public benefit

In setting our objectives and planning our activities, the trustees have carefully considered the Charity Commission's general guidance on public benefit.

Strategic report

Achievements and performance

The educational performance and impact of the Trust has been excellent over its relatively short life. Over a range of measures the majority of our Warrington schools score better or significantly better than the Warrington or England averages and our Halton schools have made significant improvements since conversion.

For WPAT as a whole, the average educational performance for 2017/18 and 2018/19 for EYFS, KS1 and KS2 is consistently well ahead of the national averages. Regarding the outcomes for disadvantaged pupils our comparatively high achievement reflects the standards that we expect to be attained by all children. Progress scores often exceed the scores for all pupils.

All our Warrington schools are Outstanding or Good, with high levels of attendance and behaviour featuring strongly in Ofsted reports. Our performance reflects the understanding we show regarding the needs of pupils with SEND which results in their enjoyment of learning and stronger attainment. Our broad and balanced curriculum and extra-curricular activities enrich the children's lives and prepare them well for future life experiences.

WARRINGTON PRIMARY ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Evelyn Street Primary lies in a community with high economic deprivation but because of its strong performance and its expertise in supporting leadership and teacher development has been appointed lead school of the new Halton, Warrington and Wigan Teaching School Hub (Generate Teaching Hub) and also of the Behaviour Hub for the North West. The Teaching Hub has inherited a 20-strong Specialist Leaders in Education (SLE) team from its predecessor, the Warrington Teaching School Alliance with a wide range of expertise in Closing the Gap, Early Years, Maths, English, Phonics, Science, RE, Music, Assessment and Behaviour Support. Our teaching schools track record includes leading a series of successful improvement projects including an Early Years Quality Improvement Project which impacted significantly on attainment measures in Warrington, Halton and St Helens. The 3 local authority areas averaged 21% GLD increase over 2 years, 6% higher than the England average. Ofsted inspections showed all the primary schools we supported improved their rating.

WPATs improvement strategy and capacity is rooted our leadership team. This includes the Executive Headteacher model where he/she works alongside the current school Senior Leadership Teams to mentor staff on an ongoing basis to ensure that every category school makes progress towards being an Outstanding school. Our key aim is to develop the schools leadership team and the staff, to introduce a broad and balanced curriculum, to replicate and monitor the Trust's effective teaching practices, to radically improve behaviour and attendance and to build a culture of innovation and continual improvement.

COVID 19 pandemic remained a key risk of 2020/21 but the management of it is recognised as an achievement. The Critical Incident Management Team were quick to mobilise to changes and immediately established, then refined, the online offer for pupils. Through distributed leadership and cross organisational working groups WPAT ensured that a comprehensive and robust educational offer was in place for all pupils, with IT kit loaned to families, to ensure education at home was as close as possible to that in the classroom. Safe working practices were established and risk assessments developed to ensure children, staff and visitors were as safe as possible on all school sites.

Key performance indicators

2020/21 was a challenging and positive year for the Trust. Our KPIs are as follows:

Distinctive Trust – WPAT has a distinct identity which promotes community confidence.

High Achieving Trust – WPAT is effective in improving its schools. All groups are making good progress with the result that all MAT schools will have outcomes in the top 20% of similar schools nationally.

People-Centred Trust – Employees enjoy the challenge of working in our schools and speak highly of the MAT. We aim to be seen as the employer of choice by people who work within our organisation.

Well-Led Trust – WPAT have robust self-review procedures to secure highly effective accountability at all levels of management, leadership and governance.

Cost Effective Trust – We are a cost effective organisation which provides high quality provision in all of our schools.

Growing Trust – WPAT will run more schools and educate more students. Simms Cross Primary School in Halton joined the Trust in December 2020.

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.

WARRINGTON PRIMARY ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Financial review

Six Primary Schools have been academies for the full financial year and one joined the Trust on 1 December 2020.

Total income for the period was £16,178,820 of which £456,186 related to unrestricted funds, £11,132,534 to restricted funds and £4,590,100 to fixed asset funds. Total expenditure for the period was £13,242,619 of which £456,186 related to unrestricted funds, £12,422,538 to restricted funds and £363,895 to fixed asset funds.

Unrestricted reserves carried forward as at 31 August 2021 were £nil, general restricted funds were in deficit at £6,305,428 consisting of a £7,123,000 LGPS deficit liability and restricted income funds of £817,572. Restricted fixed asset funds carried forward were £17,952,111.

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 £7,123,000 by 31 August 2021, 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 2021 the Trust held reserves of £818k (excluding pension reserves and restricted fixed assets funds). This was for Evelyn Street £130k, Penketh £72k, Bruche £199k, Beaumont £211k, Alderman Bolton deficit £32k, Ditton £92k, Simms Cross deficit £105k and WPAT reserve £48k. In addition, £203k was held in an earmarked reserve on behalf of Warrington Teaching School Alliance.

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 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 reserves closing balance (excluding pension reserves and restricted fixed asset funds) was £818k which equates to 9.7% of total GAG income, already exceeding our 5% target. 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.

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 2021

The principal financial risks to which the Trust were exposed to during the year were:

- COVID 19 had a huge impact during 2020/21. Dynamic risk assessments flexed throughout the year, interpreting and following national guidance. The online educational offer for our pupils was comprehensive and immediate with tutor model being embedded within WPAT schools.
- The conversion of Simms Cross Primary School with a known monthly deficit was a measured risk accepted by Trust. A restructure was proposed as part of the Measures Letter TUPE transfer and was swiftly implemented, minimising the rising deficit, this also enabled resources to be released to develop the leadership team and school's staff, to introduce a broad and balanced curriculum, to replicate and monitor the Trust's effective teaching practices, to radically improve behaviour and attendance and to build a culture of innovation and continual improvement.
- Having sufficient pupils to enable the financial viability of schools is a risk following a local authority report suggesting that wards had low birth rates and multiple schools would be competing for the same pupils. Pupil numbers are closely monitored whilst maintaining flexibility of staffing structures. The Trust retain 5% budget carry forwards to minimise impact should pupil numbers fall. Schools are staffed based on pessimistic pupil number projections. 4 of 7 schools reception intake for Sept 2021 were full.

WPAT Financial Regulations have been ratified by the Trust Board. The central financial accounting computer system ensures 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.

WARRINGTON PRIMARY ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

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:

Distinctive Trust – The ambition is for all MAT schools will be oversubscribed on first choices.

High Achieving Trust – All groups of pupils are making good progress with the result that all MAT schools will have outcomes in the top 20% of similar schools nationally.

People-Centred Trust – We aim to be seen as the employer of choice by people who work within our organisation.

Well-Led Trust – WPAT continuously improve the robust self-review procedures to secure highly effective accountability at all levels of management, leadership and governance.

Cost Effective Trust – We are a cost effective organisation which provides high quality support to its schools.

Growing Trust – Simms Cross Primary School in Halton joined the Trust in December 2020. WPAT within the next 5 years will grow to 15 schools.

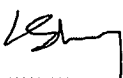
Auditor

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 17/12/2021..... and signed on its behalf by:



.....
Ms L Sheppey

WARRINGTON PRIMARY ACADEMY TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2021

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 Trust Board 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. 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 (Resigned 28 February 2021) | 1 | 1 |
| Ms C Smith | 2 | 3 |
| Mr R Catchpole | 3 | 3 |
| Mr D Littlewood (Resigned 16 April 2021) | 1 | 1 |
| Ms L Sheppey (Appointed 14 September 2020) | 2 | 2 |
| Mr A A Brown (Appointed 19 April 2021) | 2 | 2 |
| Ms A Nicholson (Appointed 14 June 2021) | 1 | 1 |
| Ms E Sharpe (Appointed 19 April 2021) | 2 | 2 |
| Mr C A Forrest (Appointed 24 June 2021) | 1 | 1 |

An external review of governance was undertaken in 2020 and informed a governance project that is owned by Trust. This is reviewed on a termly basis and a development meeting updated the priorities through skills audits, self-assessment and a 360 review.

With the support of our newly established dedicated Governance Manager role, Chairs of LGCs and Trustees have undertaken a recruitment drive based on skills gap analysis, attracting individuals from all paths of life, from sources such as Inspiring Governance, Governors for Schools and our local community links. As governors and trustees invest their time with WPAT, WPAT have invested heavily in governance, from a comprehensive induction programme through to supporting our volunteer's long term aspirations in governorship. The focus has been to enable clear communications, ease of access to meetings and many training opportunities to empower everyone to be a valuable and well informed.

The work of Trustees has been varied and reported to Members. Key elements led through strong leadership in 2020/21 were:

- Rewrite of the Business Plan
- Comprehensive stakeholder engagement
- Growth strategy implementation
- Continuous improvement
- Successful COVID 19 response
- Capacity framework development
- External audit reviews
- Expansion of the Executive Headteacher model
- Comprehensive risk management

WARRINGTON PRIMARY ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

In relation to the provision of monthly financial information, this was sent out to all trustees more than six times in the year though Chair did not receive a pack for 2 out of 12 months due to staffing and other pressures brought on as a result of COVID. The management accounts prepared on a monthly basis during the year ended 31 August 2021 were not fully compliant with the requirements of the Academies Financial Handbook 2020. The following pages were not present and the format of the accounts to be compliant with the Academies Financial Handbook will be reviewed from January 2022, accountancy support has been procured so that these can be incorporated into the monthly management accounts packs:

- Budget for month against actual for the month with variance
- Balance sheet
- Cashflow statement and forecast (started doing in June)
- Consideration of KPI's.

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.

Costs are reviewed to ensure that the Trust is taking advantage of economies of scale throughout the Trust for example procurement of utility costs in 2020/21 and all IT hardware purchases are benchmarked via, and if best value for money, purchased through the Government's framework, Crown Commercial Service. Consistent systems and procedures have been established and accounting system embedded so that performance can be monitored and reported for the Trust as a whole. The DfE's view my financial insights (VMFI) tool is welcomed to strengthen knowledge and comparison to constantly drive down costs.

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 2020 to 31 August 2021 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

The Trust has a well-developed risk management strategy which complies with the standards in the Competency Framework for Governance and the Academies Financial Handbook, including the actioning of mitigating factors, programmes of change and promoting a culture of innovation and continual improvement.

The information currently provided to the Board is comprehensive and informative which satisfies the Board that Trust continues to progress well. However the monthly management account packs have not been fully compliant every month during 2020/21. The information provided to Trustees included a comparison of actual income and expenditure to date with budgets, together with an explanation of variances and forecast outturn. However the following pages were not present every month:

- Balance sheet
- Cashflow statement
- Cashflow forecast

The comparison of KPIs was undertaken termly at Trust rather than in the management accounts. The format of accounts will be reviewed during December 2021 and will be fully compliant from January 2022.

WARRINGTON PRIMARY ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

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 seven schools. The controls reviewed varied between schools to ensure that each key control was assessed in at least two of the schools. WPAT was again given high assurance in 2020/21.

Review of effectiveness

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

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

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

Approved by order of the Trust Board on 17/12/2021..... and signed on its behalf by:



Ms L Sheppey

WARRINGTON PRIMARY ACADEMY TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE FOR THE YEAR ENDED 31 AUGUST 2021

As accounting officer of Warrington Primary Academy Trust, I have considered my responsibility to notify the academy trust governing body and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with 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 2020.

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 2020.

As noted in the Governance Statement, the management accounts prepared on a monthly basis during the year ended 31 August 2021 were not fully compliant with the requirements of the Academies Financial Handbook 2020.

With the exception of the above, 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.



L Smith
Accounting Officer

17/12/2021
.....

WARRINGTON PRIMARY ACADEMY TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2021

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 Academies Accounts Direction 2020 to 2021 published by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

In preparing these accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021;
- 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 7/12/2021..... and signed on its behalf by:



Ms L Sheppey

WARRINGTON PRIMARY ACADEMY TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2021

Opinion

We have audited the accounts of Warrington Primary Academy Trust for the year ended 31 August 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

WARRINGTON PRIMARY ACADEMY TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2021

Other information

The trustees are responsible for the other information, which comprises the information included in the annual report other than the accounts and our auditor's report thereon. Other information includes Reference and Administrative details, Trustees Report incorporating the Strategic Report and the Directors Report, the Governance Statement, the Statement on Regularity, Propriety and Compliance and the Trustees Responsibility Statement. 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.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the 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.

WARRINGTON PRIMARY ACADEMY TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2021

Auditor's responsibilities for the audit of the accounts

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

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

- Enquiries with management, including trustees, about any known or suspected instances of non-compliance with laws and regulations and fraud;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing internal audit reports;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness.

Because of the field in which the client operates, we identified the following areas as those most likely to have a material impact on the financial statements: Health & Safety; compliance with the Academies Financial Handbook; safeguarding and child protection; employment law; data protection and compliance with the UK Companies Act.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). For instance, the further removed non-compliance is from the events and transactions reflected in the financial statements, the less likely the auditor is to become aware of it or to recognize the non-compliance.

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 2021

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

20/12/2021.....

WARRINGTON PRIMARY ACADEMY TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO WARRINGTON PRIMARY ACADEMY TRUST AND THE EDUCATION AND SKILLS FUNDING AGENCY FOR THE YEAR ENDED 31 AUGUST 2021

In accordance with the terms of our engagement letter dated 24 June 2016 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2020 to 2021, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Warrington Primary Academy Trust during the period 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to 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 2020, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance, and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2020 to 2021. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2020 to 31 August 2021 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Framework and Guide for External Auditors and Reporting Accountant of Academy Trusts issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

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

WARRINGTON PRIMARY ACADEMY TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2021

Conclusion

In the course of our work, except for the matters listed below, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

As explained in more detail in the Board's governance statement and the Accounting Officers statement on regularity, the management accounts prepared on a monthly basis during the year ended 31 August 2021 were not fully compliant with the requirements of the Academies Financial Handbook 2020.

MHA Moore and Smalley

Reporting Accountant
MHA Moore and Smalley

20/12/2021
.....

WARRINGTON PRIMARY ACADEMY TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2021

| | Notes | Unrestricted funds £ | Restricted general funds £ | Restricted fixed asset funds £ | Total 2021 £ | Total 2020 £ |
|---|-------|-------------------------|-------------------------------|-----------------------------------|-------------------|-------------------|
| Income and endowments from: | | | | | | |
| Donations and capital grants | 3 | 19,856 | - | 996,664 | 1,016,520 | 635,224 |
| Donations - transfer from local authority on conversion | 28 | 114,600 | (293,000) | 3,593,436 | 3,415,036 | - |
| Charitable activities: | | | | | | |
| - Funding for educational operations | 4 | 297,066 | 11,143,300 | - | 11,440,366 | 9,909,555 |
| - Funding for teaching school | | - | 282,234 | - | 282,234 | 154,764 |
| Other trading activities | 5 | 23,986 | - | - | 23,986 | 24,802 |
| Investments | 6 | 678 | - | - | 678 | - |
| Total | | <u>456,186</u> | <u>11,132,534</u> | <u>4,590,100</u> | <u>16,178,820</u> | <u>10,724,345</u> |
| Expenditure on: | | | | | | |
| Charitable activities: | | | | | | |
| - Educational operations | 9 | 456,186 | 12,157,612 | 363,895 | 12,977,693 | 12,639,262 |
| - Teaching school | | - | 264,926 | - | 264,926 | 330,987 |
| Total | 7 | <u>456,186</u> | <u>12,422,538</u> | <u>363,895</u> | <u>13,242,619</u> | <u>12,970,249</u> |
| Net income/(expenditure) | | - | (1,290,004) | 4,226,205 | 2,936,201 | (2,245,904) |
| Transfers between funds | 19 | - | 684,455 | (684,455) | - | - |
| Other recognised gains/(losses) | | | | | | |
| Actuarial losses on defined benefit pension schemes | 21 | - | (2,180,000) | - | (2,180,000) | (632,000) |
| Net movement in funds | | - | (2,785,549) | 3,541,750 | 756,201 | (2,877,904) |
| Reconciliation of funds | | | | | | |
| Total funds brought forward | | - | (3,519,879) | 14,410,361 | 10,890,482 | 13,768,386 |
| Total funds carried forward | 19 | <u>-</u> | <u>(6,305,428)</u> | <u>17,952,111</u> | <u>11,646,683</u> | <u>10,890,482</u> |

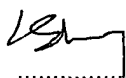
WARRINGTON PRIMARY ACADEMY TRUST

BALANCE SHEET

AS AT 31 AUGUST 2021

| | Notes | 2021 £ | £ | 2020 £ | £ |
|---|-------|-----------|-------------|-------------|-------------|
| Fixed assets | | | | | |
| Tangible assets | 14 | | 17,396,433 | | 14,102,146 |
| Current assets | | | | | |
| Debtors | 15 | 1,697,336 | | 1,183,586 | |
| Cash at bank and in hand | | 901,089 | | 901,454 | |
| | | 2,598,425 | | 2,085,040 | |
| Current liabilities | | | | | |
| Creditors: amounts falling due within one year | 16 | (987,148) | | (1,248,570) | |
| Net current assets | | | 1,611,277 | | 836,470 |
| Total assets less current liabilities | | | 19,007,710 | | 14,938,616 |
| Creditors: amounts falling due after more than one year | 17 | | (238,027) | | (33,134) |
| Net assets before defined benefit pension scheme liability | | | 18,769,683 | | 14,905,482 |
| Defined benefit pension scheme liability | 21 | | (7,123,000) | | (4,015,000) |
| Total net assets | | | 11,646,683 | | 10,890,482 |
| Funds of the academy trust: | | | | | |
| Restricted funds | 19 | | | | |
| - Fixed asset funds | | | 17,952,111 | | 14,410,361 |
| - Restricted income funds | | | 817,572 | | 495,121 |
| - Pension reserve | | | (7,123,000) | | (4,015,000) |
| Total restricted funds | | | 11,646,683 | | 10,890,482 |
| Unrestricted income funds | 19 | | - | | - |
| Total funds | | | 11,646,683 | | 10,890,482 |

The accounts on pages 22 to 47 were approved by the trustees and authorised for issue on 17/12/2021 and are signed on their behalf by:



Ms L Sheppey

Company Number 10181707

WARRINGTON PRIMARY ACADEMY TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2021

| | Notes | 2021 £ | £ | 2020 £ | £ |
|--|-------|--------------------|-----------------------|--------------------|-----------------------|
| Cash flows from operating activities | | | | | |
| Net cash used in operating activities | 22 | (1,278,297) | | (2,091,217) | |
| Cash funds transferred on conversion | | 114,600 | | - | |
| | | <u>(1,163,697)</u> | | <u>(2,091,217)</u> | |
| Cash flows from investing activities | | | | | |
| Dividends, interest and rents from investments | | 678 | | - | |
| Capital grants from DfE Group | | 996,664 | | 1,418,683 | |
| Purchase of tangible fixed assets | | <u>(64,746)</u> | | <u>(114,547)</u> | |
| Net cash provided by investing activities | | | 932,596 | | 1,304,136 |
| Cash flows from financing activities | | | | | |
| New other loan | | 233,538 | | 49,451 | |
| Repayment of other loan | | <u>(2,802)</u> | | <u>(140,542)</u> | |
| Net cash provided by/(used in) financing activities | | | 230,736 | | (91,091) |
| Net decrease in cash and cash equivalents in the reporting period | | | <u>(365)</u> | | <u>(878,172)</u> |
| Cash and cash equivalents at beginning of the year | | | 901,454 | | 1,779,626 |
| Cash and cash equivalents at end of the year | | | <u><u>901,089</u></u> | | <u><u>901,454</u></u> |

WARRINGTON PRIMARY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

A summary of the principal accounting policies adopted (which have been applied consistently, except where noted), judgements and key sources of estimation uncertainty, is set out below.

1.1 Basis of preparation

The accounts of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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. In addition the directors have taken into account the potential impact of the COVID 19 pandemic 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 schools 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 either an ESFA valuation or the best available estimate such as that provided by the local authority or insurance providers.

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 value of land and buildings and other assets inherited on conversion was £3,593,436. On entry of Simms Cross Primary School in to the Trust during the year, the Trust inherited £114,600 relating to amounts that the local authority owed to the School on conversion.

Further details of the transaction are set out in note 28.

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 2021

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 accounts 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 2021

1 Accounting policies

(Continued)

1.5 Expenditure

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

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

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

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

1.6 Tangible fixed assets and depreciation

Assets costing £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.

1.7 Liabilities

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

WARRINGTON PRIMARY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

1 Accounting policies

(Continued)

1.8 Leased assets

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

1.9 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.

1.10 Taxation

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

1.11 Pensions benefits

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

The TPS is an unfunded scheme and contributions are calculated 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 based on quadrennial valuations using a prospective unit credit 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 2021

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 net income or expenditure are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses. Actuarial gains and losses are recognised immediately in other recognised gains and losses.

1.12 Fund accounting

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

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

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

2 Critical accounting estimates and areas of judgement

Accounting estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The academy trust makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are 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.

Valuation of Land and Buildings

Land and buildings for all Schools in the Trust are based on an ESFA valuation with the exception of Ditton which is based a valuation obtained from the local authority being the best available alternative.

Critical areas of judgement

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

WARRINGTON PRIMARY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

3 Donations and capital grants

| | Unrestricted funds £ | Restricted funds £ | Total 2021 £ | Total 2020 £ |
|-----------------|----------------------------|--------------------------|--------------------|--------------------|
| Capital grants | - | 996,664 | 996,664 | 625,894 |
| Other donations | 19,856 | - | 19,856 | 9,330 |
| | <u>19,856</u> | <u>996,664</u> | <u>1,016,520</u> | <u>635,224</u> |

The income from donations and capital grants was £1,016,520 (2020: £635,224) of which £19,856 was unrestricted (2020: £9,330) and £996,664 was restricted fixed assets (2020: £625,894).

4 Funding for the academy trust's educational operations

| | Unrestricted funds £ | Restricted funds £ | Total 2021 £ | Total 2020 £ |
|---------------------------------------|----------------------------|--------------------------|--------------------|--------------------|
| DfE / ESFA grants | | | | |
| General annual grant (GAG) | - | 8,421,434 | 8,421,434 | 7,405,944 |
| Other DfE / ESFA grants: | | | | |
| UIFSM | - | 276,888 | 276,888 | 201,184 |
| Pupil premium | - | 982,990 | 982,990 | 794,678 |
| Start up grants | - | 35,000 | 35,000 | - |
| Others | - | 607,476 | 607,476 | 475,654 |
| | <u>-</u> | <u>10,323,788</u> | <u>10,323,788</u> | <u>8,877,460</u> |
| Other government grants | | | | |
| Local authority grants | - | 663,895 | 663,895 | 669,834 |
| Special educational projects | - | - | - | 35,515 |
| | <u>-</u> | <u>663,895</u> | <u>663,895</u> | <u>705,349</u> |
| Exceptional government funding | | | | |
| Coronavirus exceptional support | - | 153,180 | 153,180 | - |
| | <u>-</u> | <u>153,180</u> | <u>153,180</u> | <u>-</u> |
| Other funding | | | | |
| Teaching school income | - | 282,234 | 282,234 | 154,764 |
| Other incoming resources | 297,066 | 2,437 | 299,503 | 326,746 |
| | <u>297,066</u> | <u>284,671</u> | <u>581,737</u> | <u>481,510</u> |
| Total funding | <u>297,066</u> | <u>11,425,534</u> | <u>11,722,600</u> | <u>10,064,319</u> |

The income from funding for educational operations was £11,722,600 (2020: £10,064,319) of which £297,066 was unrestricted (2020: £292,186) and £11,425,534 was restricted (2020: £9,772,133).

WARRINGTON PRIMARY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

4 Funding for the academy trust's educational operations (Continued)

Coronavirus exceptional funding related to ESFA catch-up premium, which was fully expensed in the year.

5 Other trading activities

| | Unrestricted funds £ | Restricted funds £ | Total 2021 £ | Total 2020 £ |
|--------------------|----------------------------|--------------------------|--------------------|--------------------|
| Hire of facilities | 22,718 | - | 22,718 | 20,865 |
| Other income | 1,268 | - | 1,268 | 3,937 |
| | <u>23,986</u> | <u>-</u> | <u>23,986</u> | <u>24,802</u> |

The income from other trading activities was £23,986 (2020: £24,802) of which £23,986 was unrestricted (2020: £24,802).

6 Investment income

| | Unrestricted funds £ | Restricted funds £ | Total 2021 £ | Total 2020 £ |
|---------------------|----------------------------|--------------------------|--------------------|--------------------|
| Short term deposits | <u>678</u> | <u>-</u> | <u>678</u> | <u>-</u> |

The income from funding for investment income was £678 (2020: £-) of which £678 was unrestricted (2020: £-).

7 Expenditure

| | Staff costs £ | Non-pay expenditure Premises £ | Other £ | Total 2021 £ | Total 2020 £ |
|----------------------------------|------------------|--------------------------------------|------------------|--------------------|--------------------|
| Academy's educational operations | | | | | |
| - Direct costs | 5,011,996 | 30,600 | 1,073,544 | 6,116,140 | 5,496,942 |
| - Allocated support costs | 4,264,747 | 1,729,434 | 867,372 | 6,861,553 | 7,142,320 |
| Teaching school | | | | | |
| - Direct costs | 39,435 | - | 132,603 | 172,038 | 218,919 |
| - Allocated support costs | 76,190 | - | 16,698 | 92,888 | 112,068 |
| | <u>9,392,368</u> | <u>1,760,034</u> | <u>2,090,217</u> | <u>13,242,619</u> | <u>12,970,249</u> |

WARRINGTON PRIMARY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

7 Expenditure (Continued)

| Net income/(expenditure) for the year includes: | 2021 £ | 2020 £ |
|---|----------------|----------------|
| Fees payable to auditor for: | | |
| - Audit | 16,800 | 15,500 |
| - Other services | 7,850 | 7,200 |
| Operating lease rentals | 12,529 | 11,436 |
| Depreciation of tangible fixed assets | 363,895 | 301,150 |
| Net interest on defined benefit pension liability | 77,000 | 58,000 |
| | <u>578,074</u> | <u>493,286</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: | 2021 £ | 2020 £ |
|--|----------------|----------------|
| Ditton Primary School | 141,247 | 88,167 |
| Penketh Primary School | 39,904 | 36,974 |
| Evelyn Street Primary School | 100,656 | 65,094 |
| Bruche Primary School | 45,003 | 44,417 |
| Alderman Bolton Primary School | 64,443 | 69,281 |
| Beamont Primary School | 83,305 | 84,243 |
| Simms Cross Primary School | 60,670 | - |
| | <u>535,228</u> | <u>388,176</u> |

WARRINGTON PRIMARY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

9 Charitable activities

| | Unrestricted funds £ | Restricted funds £ | Total 2021 £ | Total 2020 £ |
|------------------------|----------------------------|--------------------------|--------------------|--------------------|
| Direct costs | | | | |
| Educational operations | 195,031 | 5,921,109 | 6,116,140 | 5,496,942 |
| Teaching school | - | 172,038 | 172,038 | 218,919 |
| Support costs | | | | |
| Educational operations | 261,155 | 6,600,398 | 6,861,553 | 7,142,320 |
| Teaching school | - | 92,888 | 92,888 | 112,068 |
| | <u>456,186</u> | <u>12,786,433</u> | <u>13,242,619</u> | <u>12,970,249</u> |

The expenditure on charitable activities was £12,977,693 (2020: £12,639,262) of which £456,186 was unrestricted (2020: £397,208), £12,157,612 was restricted (2020: £11,940,904) and £363,895 was restricted fixed assets (2020: £301,150).

The expenditure on teaching school was £264,926 (2020: £330,987) of which £264,926 was restricted (2020: £330,987).

| | Teaching school £ | Educational operations £ | Total 2021 £ | Total 2020 £ |
|----------------------------------|-------------------------|--------------------------------|--------------------|--------------------|
| Analysis of support costs | | | | |
| Support staff costs | 76,190 | 4,264,747 | 4,340,937 | 4,162,983 |
| Depreciation | - | 333,295 | 333,295 | 280,955 |
| Premises costs | - | 1,359,576 | 1,359,576 | 2,187,287 |
| Other support costs | 16,698 | 875,550 | 892,248 | 601,363 |
| Governance costs | - | 28,385 | 28,385 | 21,800 |
| | <u>92,888</u> | <u>6,861,553</u> | <u>6,954,441</u> | <u>7,254,388</u> |

WARRINGTON PRIMARY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

10 Staff

Staff costs

Staff costs during the year were:

| | 2021 £ | 2020 £ |
|-------------------------|-----------|-----------|
| Wages and salaries | 6,593,540 | 6,087,830 |
| Social security costs | 579,830 | 515,030 |
| Pension costs | 2,062,704 | 1,898,468 |
| Staff costs - employees | 9,236,074 | 8,501,328 |
| Agency staff costs | 156,294 | 138,786 |
| Total staff expenditure | 9,392,368 | 8,640,114 |

Staff numbers

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

| | 2021 Number | 2020 Number |
|----------------------------|----------------|----------------|
| Teachers | 94 | 84 |
| Administration and support | 179 | 182 |
| Management | 9 | 8 |
| | 282 | 274 |

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

| | 2021 Number | 2020 Number |
|----------------------------|----------------|----------------|
| Teachers | 88 | 79 |
| Administration and support | 113 | 114 |
| Management | 8 | 8 |
| | 209 | 201 |

Higher paid staff

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

| | 2021 Number | 2020 Number |
|---------------------|----------------|----------------|
| £60,001 - £70,000 | 1 | 1 |
| £70,001 - £80,000 | 4 | 4 |
| £100,001 - £110,000 | 1 | 1 |

WARRINGTON PRIMARY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

10 Staff

(Continued)

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 £106,573 (2019: £57,372).

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 key management personnel employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £782,236 (2020: £775,492).

11 Trustees' remuneration and expenses

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

During the year, no travel and subsistence payments were reimbursed to trustees (2020: two trustees). (2020: £77).

Other related party transactions involving the trustees are set out within the related parties note.

12 Trustees' and officers' insurance

The academy trust has opted into the Department for Education's Risk Protection Arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business, and provides cover up to £10,000,000. It is not possible to quantify the trustees and officers indemnity element from the overall cost of the RPA scheme.

13 Intangible fixed assets

| | Computer software £ |
|---|---------------------------|
| Cost | |
| At 1 September 2020 and at 31 August 2021 | 19,004 |
| Amortisation | |
| At 1 September 2020 and at 31 August 2021 | 19,004 |
| Carrying amount | |
| At 31 August 2021 | - |
| At 31 August 2020 | - |

WARRINGTON PRIMARY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

14 Tangible fixed assets

| | Land and buildings | Computer equipment | Fixtures, fittings & equipment | Total |
|------------------------|-----------------------|-----------------------|--------------------------------------|------------|
| | £ | £ | £ | £ |
| Cost | | | | |
| At 1 September 2020 | 14,598,295 | 95,426 | 125,547 | 14,819,268 |
| Transfer on conversion | 3,593,436 | - | - | 3,593,436 |
| Additions | - | 40,672 | 24,074 | 64,746 |
| At 31 August 2021 | 18,191,731 | 136,098 | 149,621 | 18,477,450 |
| Depreciation | | | | |
| At 1 September 2020 | 650,129 | 39,568 | 27,425 | 717,122 |
| Charge for the year | 308,900 | 30,600 | 24,395 | 363,895 |
| At 31 August 2021 | 959,029 | 70,168 | 51,820 | 1,081,017 |
| Net book value | | | | |
| At 31 August 2021 | 17,232,702 | 65,930 | 97,801 | 17,396,433 |
| At 31 August 2020 | 13,948,166 | 55,858 | 98,122 | 14,102,146 |

The net book value of land and buildings comprises:

| | 2021 £ | 2020 £ |
|---------------------------------|------------|------------|
| Long leaseholds (over 50 years) | 17,232,702 | 13,948,166 |

15 Debtors

| | 2021 £ | 2020 £ |
|--------------------------------|-----------|-----------|
| Trade debtors | 93,608 | 46,911 |
| VAT recoverable | 289,618 | 223,678 |
| Other debtors | 47,540 | 46,509 |
| Prepayments and accrued income | 1,266,570 | 866,488 |
| | 1,697,336 | 1,183,586 |

WARRINGTON PRIMARY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

16 Creditors: amounts falling due within one year

| | 2021 £ | 2020 £ |
|------------------------------------|----------------|------------------|
| Other loans | 30,165 | 4,322 |
| Trade creditors | 298,585 | 408,549 |
| Other taxation and social security | 153,001 | 125,967 |
| EFA creditors | 22,077 | 60,235 |
| Other creditors | 157,649 | 138,128 |
| Accruals and deferred income | 325,671 | 511,369 |
| | <u>987,148</u> | <u>1,248,570</u> |

17 Creditors: amounts falling due after more than one year

| | 2021 £ | 2020 £ |
|-------------|----------------|---------------|
| Other loans | <u>238,027</u> | <u>33,134</u> |

| Analysis of loans | 2021 £ | 2020 £ |
|---------------------------------------|----------------|---------------|
| Wholly repayable within five years | 268,192 | 37,456 |
| Less: included in current liabilities | (30,165) | (4,322) |
| Amounts included above | <u>238,027</u> | <u>33,134</u> |

Loan maturity

| | | |
|---|----------------|---------------|
| Debt due in one year or less | 30,165 | 4,322 |
| Due in more than one year but not more than two years | 30,165 | 4,322 |
| Due in more than two years but not more than five years | 90,495 | 12,965 |
| Due in more than five years | 117,367 | 15,847 |
| | <u>268,192</u> | <u>37,456</u> |

Included within other loans are Salix loans of £40,916 from the ESFA, which is an interest free loan to be deducted biannually from the General Annual Grant. The loans are repayable over eight years.

Other loans amounting to £197,111 are part of the Condition Improvement Funding from the ESFA. The loans are repayable over ten years and nominal interest is charged on these loans.

18 Deferred income

| | 2021 £ | 2020 £ |
|-------------------------------------|----------------|----------------|
| Deferred income is included within: | | |
| Creditors due within one year | <u>122,028</u> | <u>125,788</u> |

WARRINGTON PRIMARY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

18 Deferred income

(Continued)

| | | |
|--|----------------|----------------|
| Deferred income at 1 September 2020 | 125,788 | 90,028 |
| Released from previous years | (125,788) | (90,028) |
| Resources deferred in the year | 122,028 | 125,788 |
| Deferred income at 31 August 2021 | 122,028 | 125,788 |

At the balance sheet date the academy trust was holding funds received in advance for UIFSM relating to the following year.

19 Funds

| | Balance at 1 September 2020 £ | Income £ | Expenditure £ | Gains, losses and transfers £ | Balance at 31 August 2021 £ |
|-------------------------------------|--|-------------------|---------------------|--|--------------------------------------|
| Restricted general funds | | | | | |
| General Annual Grant (GAG) | 309,891 | 8,421,434 | (8,808,238) | 684,455 | 607,542 |
| Start up grants | - | 35,000 | (35,000) | - | - |
| UIFSM | - | 276,888 | (276,888) | - | - |
| Pupil premium | - | 982,990 | (982,990) | - | - |
| Other DfE / ESFA grants | - | 607,476 | (599,984) | - | 7,492 |
| Other government grants | - | 817,075 | (817,075) | - | - |
| Teaching school | 185,230 | 282,234 | (264,926) | - | 202,538 |
| Other restricted funds | - | 2,437 | (2,437) | - | - |
| Pension reserve | (4,015,000) | (293,000) | (635,000) | (2,180,000) | (7,123,000) |
| | <u>(3,519,879)</u> | <u>11,132,534</u> | <u>(12,422,538)</u> | <u>(1,495,545)</u> | <u>(6,305,428)</u> |
| Restricted fixed asset funds | | | | | |
| Inherited on conversion | 13,948,166 | 3,593,436 | (308,900) | - | 17,232,702 |
| DfE group capital grants | 308,215 | 996,664 | - | (749,201) | 555,678 |
| Capital expenditure from GAG | 153,980 | - | (54,995) | 64,746 | 163,731 |
| | <u>14,410,361</u> | <u>4,590,100</u> | <u>(363,895)</u> | <u>(684,455)</u> | <u>17,952,111</u> |
| Total restricted funds | <u>10,890,482</u> | <u>15,722,634</u> | <u>(12,786,433)</u> | <u>(2,180,000)</u> | <u>11,646,683</u> |
| Unrestricted funds | | | | | |
| General funds | - | 456,186 | (456,186) | - | - |
| Total funds | <u>10,890,482</u> | <u>16,178,820</u> | <u>(13,242,619)</u> | <u>(2,180,000)</u> | <u>11,646,683</u> |

WARRINGTON PRIMARY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

19 Funds

(Continued)

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

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. None of the schools are 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.

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

| | Balance at 1 September 2019 £ | Income £ | Expenditure £ | Gains, losses and transfers £ | Balance at 31 August 2020 £ |
|-------------------------------------|--|-------------------|---------------------|--|--------------------------------------|
| Restricted general funds | | | | | |
| General Annual Grant (GAG) | 660,088 | 7,405,944 | (9,070,479) | 1,314,338 | 309,891 |
| Start up grants | 30,000 | - | (30,000) | - | - |
| Other DfE / ESFA grants | - | 1,471,516 | (1,471,516) | - | - |
| Other government grants | - | 705,349 | (705,349) | - | - |
| Teaching school | 361,453 | 154,764 | (330,987) | - | 185,230 |
| Other restricted funds | 5,000 | 34,560 | (39,560) | - | - |
| Pension reserve | (2,759,000) | - | (624,000) | (632,000) | (4,015,000) |
| | <u>(1,702,459)</u> | <u>9,772,133</u> | <u>(12,271,891)</u> | <u>682,338</u> | <u>(3,519,879)</u> |
| Restricted fixed asset funds | | | | | |
| Transfer on conversion | 14,212,545 | - | (264,379) | - | 13,948,166 |
| DfE group capital grants | 1,111,206 | 625,894 | - | (1,428,885) | 308,215 |
| Capital expenditure from GAG | 76,204 | - | (36,771) | 114,547 | 153,980 |
| | <u>15,399,955</u> | <u>625,894</u> | <u>(301,150)</u> | <u>(1,314,338)</u> | <u>14,410,361</u> |
| Total restricted funds | <u>13,697,496</u> | <u>10,398,027</u> | <u>(12,573,041)</u> | <u>(632,000)</u> | <u>10,890,482</u> |
| Unrestricted funds | | | | | |
| General funds | <u>70,890</u> | <u>326,318</u> | <u>(397,208)</u> | <u>-</u> | <u>-</u> |
| Total funds | <u>13,768,386</u> | <u>10,724,345</u> | <u>(12,970,249)</u> | <u>(632,000)</u> | <u>10,890,482</u> |

WARRINGTON PRIMARY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

19 Funds

(Continued)

Total funds analysis by academy

| | 2021 £ | 2020 £ |
|--|-------------|-------------|
| Fund balances at 31 August 2021 were allocated as follows: | | |
| Ditton Primary School | 92,208 | (2,711) |
| Penketh Primary School | 72,294 | 49,600 |
| Evelyn Street Primary School | 332,525 | 251,903 |
| Bruche Primary School | 198,750 | 147,649 |
| Alderman Bolton Primary School | (32,454) | (99,991) |
| Beamont Primary School | 210,699 | 97,856 |
| Simms Cross Primary School | (104,519) | - |
| Central services | 48,069 | 50,815 |
| Total before fixed assets fund and pension reserve | 817,572 | 495,121 |
| Restricted fixed asset fund | 17,952,111 | 14,410,361 |
| Pension reserve | (7,123,000) | (4,015,000) |
| Total funds | 11,646,683 | 10,890,482 |

Total cost analysis by academy

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

| | Teaching and educational support staff £ | Other support staff costs £ | Educational supplies £ | Other costs excluding depreciation £ | Total 2021 £ | Total 2020 £ |
|-----------------------------------|---|-----------------------------------|------------------------------|---|--------------------|--------------------|
| Ditton Primary School | 800,859 | 643,714 | 239,190 | 305,310 | 1,989,073 | 1,988,998 |
| Penketh Primary School | 423,888 | 278,589 | 71,619 | 126,165 | 900,261 | 896,111 |
| Evelyn Street Primary School | 766,096 | 560,335 | 222,802 | 334,007 | 1,883,240 | 2,098,734 |
| Bruche Primary School | 565,185 | 335,090 | 115,730 | 164,200 | 1,180,205 | 1,140,262 |
| Alderman Bolton Primary School | 737,344 | 542,976 | 188,043 | 322,787 | 1,791,150 | 2,501,330 |
| Beamont Primary School | 987,927 | 543,261 | 258,624 | 433,710 | 2,223,522 | 2,924,158 |
| Simms Cross Primary School | 770,132 | 387,905 | 93,600 | 458,685 | 1,710,322 | - |
| Central services | - | 1,049,067 | 16,539 | 135,345 | 1,200,951 | 1,119,504 |
| | 5,051,431 | 4,340,937 | 1,206,147 | 2,280,209 | 12,878,724 | 12,669,097 |

WARRINGTON PRIMARY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

20 Analysis of net assets between funds

| | Unrestricted Funds £ | Restricted funds: General £ | Fixed asset £ | Total Funds £ |
|--|----------------------------|-----------------------------------|------------------|---------------------|
| Fund balances at 31 August 2021 are represented by: | | | | |
| Tangible fixed assets | - | - | 17,396,433 | 17,396,433 |
| Current assets | - | 2,042,747 | 555,678 | 2,598,425 |
| Creditors falling due within one year | - | (987,148) | - | (987,148) |
| Creditors falling due after one year | - | (238,027) | - | (238,027) |
| Defined benefit pension liability | - | (7,123,000) | - | (7,123,000) |
| Total net assets | - | (6,305,428) | 17,952,111 | 11,646,683 |

| | Unrestricted Funds £ | Restricted funds: General £ | Fixed asset £ | Total Funds £ |
|--|----------------------------|-----------------------------------|------------------|---------------------|
| Fund balances at 31 August 2020 are represented by: | | | | |
| Tangible fixed assets | - | - | 14,102,146 | 14,102,146 |
| Current assets | - | 1,776,825 | 308,215 | 2,085,040 |
| Creditors falling due within one year | - | (1,248,570) | - | (1,248,570) |
| Creditors falling due after one year | - | (33,134) | - | (33,134) |
| Defined benefit pension liability | - | (4,015,000) | - | (4,015,000) |
| Total net assets | - | (3,519,879) | 14,410,361 | 10,890,482 |

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 latest actuarial valuation of the TPS related to the period ended 31 March 2016, and that of the LGPS related to the period ended 31 March 2019.

Contributions amounting to £169,655 were payable to the schemes at 31 August 2021 (2020: £142,884) 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 teachers in academies. All teachers have the option to opt out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary. These contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

WARRINGTON PRIMARY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

21 Pension and similar obligations

(Continued)

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 every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019.

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI. The assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to the TPS in the period amounted to £762,630 (2020: £761,563).

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 pension 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 21.8% for employers and 5.5%-12.5% for employees.

As described in note 28 the LGPS obligation relates to the employees of the academy trust, being the employees transferred as part of the conversion from the maintained schools, existing employees and new employees who joined the scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the academy trust at the balance sheet date.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

WARRINGTON PRIMARY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

21 Pension and similar obligations (Continued)

| Total contributions made | 2021 £ | 2020 £ |
|--------------------------|-----------|-----------|
| Employer's contributions | 660,000 | 512,000 |
| Employees' contributions | 152,000 | 132,000 |
| Total contributions | 812,000 | 644,000 |

| Principal actuarial assumptions | 2021 % | 2020 % |
|--|-----------|-----------|
| Rate of increase in salaries | 3.60 | 2.90 |
| Rate of increase for pensions in payment/inflation | 2.90 | 2.20 |
| Discount rate for scheme liabilities | 1.65 | 1.70 |

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

| | 2021 Years | 2020 Years |
|----------------------|---------------|---------------|
| Retiring today | | |
| - Males | 21.4 | 21.2 |
| - Females | 22.4 | 23.6 |
| Retiring in 20 years | | |
| - Males | 24.0 | 21.9 |
| - Females | 25.7 | 25.0 |

Scheme liabilities would have been affected by changes in assumptions as follows:

| | 2021 £'000 | 2020 £'000 |
|-------------------------------|---------------|---------------|
| Discount rate - 0.1% | 382 | 285 |
| Mortality assumption + 1 year | 537 | 401 |
| CPI rate + 0.1% | 328 | 239 |
| Salary rate + 0.1% | 48 | 40 |

| Defined benefit pension scheme net liability | 2021 £ | 2020 £ |
|--|--------------|-------------|
| Scheme assets | 8,193,000 | 5,436,000 |
| Scheme obligations | (15,316,000) | (9,451,000) |
| Net liability | (7,123,000) | (4,015,000) |

WARRINGTON PRIMARY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2021

21 Pension and similar obligations

(Continued)

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

| | 2021 Fair value £ | 2020 Fair value £ |
|------------------------------|-------------------------|-------------------------|
| Equities | 3,769,000 | 2,446,000 |
| Bonds | 3,441,000 | 2,229,000 |
| Cash | 164,000 | 217,000 |
| Property | 819,000 | 544,000 |
| Total market value of assets | 8,193,000 | 5,436,000 |

The actual return on scheme assets was £873,000 (2020: £311,000).

Amount recognised in the statement of financial activities

| | 2021 £ | 2020 £ |
|------------------------|-----------|-----------|
| Current service cost | 1,154,000 | 1,063,000 |
| Past service cost | 64,000 | 15,000 |
| Interest income | (113,000) | (92,000) |
| Interest cost | 190,000 | 150,000 |
| Total operating charge | 1,295,000 | 1,136,000 |

Changes in the present value of defined benefit obligations

| | 2021 £ | 2020 £ |
|------------------------------------|------------|-----------|
| At 1 September 2020 | 9,451,000 | 7,259,000 |
| Obligations acquired on conversion | 1,385,000 | - |
| Current service cost | 1,154,000 | 1,063,000 |
| Interest cost | 190,000 | 150,000 |
| Employee contributions | 152,000 | 132,000 |
| Actuarial loss | 2,940,000 | 851,000 |
| Benefits paid | (20,000) | (19,000) |
| Past service cost | 64,000 | 15,000 |
| At 31 August 2021 | 15,316,000 | 9,451,000 |

WARRINGTON PRIMARY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

21 Pension and similar obligations

(Continued)

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

| | 2021 £ | 2020 £ |
|-------------------------------|-----------|-----------|
| At 1 September 2020 | 5,436,000 | 4,500,000 |
| Assets acquired on conversion | 1,092,000 | - |
| Interest income | 113,000 | 92,000 |
| Actuarial gain | 760,000 | 219,000 |
| Employer contributions | 660,000 | 512,000 |
| Employee contributions | 152,000 | 132,000 |
| Benefits paid | (20,000) | (19,000) |
| At 31 August 2021 | 8,193,000 | 5,436,000 |

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

| | 2021 £ | 2020 £ |
|--|-------------|-------------|
| Net income/(expenditure) for the reporting period (as per the statement of financial activities) | 2,936,201 | (2,245,904) |
| Adjusted for: | | |
| Net surplus on conversion to academy | (3,415,036) | - |
| Capital grants from DfE and other capital income | (996,664) | (625,894) |
| Investment income receivable | (678) | - |
| Defined benefit pension costs less contributions payable | 558,000 | 566,000 |
| Defined benefit pension scheme finance cost | 77,000 | 58,000 |
| Depreciation of tangible fixed assets | 363,895 | 301,150 |
| (Increase) in debtors | (513,750) | (672,952) |
| (Decrease)/increase in creditors | (287,265) | 528,383 |
| Net cash used in operating activities | (1,278,297) | (2,091,217) |

23 Analysis of changes in net funds

| | 1 September 2020 £ | Cash flows £ | 31 August 2021 £ |
|--|--------------------------|-----------------|------------------------|
| Cash | 901,454 | (365) | 901,089 |
| Loans falling due within one year | (4,322) | (25,843) | (30,165) |
| Loans falling due after more than one year | (33,134) | (204,893) | (238,027) |
| | 863,998 | (231,101) | 632,897 |

WARRINGTON PRIMARY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

24 Long-term commitments, including operating leases

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

| | 2021 £ | 2020 £ |
|-----------------------------------|---------------|---------------|
| Amounts due within one year | 7,515 | 7,976 |
| Amounts due in two and five years | 14,555 | 6,611 |
| | <u>22,070</u> | <u>14,587</u> |

25 Capital commitments

| | 2021 £ | 2020 £ |
|---|----------------|----------------|
| Expenditure contracted for but not provided in the accounts | <u>555,678</u> | <u>308,215</u> |

26 Related party transactions

No related party transactions took place in the period of account other than certain trustees' remuneration and expenses already disclosed.

WARRINGTON PRIMARY ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

27 Members' liability

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

28 Conversion to an academy

On 1 December 2020, Simms Cross 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 | | |
|----------------------------|----------|--------------------|--|--|
| Simms Cross Primary School | Halton | 1 December 2020 | | |

| | Unrestricted funds | Restricted funds: | | Total 2021 |
|------------------------------|--------------------|-------------------|------------------|------------------|
| | £ | General | Fixed asset | £ |
| Net assets transferred: | £ | £ | £ | £ |
| Leasehold land and buildings | - | - | 3,593,436 | 3,593,436 |
| Cash | 114,600 | - | - | 114,600 |
| Pension scheme deficit | - | (293,000) | - | (293,000) |
| | <u>114,600</u> | <u>(293,000)</u> | <u>3,593,436</u> | <u>3,415,036</u> |

| | Unrestricted funds | Restricted funds: | | Total 2021 |
|--------------------------------------|--------------------|-------------------|------------------|------------------|
| | £ | General | Fixed asset | £ |
| Funds surplus/(deficit) transferred: | £ | £ | £ | £ |
| Fixed assets funds | - | - | 3,593,436 | 3,593,436 |
| LA budget funds | 114,600 | - | - | 114,600 |
| LGPS pension funds | - | (293,000) | - | (293,000) |
| | <u>114,600</u> | <u>(293,000)</u> | <u>3,593,436</u> | <u>3,415,036</u> |