

Company Registration No. 09093035 (England and Wales)

WILLOWS ACADEMY TRUST

(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT AND AUDITED ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2015

WILLOWS ACADEMY TRUST

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WILLOWS ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees

Cllr D Walton (Appointed 19 June 2014)
J Brewster (Appointed 19 June 2014)
T Wallace (Chair) (Appointed 11 June 2015)
J Anderson (Appointed 19 June 2014)
A Burton (Appointed 19 June 2014)
M Harral (Appointed 19 June 2014)
S Houseman (Appointed 19 June 2014)
S Stevenson (Appointed 19 June 2014)
K Bowers (Appointed 6 October 2014)
J Brothwell-White (Appointed 19 June 2014)
G Blair (Appointed 19 June 2014)
J Haigh (Accounting Officer) (Appointed 19 June 2014)
D Farmer (Appointed 19 June 2014 and resigned 2 March 2015)
Ben Jowett (Appointed 19 June 2014 and resigned 6 October 2014)

Members

S Dennis
D Walton
J Brewster
T Wallace (Appointed 06 July 2015)
D Farmer (Resigned 16 March 2015)
J Anderson
J Gillard

Senior management team

- Headteacher (Dovedale Primary School)	J Haigh
- Headteacher (Shardlow Primary School)	S Houseman
- Headteacher (Sawley Junior School)	A Burton
- Headteacher (Sawley Infant School)	M Harral
- MAT Business Manager	J Richardson

Company secretary

A Burton

Company registration number

09093035 (England and Wales)

Registered office

Wilmot Street
Long Eaton
Derbyshire
NG10 3DG

WILLOWS ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Academies operated

Dovedale Primary School
Sawley Junior School
Sawley Infant School
Shardlow Primary School

Location

Long Eaton
Long Eaton
Long Eaton
Shardlow

Principal

J Haigh
A Burton
M Harral
S Houseman

Independent auditor

UHY Hacker Young
22 The Ropewalk
Nottingham
NG1 5DT

Bankers

Lloyds Bank
Market Square House
Old Market Square
Nottingham
NG1 6FD

Santander
79 High Street
Long Eaton
NG10 1GE

Nat West
51 Market Place
Long Eaton
NG10 1JP

Co-operative Bank Plc
5 Market Place
Long Eaton
NG10 1JL

Solicitors

Browne Jacobson
Mowbray House
Castle Meadow Road
Nottingham
NG2 1BJ

Derbyshire County Council Legal Dept.
Hadfield House
Matlock
Derbyshire
DE4 3AG

WILLOWS ACADEMY TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2015

The trustees present their annual report together with the accounts and independent auditor's reports of the charitable company for the period 19 June 2014 to 31 August 2015. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The Willows Academy Trust consists of four schools: Dovedale Primary School, Shardlow Primary School, Sawley Junior School and Sawley Infant School. The schools all converted to academies on the 1st November 2014. Since then the Academy Trust's principal object and activity has been to manage the school's provision of education to pupils between the ages of 3 and 11.

Structure, governance and management

Constitution

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

The trustees of Willows Academy Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as Willows Academy Trust.

Details of the trustees who served during the year are included in the Reference and Administrative Details on page 1.

Members' liability

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

Trustees' indemnities

The Academy Trust maintains Governors' and officers' liability insurance which gives appropriate cover for any legal action brought against its Governors. The Academy Trust has also granted indemnities to each of its Governors and other officers to the extent permitted by law. Qualifying third party indemnity provisions (as defined by section 234 of the Companies Act 2006) were in force during the period and remain in force, in relation to certain losses and liabilities which the Governors or other officers may incur to third parties in the course of acting as Governors or officers of the Academy Trust.

Method of recruitment and appointment or election of trustees

Under the terms of its Articles, each school in the Academy Trust shall have the following Trustees:

- 4 Principal Directors
- 4 Community Directors
- 4 Academy Directors

The term of office for any Director shall be 4 years, this time limit shall not apply to the Principal Directors. Subject to remaining eligible to be a particular type of Director, any Director may be reappointed or re-elected.

WILLOWS ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

Policies and procedures adopted for the induction and training of trustees

During the year under review the Board of Directors met 6 times. The training and induction provided for new Directors depends on their previous experience. All new Directors are given a tour of the school and the chance to meet with staff and students. All Directors are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Directors.

Organisational structure

The organisational structure consists of three levels: the Directors of the Academy, the Local Governing Body and Senior Leadership Team at each school. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at individual Academy level.

The Governors at each school are responsible for setting general policy, adopting an annual plan and budget. Directors are responsible for ratifying the decisions made by Local Governing body regarding general policy, adoption of annual budget plans. Directors monitor the academy use of budgets and making major decisions about the direction of the Academy, capital expenditure and senior staff appointments.

The Senior Leadership Team is determined at local level. These managers control each academy at an executive level implementing the policies laid down by the Governors and reporting back to them. As a group each Senior Leadership Team are responsible for the authorisation of spending up to a level delegated to them within agreed budgets and the appointment of staff, although appointment boards for teaching posts always contain a Governor. Some spending control is devolved to members of the Middle Management Team, with limits above which a member of the Senior Leadership Team must countersign.

The Middle Management Team includes Curriculum Area Leaders. Along with the Senior Management Team these managers are responsible for the day to day operation of the Academies, in particular organising the support staff, facilities and pupils.

Connected organisations including related party relationships

Individual Academies work closely with Derbyshire County Council School Improvement Advisory Team, Derbyshire Safeguarding Children Board, Erewash Sports Partnership, Nottingham Trent University, Derby University, the Derbyshire Partnership for Learning Teaching Schools Alliance and the local cluster of schools. One Principle Director is contracted as an OFSTED inspector.

Each academy has a charitable group at local level focussed on fundraising and charitable events for the individual Academy.

Objectives and activities

Objects and aims

To advance for the public benefit education in the United Kingdom, in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing schools offering a broad and balanced curriculum or educational institutions which are principally concerned with providing full-time or part-time education for children of compulsory school age who, by reason of illness, exclusion from school or otherwise, may not for any period receive suitable education unless alternative provision is made for them.

WILLOWS ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

Objectives, strategies and activities

Willow Academy Trusts' pupils are central to all our endeavours. We will judge everything that takes place in our schools according to its impact on the pupils. We embrace the Trusts key areas of *Achieve, Aspire, and Thrive* which is integral to our work with all pupils in achieving a successful Multi Academy Trust.

Decisions will be made in accordance with the prime directive that Willows Academy Trust is a place of learning for the whole school community.

The Trustees recognise that equal opportunities should be an integral part of good practice within the workplace. The Academy Trust aims to establish equal opportunity in all areas of its activities including creating a working environment in which the contribution and needs of all people are fully valued.

Public benefit

The Directors confirm that they have complied with the Charities Act 2006 to have due regard to the Charities Commission's general guidance on public benefit and in particular to its supplementary public benefit on advancing education. We have reviewed our aims and objectives and in planning our future activities. In particular, the Directors consider how planned activities will contribute to the aims and objectives they have set.

Willows Academy Trust is a Multi Academy Trust catering for children aged 3 to 11 and strives to promote and support the advancement of education within a local context. The schools provide an extensive programme of educational and recreational activity - all designed to contribute to the overall education of our pupils in areas such as academic distinction, music, the arts and sport. For example some of the Academy's adopt a specialist teacher model in PE and Music; work in conjunction with external organisations (e.g., sporting clubs) to enhance the curriculum experiences for the children; provides excellent links with local secondary schools to help transition of pupils and provide curricular/ staff CPD support; and also work within the local community to ensure that it is central to community cohesion.

Wherever possible the individual Academy's also aim to contribute to the benefit of the wider public, by making available the premises to third parties for the provision of educational and other opportunities. For example: Local Beaver and Scout Groups to support children.

In setting our objectives and planning our activities the Directors have given careful consideration to the Charity Commission's general guidance on public benefit. The Directors believe that the Academy Trust's aims, together with the activities outlined above, are demonstrably to the public benefit.

WILLOWS ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

Strategic report

Achievements and performance

Dovedale Primary School

KS2	L4	L5	L6	% making expected progress	% making more than expected progress
Maths	89	50	7	97	43
Reading	93	54	0	93	30
Writing	85	37	2	98	31
GAPS	78	57	11		
Combined: R, W,M	83	37	0		

KS1	2C+	2B	3	% making expected progress	% making more than expected progress
Maths	93	90	27	97	82
Reading	90	88	33	92	42
Writing	83	77	22	85	63

EYFS: 73% achieved a GLD (Good Level of Development)

Year 1: 70% achieved 32/40 phonics score.

WILLOWS ACADEMY TRUST**TRUSTEES' REPORT (CONTINUED)****FOR THE YEAR ENDED 31 AUGUST 2015****Shardlow Primary School**

KS2	L4	L5	L6	% making expected progress	% making more than expected progress
Maths	100%	33%	11%	100%	14%
Reading	100%	77%	0	100%	42%
Writing	100%	55%	0	100%	71%
GAPS	100%	33%	22%		
Combined: R, W,M	100%			100%	

KS1	2C+	2B	3	% making expected progress	% making more than expected progress
Maths	100%	92%	28%	100%	30%
Reading	100%	85%	42%	100%	46%
Writing	100%	85%	28%	100%	84%

EYFS: GLD 73% achieved a good level of development**Year 1: Phonics 88% achieved 32 or above out of 40 score****Sawley Junior School**

KS2	L4	L5	L6	% making expected progress	% making more than expected progress
Maths	96	47	11	86	25
Reading	99	45	0	87	24
Writing	93	42	1	96	27
GAPS	83	49	3	92	
Combined: R, W,M	92	25	0		

WILLOWS ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

Sawley Infant School

KS1	2C+	2B	3	% making expected progress	% making more than expected progress
Maths	96	88	38	89	46
Reading	95	91	49	93	84
Writing	93	80	24	91	51

EYFS: GLD 60%

Year 1: Phonics 67% achieved 32 or above out of 40

Key performance indicators

The Governors consider that the following are key performance indicators for the Academy Trust:

- Pupils numbers (leading directly to the Education Funding Agency ("EFA") funding level);
- General financial stability - aim for income to match expenditure each year;
- Percentage of income received from EFA spent on total staff costs
- Income spent per pupil
- Staff costs as a percentage of grant income;
- Staff costs as a percentage of total costs;
- Ofsted inspection results;
- Capital expenditure per pupil;
- Foundation pupil intake – admissions procedure followed due to being oversubscribed;

The Directors have been pleased that expectations for all key performance indicators listed have been successfully met during the period.

Going concern

After making appropriate enquiries, the board of trustees has a reasonable expectation that the academy trust has adequate resources to continue in operational existence for the foreseeable future. For this reason it continues to adopt the going concern basis in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

WILLOWS ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

Financial review

Most of the Academy's recurrent income is obtained from the EFA in the form of grants, the use of which is restricted to particular purposes. The grants received from the EFA during the period ended 31 August 2015 and the associated expenditure are shown as restricted funds in the statement of financial activities.

During the period ended 31 August 2015, total income was £3,611,348 and total expenditure was £3,524,329. The excess of income over expenditure for the period (excluding restricted fixed asset funds) was £195,747.

At 31 August 2015, the net book value of fixed assets was £7,041,947 and movements in tangible fixed assets are shown in note 10 to the financial statements. During the period the assets were used exclusively for providing education and the associated support services to the pupils of the Academy.

Reserves policy

The Trustees review the reserve levels of the Academy Trust throughout the year. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of the reserves.

The Trust has entered into an agreement with Derbyshire County Council to make contributions in addition to normal funding levels for the next 19 years. Monthly contributions are currently £1,201 and will increase to £1,252 per month from 1 April 2016.

Investment policy and powers

The Academy Trust does not hold any investments.

Principal risks and uncertainties

The main risks that the Academy is exposed to are summarised below. For each of these risks the probability, impact and seriousness have been considered together with appropriate action and management plans:

Operational and reputational - this covers risks to the running of the Academy (including the capacity of staff and buildings to meet the needs of pupils) and its performance in delivering the curriculum.

Financial - covering risks to the Academy Trust's financial position, including revenue streams, cost control and cash management.

The risks to which the Academy Trust is exposed arise both internally and externally. External risks include those in respect of future funding levels, competition, changes to rules and regulations, and the financial position of the staff pension schemes.

WILLOWS ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

Financial and risk management objectives and policies

The Academy Trust does not use complex financial instruments. It manages its activities using cash and various items such as trade debtors and trade creditors that arise directly from its operations.

The existence of these financial instruments exposes the Academy Trust to a number of financial risks which are described in more detail below. The main risks arising from the Trust's financial instruments are liquidity risk and cash flow interest rate risk.

Liquidity risk: The Trust manages its cash resources, including sufficient working capital, so that all its operating needs are met without the need for short-term borrowing.

Interest rate risk: The Trust earns interest on cash deposits. With interest rates currently low, the trustees will consider action to increase the income from these deposits, provided it does not jeopardise the liquidity or security of the Trust's assets.

Credit risk arises from the possibility that amounts owed to the Trust will not be repaid. The Trust does not undertake credit activities so it is only exposed to credit risk as it arises from normal business. Credit risk is managed through the use of approved banks and the prompt collection of amounts due.

Risk management

The Directors have assessed the major risks to which the Academy Trust is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of the Academy Trust, and its finances. The Governors at local level have implemented a number of systems to assess risks that the school faces, especially in the operational areas (e.g. in relation to teaching, health and safety, bullying and school trips) and in relation to the control of finance. They have introduced systems, including operational procedures (e.g. vetting of new staff and visitors, supervision of school grounds) and internal financial controls in order to manage risk. Where significant financial risk still remains they have ensured they have adequate insurance cover. The Academy Trust has an effective system of internal financial controls and this is explained in more detail in the Governance Statement.

Plans for future periods

The aims and key objectives set for future periods are;

- Whole academy levelling system/moderation
- Developing CPD programme to include mentoring and training for NQTs and good practice
- Shared staff training including Prevent and child protection
- Bulk purchasing
- Review of service level agreements held by individual academies
- Expansion of facilities to accommodate increasing pupil numbers

Funds held as custodian trustee on behalf of others

The Academy does not currently hold any funds on behalf of others.

WILLOWS ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

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 UHY Hacker Young be reappointed as auditor of the charitable company will be put to the members.

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 14 December 2015 and signed on its behalf by:

T Wallace
Chair

J Haigh
Accounting Officer

WILLOWS ACADEMY TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2015

Scope of responsibility

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

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

Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met 6 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustees	Meetings attended	Out of possible
Cllr D Walton (Appointed 19 June 2014)	4	6
J Brewster (Appointed 19 June 2014)	3	6
T Wallace (Chair) (Appointed 11 June 2015)	1	1
J Anderson (Appointed 19 June 2014)	6	6
A Burton (Appointed 19 June 2014)	5	6
M Harral (Appointed 19 June 2014)	5	6
S Houseman (Appointed 19 June 2014)	6	6
S Stevenson (Appointed 19 June 2014)	6	6
K Bowers (Appointed 6 October 2014)	5	6
J Brothwell-White (Appointed 19 June 2014)	5	6
G Blair (Appointed 19 June 2014)	5	6
J Haigh (Accounting Officer) (Appointed 19 June 2014)	5	6
D Farmer (Appointed 19 June 2014 and resigned 2 March 2015)	4	5
Ben Jowett (Appointed 19 June 2014 and resigned 6 October 2014)		

D Farmer resigned on 16th March 2015 and T Wallace was subsequently appointed on 6th July 2015.

All directors completed a skills and competency audit to ascertain areas of expertise. Careful consideration was given at the election stage to the skills required by the Trustees. Training areas have been highlighted and these include: finance and safeguarding. Self-evaluation is scheduled into the first meeting of the Board of Trustees each year.

WILLOWS ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Willows Academy Trust for the period 19 June 2014 to 31 August 2015 and up to the date of approval of the annual report and accounts.

Review of value for money

As accounting officer the head teacher has responsibility for ensuring that the academy trust delivers good value in the use of public resources. The accounting officer understands that value for money refers to the educational and wider societal outcomes achieved in return for the taxpayer resources received.

The accounting officer considers how the trust's use of its resources has provided good value for money during each academic year, and reports to the board of trustees where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the academy trust has delivered improved value for money during the year by:

- The Academy Trust has dedicated time this year to securing support for the administration teams this has included the appointment of a MAT business manager has ensured the continuity and consistency of approach towards financial management across the four academies.
- The trust has started the process of negotiating bulk purchasing of services such as financial management, payroll and assessment tracking software
- Shared training and time spent on school developments which benefit the trust as a whole have already proven successful. A shared vision has been produced collaboratively for the academy this forms the basis of our strategic development plan.

Capacity to handle risk

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 19 June 2014 to 31 August 2015 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of trustees.

WILLOWS ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

The risk and control framework

The academy trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular it includes:

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

The board of trustees has considered the need for a specific internal audit function and has decided to appoint Schools Academy and Finance as internal auditor.

The auditor's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. Reports have been shared with the board of trustees discussing the operation of the systems of control and on the discharge board of trustees' financial responsibilities.

Review of effectiveness

As accounting officer the principal 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 auditor;
- 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 and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the board of trustees on 14 December 2015 and signed on its behalf by:

T Wallace
Chair

J Haigh
Accounting Officer

WILLOWS ACADEMY TRUST

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2015

As accounting officer of Willows Academy Trust I have considered my responsibility to notify the academy trust board of trustees and the Education Funding Agency of material irregularity, impropriety and non-compliance with EFA terms and conditions of funding, under the funding agreement in place between the academy trust and Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook.

I confirm that I and the academy trust's board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook.

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

Approved on 14 December 2015 and signed by:

J Haigh
Accounting Officer

WILLOWS ACADEMY TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

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

In preparing these accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- 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 the EFA/DfE have been applied for the purposes intended.

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

Approved by order of the board of trustees on 14 December 2015 and signed on its behalf by:

T Wallace
Chair

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

We have audited the accounts of Willows Academy Trust for the year ended 31 August 2015 set out on pages 21 to 46. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2015 issued by the EFA.

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

Respective responsibilities of trustees and auditors

As explained more fully in the Trustees' Responsibilities Statement set out on page 16, the trustees, who are also the directors of Willows Academy Trust for the purposes of company law, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the accounts in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the accounts

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

Opinion on accounts

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2015 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, and in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2015 issued by the EFA.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Trustees' Report for the financial year for which the accounts are prepared is consistent with the accounts.

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the accounts are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Elizabeth Searby BSc FCA (Senior Statutory Auditor)
UHY Hacker Young

Chartered Accountants
Statutory Auditor

Dated: 14 December 2015

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

In accordance with the terms of our engagement letter dated 01 July 2015 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2015 we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Willows Academy Trust during the period 1 November 2014 to 31 August 2015 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 Willows Academy Trust and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Willows Academy Trust and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Willows Academy Trust and the EFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Willows Academy Trust's accounting officer and the reporting accountant

The accounting officer is responsible, under the requirements of Willows Academy Trust's funding agreement with the Secretary of State for Education dated 30 October 2014 and the Academies Financial Handbook, extant from 1 September 2014, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2015. 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 November 2014 to 31 August 2015 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

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

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

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

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

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

The work undertaken to draw to our conclusion includes:

- An assessment of the risk of material irregularity and impropriety within the trust.
- Testing of those areas identified through risk assessment, including reviewing internal controls, analytical review and enquiries of management.
- Consideration of the evidence and concluding on the work carried out.

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 November 2014 to 31 August 2015 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Elizabeth Searby BSc FCA
Reporting Accountant
UHY Hacker Young

Dated: 14 December 2015

WILLOWS ACADEMY TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2015

	Notes	Unrestricted funds £	Restricted funds £	Fixed Asset fund £	Total 2015 £
<u>Incoming resources</u>					
<i>Resources from generated funds</i>					
- Inherited on conversion	22	464,494	(593,428)	7,004,296	6,875,362
- Activities for generating funds	2	138,775	35,292	-	174,067
- Investment income	3	504	-	-	504
<i>Resources from charitable activities</i>					
- Funding for educational operations	4	-	3,409,612	27,165	3,436,777
Total incoming resources		603,773	2,851,476	7,031,461	10,486,710
<u>Resources expended</u>					
<i>Costs of generating funds</i>					
<i>Charitable activities</i>					
- Educational operations	6	54,839	3,306,661	135,893	3,497,393
Governance costs	7	-	26,936	-	26,936
Total resources expended	5	54,839	3,333,597	135,893	3,524,329
Net incoming/(outgoing) resources before transfers		548,934	(482,121)	6,895,568	6,962,381
Gross transfers between funds		-	(146,379)	146,379	-
Net income/(expenditure) for the year		548,934	(628,500)	7,041,947	6,962,381
<u>Other recognised gains and losses</u>					
Actuarial gains/(losses) on defined benefit pension scheme	16	-	15,000	-	15,000
Net movement in funds		548,934	(613,500)	7,041,947	6,977,381
Fund balances at 1 November 2014		-	-	-	-
Fund balances at 31 August 2015		548,934	(613,500)	7,041,947	6,977,381

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006. A statement of total recognised gains and losses is not required as all gains and losses are included in the statement of financial activities.

All of the academy's activities derive from continuing operations during the financial period above.

WILLOWS ACADEMY TRUST

BALANCE SHEET

AS AT 31 AUGUST 2015

	Notes	2015	
		£	£
Fixed assets			
Tangible assets	10		7,041,947
Current assets			
Debtors	11	194,090	
Cash at bank and in hand		846,619	
		<hr/>	
		1,040,709	
Creditors: amounts falling due within one year	12	(303,275)	
		<hr/>	
Net current assets			737,434
			<hr/>
Total assets less current liabilities			7,779,381
Defined benefit pension liability	16		(802,000)
			<hr/>
Net assets			6,977,381
			<hr/> <hr/>
Funds of the academy trust:			
Restricted income funds	14		
- Fixed asset funds			7,041,947
- General funds			188,500
- Pension reserve			(802,000)
			<hr/>
Total restricted funds			6,428,447
Unrestricted funds	14		548,934
			<hr/>
Total funds			6,977,381
			<hr/> <hr/>

The accounts were approved by order of the board of trustees and authorised for issue on 14 December 2015.

T Wallace
Chair

J Haigh
Accounting Officer

Company Number 09093035

WILLOWS ACADEMY TRUST

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2015

	Notes	2015 £
Net cash inflow/(outflow) from operating activities	17	369,428
Cash funds transferred on conversion		623,066
Returns on investments and servicing of finance		
Investment income		504
		<hr/>
Net cash inflow/(outflow) from returns on investments and servicing of finance		504
		<hr/>
		992,998
Capital expenditure and financial investments		
Capital grants received		27,165
Payments to acquire tangible fixed assets		(173,544)
		<hr/>
Net cash flow from capital activities		(146,379)
		<hr/>
Increase/(decrease) in cash	18	846,619
		<hr/> <hr/>

WILLOWS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2015

1 Accounting policies

1.1 Basis of preparation

The accounts have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction issued by the Education Funding Agency and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

1.2 Going concern

The trustees assess whether the use of going concern is appropriate, i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The trustees make this assessment in respect of a period of one year from the date of approval of the accounts.

1.3 Incoming resources

All incoming resources are recognised when the academy trust has entitlement to the funds, certainty of receipt and the amount can be measured with sufficient reliability.

Grants receivable

Grants are included in the statement of financial activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the year for which it is receivable and any unspent amount is reflected as a balance in the restricted general fund.

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

Sponsorship income

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable, where there is certainty of receipt and the value of the donation is measurable.

Donations

Donations are recognised on a receivable basis where there is certainty of receipt 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 goods have been provided or on completion of the service.

WILLOWS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

1 Accounting policies

(Continued)

Donated services and gifts in kind

The value of donated services and gifts in kind provided to the academy trust are recognised at their open market value in the period in which they are receivable as incoming resources, where the benefit to the academy trust can be reliably measured. An equivalent amount is included as expenditure under the relevant heading in the statement of financial activities, except where the gift in kind was a fixed asset in which case the amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the academy trust's policies.

1.4 Resources expended

All expenditure is recognised in the period in which a liability is incurred and has been classified under headings that aggregate all costs related to that category. Where costs cannot be directly attributed to particular headings they have been allocated on a basis consistent with the use of resources, with central staff costs allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use. Other support costs are allocated based on the spread of staff costs.

Costs of generating funds

These are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities

These are costs incurred on the academy trust's educational operations.

Governance costs

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

All resources expended are exclusive of recoverable VAT.

1.5 Tangible fixed assets and depreciation

Assets costing £ 1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the statement of financial activities and carried forward in the balance sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the statement of financial activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the academy trust's depreciation policy. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

WILLOWS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

1 Accounting policies

(Continued)

Depreciation is provided on all tangible fixed assets other than leasehold land, at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life, as follows:

Long leasehold land and buildings	50 years
Computer equipment	3 years (2 years for assets on conversion)
Fixtures, fittings & equipment	5 years (3 years for assets on conversion)

1.6 Leasing and hire purchase commitments

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

1.7 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.

1.8 Pensions benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 16, the TPS is a multi-employer scheme and the academy trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions are recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the statement of financial activities if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The expected return on assets and the interest cost are shown as a net finance amount of other finance costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in other gains and losses.

WILLOWS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

1 Accounting policies (Continued)

1.9 Fund accounting

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

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

Restricted general funds comprise all other restricted funds received and include grants from the Education Funding Agency/Department for Education.

2 Activities for generating funds

	Unrestricted funds £	Restricted funds £	Total 2015 £
Trip income	-	35,292	35,292
Catering income	62,646	-	62,646
Nursery top-up income	39,048	-	39,048
Other income	37,081	-	37,081
	<u>138,775</u>	<u>35,292</u>	<u>174,067</u>

3 Investment income

	Unrestricted funds £	Restricted funds £	Total 2015 £
Short term deposits	504	-	504
	<u>504</u>	<u>-</u>	<u>504</u>

WILLOWS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

4 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2015 £
DfE / EFA grants			
General annual grant (GAG)	-	2,788,727	2,788,727
Capital grants	-	27,165	27,165
Other DfE / EFA grants	-	288,179	288,179
	<u>-</u>	<u>3,104,071</u>	<u>3,104,071</u>
Other government grants			
Local authority grants	-	332,706	332,706
	<u>-</u>	<u>332,706</u>	<u>332,706</u>
Total funding	<u>-</u>	<u>3,436,777</u>	<u>3,436,777</u>

5 Resources expended

	Staff costs & £	Premises equipment £	Other costs £	Total 2015 £
Academy's educational operations				
- Direct costs	2,302,452	-	129,057	2,431,509
- Allocated support costs	341,098	207,626	517,160	1,065,884
	<u>2,643,550</u>	<u>207,626</u>	<u>646,217</u>	<u>3,497,393</u>
Other expenditure				
Governance costs	-	-	26,936	26,936
	<u>-</u>	<u>-</u>	<u>26,936</u>	<u>26,936</u>
Total expenditure	<u>2,643,550</u>	<u>207,626</u>	<u>673,153</u>	<u>3,524,329</u>

Incoming/outgoing resources for the year include:

	2015 £
Operating leases	
- Plant and machinery	3,870
- Other	5,753
Fees payable to auditor	
- Audit	13,800
	<u>13,800</u>

WILLOWS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

5 Resources expended (Continued)

Central services

No central services are provided by the Trust.

6 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2015 £
Direct costs			
Teaching and educational support staff costs	39,048	2,249,077	2,288,125
Technology costs	-	17,232	17,232
Educational supplies and services	3,342	49,019	52,361
Staff development	-	14,327	14,327
Other direct costs	8,120	51,344	59,464
	<u>50,510</u>	<u>2,380,999</u>	<u>2,431,509</u>
Allocated support costs			
Support staff costs	-	341,098	341,098
Depreciation	-	135,893	135,893
Maintenance of premises and equipment	448	71,285	71,733
Cleaning	-	76,231	76,231
Energy costs	-	42,995	42,995
Rent and rates	-	16,262	16,262
Insurance	-	52,725	52,725
Security and transport	-	5,698	5,698
Catering	-	233,772	233,772
Interest and finance costs	-	14,000	14,000
Other support costs	3,881	71,596	75,477
	<u>4,329</u>	<u>1,061,555</u>	<u>1,065,884</u>
Total costs	<u>54,839</u>	<u>3,442,554</u>	<u>3,497,393</u>

WILLOWS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

7 Governance costs

	Unrestricted funds £	Restricted funds £	Total 2015 £
Legal and professional fees	-	11,951	11,951
Auditor's remuneration			
- Audit of financial statements	-	13,800	13,800
Support staff costs	-	1,185	1,185
	<u>-</u>	<u>26,936</u>	<u>26,936</u>

8 Staff costs

The average number of persons (including senior management team) employed by the academy trust during the year expressed as full time equivalents was as follows:

	2015 Number
Teachers	46
Administration and support	37
	<u>83</u>

Costs included within the accounts:

	2015 £
Wages and salaries	1,991,601
Social security costs	130,063
Other pension costs	353,669
	<u>2,475,333</u>
Supply teacher costs	153,890
Staff development and other staff costs	14,327
	<u>2,643,550</u>

WILLOWS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

8 Staff costs

(Continued)

The number of employees whose annual remuneration was £60,000 or more was:

	2015 Number
£60,000 - £70,000	2

Of the employees above, the number participating in pension schemes and the employers' contributions paid on their behalf were as follows:

		2015
Teachers' Pension Scheme	Numbers	2
	£	17,738
Local Government Pension Scheme	Numbers	-
	£	-

WILLOWS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

9 Trustees' remuneration and expenses

The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff, and not in respect of their services as trustees. Other trustees did not receive any payments, other than expenses, from the academy trust in respect of their role as trustees. During the period, no travel and subsistence payments were reimbursed to the trustees.

The value of trustees' remuneration, including pensions costs, was as follows:

J Haigh (Headteacher - Dovedale Primary School) £60,000 - £65,000
S Houseman (Headteacher - Shardlow Primary School) £50,000 - £55,000
A Burton (Headteacher - Sawley Junior School) £55,000 - £60,000
M Harral (Headteacher - Sawley Infant School) £50,000 - £55,000

These figures relate to remuneration for the 10 months from 1 November 2014 to 31 August 2015.

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

Trustees' and officers' insurance

In accordance with normal commercial practice, the academy trust has joined the Education Funding Agency's Risk Protection scheme to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy trust business. The scheme provides unlimited cover. As the cover for the trustees and officers is part of the policy, the cost cannot be determined for the period ended 31 August 2015.

10 Tangible fixed assets

	Long leasehold land and buildings	Computer equipment	Fixtures, fittings & equipment	Total
	£	£	£	£
Cost or valuation				
At 1 November 2014	-	-	-	-
Transfers on conversion	6,944,458	26,838	33,000	7,004,296
Additions	100,311	40,501	32,732	173,544
At 31 August 2015	7,044,769	67,339	65,732	7,177,839
Depreciation				
At 1 November 2014	-	-	-	-
Charge for the year	105,115	18,417	12,361	135,893
At 31 August 2015	105,115	18,417	12,361	135,893
Net book value				
At 31 August 2015	6,939,654	48,922	53,371	7,041,947

WILLOWS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

10 Tangible fixed assets

(Continued)

Transactions relating to land and buildings during the period include:

- Classroom refurbishments at Sawley Infant School for £52,142
- Improvements to the Reception area at Sawley Infant School for £6,253
- Groundwork and construction of sheds at Sawley Infant School for £14,849
- Classroom refurbishments at Sawley Junior School for £7,975
- Alterations to the office at Sawley Junior School for £12,847
- Other minor improvements at Sawley Junior School amounting to £6,245

Included in long leasehold land and buildings is land of £597,000 which has not been depreciated.

The long leasehold land and buildings occupied by Sawley Infant School, Sawley Junior School and Dovedale Primary School were transferred by Derbyshire County Council to Willows Academy Trust at the date the three schools converted to academy status. The land and buildings are held under the terms of three 125-year lease agreements at nil rental.

The land and buildings occupied by Shardlow Primary School were leased to the the Trust by the Board of Education of the Diocese of Derby at the date the school converted to academy status. The site is occupied under a Church Lease Agreement, at an annual charge of £7,000. The Lease Agreement is for a 7-year term and will be renewed in October 2016 for a further 7 years.

The land and buildings were valued at depreciated replacement cost at 31 March 2015.

11 Debtors

2015

£

Trade debtors	5,414
VAT recoverable	87,810
Other debtors	546
Prepayments and accrued income	100,320
	<hr/>
	194,090
	<hr/> <hr/>

WILLOWS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

12	Creditors: amounts falling due within one year	2015
		£
	Trade creditors	129,624
	Other creditors	97
	Accruals	82,287
	Deferred income	91,267
		<hr/>
		303,275
		<hr/> <hr/>
13	Deferred income	2015
		£
	Deferred income is included within:	
	Creditors due within one year	91,267
		<hr/> <hr/>
	Total deferred income at 1 November 2014	-
	Amounts credited to the statement of financial activities	-
	Amounts deferred in the year	91,267
		<hr/>
	Total deferred income at 31 August 2015	91,267
		<hr/> <hr/>

WILLOWS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

14 Funds

	Balance at 1 November 2014	Incoming resources	Resources expended	Gains, losses and transfers	Balance at 31 August 2015
	£	£	£	£	£
Restricted general funds					
General Annual Grant	-	2,788,727	(2,453,848)	(146,379)	188,500
Other DfE / EFA grants	-	288,179	(288,179)	-	-
Other government grants	-	332,706	(332,706)	-	-
Other restricted funds	-	193,864	(193,864)	-	-
Funds excluding pensions	-	3,603,476	(3,268,597)	(146,379)	188,500
Pension reserve	-	(752,000)	(65,000)	15,000	(802,000)
	-	2,851,476	(3,333,597)	(131,379)	(613,500)
Restricted fixed asset funds					
DfE / EFA capital grants	-	27,165	(135,893)	146,379	37,651
Inherited fixed asset fund	-	7,004,296	-	-	7,004,296
	-	7,031,461	(135,893)	146,379	7,041,947
Total restricted funds	-	9,882,937	(3,469,490)	15,000	6,428,447
Unrestricted funds					
General funds	-	603,773	(54,839)	-	548,934
Total funds	-	10,486,710	(3,524,329)	15,000	6,977,381

WILLOWS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

14 Funds

(Continued)

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

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

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

Restricted general funds comprise all other restricted funds received and include grants from the Education Funding Agency / Department for Education.

Under the funding agreement with the Secretary of State, the academy trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2015.

Analysis of academies by fund balance

	Total
	£
Fund balances at 31 August 2015 were allocated as follows:	
Dovedale Primary School	189,227
Sawley Junior School	278,632
Sawley Infant School	138,305
Shardlow Primary School	60,675
Willows Academy Trust	70,595
	<hr/>
Funds excluding fixed asset fund and pensions reserve	737,434
Restricted fixed asset fund	7,041,947
Pension reserve	(802,000)
	<hr/>
Total funds	<u>6,977,381</u>

WILLOWS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

14 Funds

(Continued)

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

	Teaching and educational support staff costs	Other support staff costs	Educational supplies	Other costs excluding depreciation	Total
	£	£	£	£	£
Dovedale Primary School	696,463	96,207	18,840	194,686	1,006,196
Sawley Junior School	585,174	70,881	22,107	205,485	883,647
Sawley Infant School	784,233	127,551	23,542	161,904	1,097,230
Shardlow Primary School	236,581	60,459	5,103	84,992	387,135
	<u>2,302,451</u>	<u>355,098</u>	<u>69,592</u>	<u>647,067</u>	<u>3,374,208</u>

In addition to the above expenditure, the Trust incurred costs of £14,228, consisting of the annual audit fee, £13,800 and other external costs, £428.

15 Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Fixed asset funds	Total funds
	£	£	£	£
Fund balances at 31 August 2015 are represented by:				
Tangible fixed assets	-	-	7,041,947	7,041,947
Current assets	548,934	491,775	-	1,040,709
Creditors: amounts falling due within one year	-	(303,275)	-	(303,275)
Defined benefit pension liability	-	(802,000)	-	(802,000)
	<u>548,934</u>	<u>(613,500)</u>	<u>7,041,947</u>	<u>6,977,381</u>

WILLOWS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

16 Pensions and similar obligations

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

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

There were no outstanding or prepaid contributions at either the beginning or the end of the financial period.

Teachers' Pension Scheme

Introduction

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

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

Valuation of the Teachers' Pension Scheme

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

WILLOWS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

16 Pensions and similar obligations

(Continued)

The key elements of the valuation and subsequent consultation are:

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

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

The pension costs paid to the TPS in the period amounted to £180,399.

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 17.7 to 21.1% for employers and 5.5 to 10.5% for employees. The estimated value of employer contributions for the forthcoming year is £142,000.

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.

The Trust has entered into an agreement with Derbyshire County Council to make contributions in addition to normal funding levels for the next 19 years. Monthly contributions are currently £1,201 and will increase to £1,252 per month from 1 April 2016.

WILLOWS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

16 Pensions and similar obligations

(Continued)

	2015
	£
Employer's contributions	118,000
Employees' contributions	33,000
	<hr/>
Total contributions	151,000
	<hr/> <hr/>

Principal actuarial assumptions

	2015
	%
Rate of increase in salaries	3.6
Rate of increase for pensions in payment	2.7
Discount rate for scheme liabilities	3.8
	<hr/> <hr/>

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

	2015
	Years
Retiring today	
- Males	22.0
- Females	24.2
Retiring in 20 years	
- Males	24.1
- Females	26.6
	<hr/> <hr/>

WILLOWS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

16 Pensions and similar obligations

(Continued)

The academy's share of the assets and liabilities in the scheme and the expected rates of return were:

	2015 Expected return %	2015 Fair value £
Equities	3.8	690,000
Bonds	3.8	203,000
Cash	3.8	60,000
Property	3.8	60,000
	<u> </u>	<u> </u>
Total market value of assets		1,013,000
Present value of scheme liabilities - funded		(1,815,000)
		<u> </u>
Net pension asset / (liability)		(802,000)
		<u> </u>

For accounting years beginning on or after 1 January 2015, the expected rate of return and the interest cost will be replaced with a single net interest cost, which will effectively set the expected return equal to the discount rate.

Therefore the Academy Trust is not required to disclose an expected return assumption for the year to 31 August 2016. For the period to 31 August 2015, the expected return was 3.8% per annum, which has been used to determine the profit and loss charge for the period ended 31 August 2015.

Operating costs and income recognised in the statement of financial activities

	2015 £
Financial expenditure/(income)	
Expected return on pension scheme assets	(39,000)
Interest on pension liabilities	53,000
	<u> </u>
	14,000
	<u> </u>
Other expenditure/(income)	
Current service cost	169,000
Past service cost	-
	<u> </u>
	169,000
	<u> </u>
Total operating charge/(income)	183,000
	<u> </u>

WILLOWS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

16 Pensions and similar obligations

(Continued)

Actuarial gains and losses recognised in the statement of financial activities

	2015
	£
Actuarial (gains)/losses on assets: actual return less expected	11,000
Experience (gains)/losses on liabilities	(26,000)
(Gains)/losses arising from changes in assumptions	-
	<hr/>
Total (gains)/losses	(15,000)
	<hr/> <hr/>
Cumulative (gains)/losses to date	(15,000)
	<hr/> <hr/>

Movements in the present value of defined benefit obligations were as follows:

	2015
	£
Obligations acquired on conversion	(1,586,000)
Current service cost	(169,000)
Interest cost	(53,000)
Contributions by employees	(33,000)
Actuarial gains/(losses)	26,000
	<hr/>
	(1,815,000)
	<hr/> <hr/>

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

	2015
	£
Assets acquired on conversion	834,000
Expected return on assets	39,000
Actuarial gains/(losses)	(11,000)
Contributions by employers	118,000
Contributions by employees	33,000
	<hr/>
	1,013,000
	<hr/> <hr/>

WILLOWS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

16 Pensions and similar obligations (Continued)

History of experience gains and losses:

	2015
	£
Present value of defined benefit obligations	(1,815,000)
Fair value of share of scheme assets	1,013,000
	<hr/>
Surplus / (deficit)	(802,000)
	<hr/> <hr/>
Experience adjustment on scheme liabilities	26,000
Experience adjustment on scheme assets	(11,000)
	<hr/> <hr/>

17 Reconciliation of net income to net cash inflow/(outflow) from operating activities

	2015
	£
Net income	6,962,381
Capital grants and similar income	(27,165)
Net deficit/(surplus) transferred on conversion	(6,875,362)
Investment income	(504)
FRS17 pension costs less contributions payable	51,000
FRS17 pension finance income	14,000
Depreciation of tangible fixed assets	135,893
(Increase)/decrease in debtors	(194,090)
Increase/(decrease) in creditors	303,275
	<hr/>
Net cash inflow/(outflow) from operating activities	369,428
	<hr/> <hr/>

18 Reconciliation of net cash flow to movement in net funds

	2015
	£
Increase/(decrease) in cash	846,619
Net funds at 1 November 2014	-
	<hr/>
Net funds at 31 August 2015	846,619
	<hr/> <hr/>

WILLOWS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

19 Analysis of net funds

	At 1 November 2014 £	Transferred on conversion £	Cash flows £	Non-cash changes £	At 31 August 2015 £
Cash at bank and in hand	-	623,066	223,553	-	846,619

20 Commitments under operating leases

At 31 August 2015 the academy trust had annual commitments under non-cancellable operating leases as follows:

	Land and buildings 2015 £	Other 2015 £
Expiry date:		
- Between two and five years	-	5,987
- In over five years	7,000	-
	<u>7,000</u>	<u>5,987</u>

21 Related parties

Owing to the nature of the academy trust's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which trustees have an interest. All transactions involving such organisations are in accordance with the academy trust's financial regulations and normal procurement procedures.

Soho Computers Limited - a company in which S Houseman, a trustee, has an interest. In the period ended 31 August 2015, the trust procured IT support services amounting to £1,048, which are included within other support costs.

WILLOWS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

22 Conversion to an academy

On 1 November 2014 Dovedale Primary School, Sawley Junior School, Sawley Infant School and Shardlow Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Willows Academy Trust from the Derbyshire Local Authority for £nil consideration.

The transfer has been accounted for using the acquisition method. The assets and liabilities transferred were valued at their fair value and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as net incoming resources in the statement of financial activities as voluntary income.

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
Dovedale Primary School	Long Eaton	1 November 2014
Sawley Junior School	Long Eaton	1 November 2014
Sawley Infant School	Long Eaton	1 November 2014
Shardlow Primary School	Shardlow	1 November 2014

Funds surplus/(deficit) transferred:	Unrestricted funds	Restricted funds	Fixed asset funds	Total 2015
	£	£	£	£
Fixed assets funds	-	-	7,004,296	7,004,296
LGPS pension funds	-	(752,000)	-	(752,000)
Other funds	464,494	158,572	-	623,066
	<u>464,494</u>	<u>(593,428)</u>	<u>7,004,296</u>	<u>6,875,362</u>

Net assets transferred:	£
Leasehold land and buildings	6,944,458
Tangible fixed assets apart from land and buildings	59,838
Cash	623,066
Pension surplus/(deficit)	(752,000)
	<u>6,875,362</u>

WILLOWS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2015

23 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.