

**Company Registration No. 09093035 (England and Wales)**

**WILLOWS ACADEMY TRUST**

**(A COMPANY LIMITED BY GUARANTEE)**

**ANNUAL REPORT AND ACCOUNTS**

**FOR THE YEAR ENDED 31 AUGUST 2021**

# WILLOWS ACADEMY TRUST

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# WILLOWS ACADEMY TRUST

## REFERENCE AND ADMINISTRATIVE DETAILS

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### Members

S Dennis  
G Blair  
Y Dean (Resigned 11 May 2021)  
J Yates (Resigned 31 December 2020)  
E Martin

### Trustees

S Dennis (Resigned 3 October 2021)  
J Haigh (Accounting Officer)  
J Prince (Vice Chair) (Resigned 12 October 2021)  
A Page  
K Moran (Resigned 30 March 2021)  
A Taylor  
Y Dean (Chair) (Appointed 10 May 2021)  
K Knight (Appointed 1 November 2021)

### Senior management team

- Chief Executive Officer	J Haigh
- Chief Financial Officer	J Richardson
- Principal (Dovedale Primary School)	S Houseman
- Principal (Sawley Infant School)	M Harral
- Acting Principal (Sawley Infant School)	R Morley
- Principal (Sawley Junior School)	A Burton
- Principal (Shardlow Primary School)	K Magner
- Acting Principal (Shardlow Primary School)	M Davies

**Company registration number** 09093035 (England and Wales)

**Registered office** Wilmot Street  
Long Eaton  
Nottinghamshire  
NG10 3DQ

**Independent auditor** UHY Hacker Young  
14 Park Row  
Nottingham  
NG1 6GR

**Bankers** Lloyds Bank  
Old Market Square  
Nottingham  
NG1 6FD

# **WILLOWS ACADEMY TRUST**

## **REFERENCE AND ADMINISTRATIVE DETAILS**

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### **Solicitors**

Flint Bishop LLP  
St Michaels Court  
St Michaels Lane  
Derby  
DE1 3HQ

# WILLOWS ACADEMY TRUST

## TRUSTEES' REPORT

### FOR THE YEAR ENDED 31 AUGUST 2021

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The trustees present their annual report together with the accounts and auditor's report of the Academy Trust 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 academy trust operates primary academies in Derbyshire. Its academies have a combined pupil capacity of 1154 plus 96 full-time equivalent nursery places and had a roll of 1082 in the school census in April 2021.

#### **Structure, governance and management**

##### Constitution

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

The trustees of Willows Academy Trust are also the directors of the academy trust for the purposes of company law. The academy trust is known as Willows Academy Trust. The terms "trustee" and "director" are interchangeable throughout this report.

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

##### Trustees' indemnities

The Academy Trust maintains Trustees' liability insurance which gives appropriate cover for any legal action brought against its Trustees. The Academy Trust has also granted indemnities to each of its Trustees 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 trustees or other officers may incur to third parties in the course of acting as Trustees' of the Academy Trust.

Details of the insurance cover are provided in note 12 to the financial statements.

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

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

- 6 Community Trustees
- 1 Trust employee Trustee

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

Trustees are recruited from local businesses and stakeholders associated with the academies. Skills required are identified following a skills audit and any areas of need identified are targeted. The Trusts website, community newsletters and direct approach to businesses is used to recruit new Trustees. An interview process is conducted to ascertain suitability and to identify the candidate skills set.

# WILLOWS ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

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

During the year under review the Board of Directors met seven times via Microsoft Teams due to the restrictions implemented because the coronavirus pandemic. The training and induction provided for new Directors depends on their previous experience. All new directors are offered a tour of the schools and the chance to meet with staff and students (when it is permissible). 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. All Directors have secure access to the Trust portal whereby all documentation can be accessed.

#### Organisational structure

The organisational structure consists of three levels: the Members and Trustees of the Academy which includes the Chief Executive Officer who acts as the Accounting Officer for the Trust, the Academy Governing Body and Senior Leadership Team at each school. The aim of the management structure is to devolve responsibility via the Trusts scheme of delegation and encourage involvement in decision making at individual Academy level.

The Trustees are responsible for the general control and management of the administration of the Trust. In accordance with the memorandum and articles of association and its funding agreement, the board of Trustees take responsibility for all statutory functions for the performance of all the schools within the Trust, and approves the written scheme of delegation of financial powers that maintains the robust internal control arrangements. In addition it carries out the three core governance functions.

1. Ensure clarity of vision, ethos and strategic direction
2. Hold the Chief Executive Officer to account for the educational performance of the Trust's schools and their pupils and the performance management of staff.
3. Oversee the financial performance of the Trust and make sure its money is well spent

The Governors at each school are responsible for setting general policy, adopting an annual plan and budget. Trustees are responsible for ratifying the decisions made by the Academy Governing body regarding general policy, adoption of annual budget plans. Trustees monitor the Academy use of budgets and make 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 Trustees and 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 the design of the curriculum, provision for pupils, organising the support staff, facilities and professional development.

## **WILLOWS ACADEMY TRUST**

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

#### **FOR THE YEAR ENDED 31 AUGUST 2021**

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

The key management personnel of the Academy Trust comprise the Trustees and Members as disclosed on page 1.

The remuneration policy, setting the terms and conditions for the key management personnel, was developed and approved by the board of Trustees, after taking advice from the headteachers and following guidance from the relevant professional pay review bodies. Naturally the headteachers were not involved in setting their own remuneration package.

Only the staff Trustee who is the chief executive officer, is remunerated, and they only receive remuneration in respect of services they provide under their contracts of employment, and not in respect of their role as Trustee. Specific disclosures concerning staff Trustee's remuneration is included in note 11.

The day to day running of the remuneration policy is delegated to the headteachers and monitored by the Academy governing body or the finance and resources committee (in schools where they have retained the committee) and discussed and reviewed by the board of Trustees. All details for setting pay and remuneration of key management personnel are set out in the pay policy and appraisal policy which are reviewed annually by the board of Trustees.

Remuneration of key management personnel is set at an individual level, and where possible the Trustees have taken external professional advice. Senior management salaries are linked to pay spines, helping Trustees conclude that each individual remuneration is at an appropriate level. As such salaries are linked to factors such as length of service and experience. Total remuneration packages include employer pension contribution rates at specific approved rates.

The board always bear in mind the charitable status of the Academy Trust and recognise the fact the trust receives funding under a funding agreement with the Secretary of State for Education, and therefore ensure the remuneration paid to senior management personnel never exceeds a reasonable amount that provides value for money to the Trust. The performance of senior management personnel is reviewed on a regular basis to ensure continuing value for money. Benchmarking is conducted annually using Kreston and UHY benchmarking reports.

Total remuneration paid to senior management personnel is set out in note 9.

##### Trade union facility time

Willows Academy Trust does not employ any trade union officials and consequently no funding is provided for trade union facility time.

# WILLOWS ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

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#### Engagement with employees

Although the Trust has less than 250 employees Willows Academy Trust engages with employees via the visits into school to informally engage with staff and to be available for discussions. Due to the pandemic visits were limited during the spring term. The Chief Executive Officer produced a termly letter to keep employees informed of any developments within the Trust and to share employee and school successes.

Willows Academy Trust provides an employee assistance programme for employees to access a variety of services confidentially if required. This has been a strong focus in communication with staff during the pandemic ensuring information is readily available and easy to access.

Employees are encouraged to contribute to the Trusts performance through the half termly network meetings and forums. These continued during the pandemic via Microsoft Teams.

The Trusts Equality and Diversity Policy ensures that all employees are treated fairly and equitably from recruitment to career development and promotion.

#### Engagement with suppliers, customers and others in a business relationship with the academy trust

The Trust does not meet the criteria for a large Trust but Willows Academy Trust considers their relationship with suppliers vital in obtaining the best value for money for their schools. The Chief Financial Officer reviews all contracts at their point of renewal to negotiate a favourable deal and has succeeded in making savings in a number of areas.

Ongoing communication with suppliers such as; ESPO, Saaf, Lloyds, AiT has ensured a strong working professional relationship.

The schools in the Trust work closely with parents and carers providing an annual survey to ascertain opinions and to identify any emerging issues. Reports are provided for the directors for discussion.

The Trust produces a termly newsletter for parents to keep them informed of developments at Trust and school level. Consultation takes place if there are any major changes to the Trust structure.

#### Related parties and other connected charities and organisations

Individual Academies work closely with Derbyshire Safeguarding Children's Board, Erewash Sports Partnership, Nottingham Trent University, Derby University, and the local cluster of schools. Trust leaders work closely with other Multi-Academy Trusts to access training, expertise and to share resources. The Chief Executive Officer 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

The Academy Trust's object ("the Object") is specifically restricted to the following:

*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 2021

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#### 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 Academy Trust's key areas of:

#### **Aspire**

- To aspire to the highest quality education in an inspirational, learning environment.
- To raise pupils' aspirations and enable all individuals in our Trust community to achieve their potential and 'dream big'.
- To inspire children to develop a love of learning and grasp new experiences. Look back with pride and forward with confidence.

#### **Achieve**

- To continually strive to raise the achievement and attainment of all children in the Trust and local community.
- To provide innovative opportunities for staff performance and progression to develop their potential and nurture leaders of the future.
- To support all children to develop character, resilience, life skills, social skills, problem-solving and conflict resolution.

#### **Thrive**

- To develop a culture which actively promotes all aspects of pupils' welfare.
- To develop an excellent understanding of how to keep themselves safe in a range of situations and circumstances.
- To enable pupils to mature into confident, motivated learners who actively contribute to the wider community and develop a wider understanding of the world through direct personal experiences.

These are integral to the work with all pupils in achieving a successful Multi Academy Trust. Regular monitoring of the finance systems and the quality of teaching and learning takes place throughout the year. This ensures that provision at all levels is of the highest quality.

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.

## **WILLOWS ACADEMY TRUST**

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

#### **FOR THE YEAR ENDED 31 AUGUST 2021**

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##### Public benefit

The Trustees 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. The aims and objectives have been reviewed to inform future planning. In particular, the Trustees 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 the 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, peripatetic music teachers to enhance the curriculum experiences for the children; provide 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. All these activities continued in a limited format during the autumn and summer terms due to the restrictions caused by the coronavirus pandemic were suspended during the spring term.

Wherever possible the individual Academies 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, Scout and football groups to support children. Although this has been impacted upon by the Covid-19 pandemic.

In setting objectives and planning activities the Trustees have given careful consideration to the Charity Commission's general guidance on public benefit. The Trustees 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 2021

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#### Strategic report

##### Achievements and performance

During the autumn and the first half of the spring term schools continued to operate successfully meeting the standards and performance objectives set by the Trust.

From early March attendance was impacted upon by the ongoing coronavirus reporting. Following the government lockdown schools within the trust only had key worker children in school from the 4th January 2021. Home schooling was provided for those pupils remaining at home during this period and included;

- Microsoft 365 Learning Platform
- Laptops provided for families in need
- School Websites used to post work
- Class Dojo
- Home Learning Packs produced each week and pupils uploaded their work for the teachers to mark and give feedback
- A weekly Zoom Spirit Assembly (our weekly celebration assembly)
- A weekly zoom session with the class teacher for each year group.
- On-going community events on Class Dojo
- A new timetable each week
- Daily maths and English lessons
- Daily foundation lessons
- PowerPoints for pupils to access for direct teaching.
- Schools 'loaned' iPads to families
- Regular contact made with pupils and parents via Zoom and telephone calls
- Leadership teams were communicating informally and sending work ideas/support activities to SEND pupils with an EHC (Education Health Care Plan) and some other pupils who were struggling to access age-appropriate activities at home.

Parental surveys conducted at school level ascertained that parents and carers were happy with the provision and the level of communication provided by the schools in the Trust.

***Due to the Coronavirus pandemic there is no end of year published data available for 2020/21 academic year due to the cancellation of primary tests.***

Internal data was collected up to the end of the summer term based on assessment tests and teacher assessments (see below).

WILLOWS ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2021

Key performance indicators

*End of Summer 2021 WAT Internal Assessment Data:*

	EYFS	Phonics	KS1			KS2		
			Reading	Writing	Maths	Reading	Writing	Maths
			EXP/GD	EXP/GD	EXP/GD	EXP/GD	EXP/GD	EXP/GD
<b>Dovedale Primary</b>	65%	90%	83% 17%	79% 6%	83% 14%	75% 20%	67% 20%	62% 16%
<b>Dis: KS1 (7) KS2 (7)</b>			56% 0%	56% 0%	56% 0%	43% 14%	43% 0%	43% 28%
<b>RWM combined</b>			<b>All EXP: 79%, GD: 6%</b> <b>Dis EXP: 56%, GD: 0%</b>			<b>All EXP 62%, GD: 16%</b> <b>DIS: EXP 43%, GD: 0%</b>		
<b>Sawley Infant &amp; Nursery</b>	53%	86%	74% 27%	54% 10%	74% 26%			
<b>Dis (15)</b>	20%	64%	44% 6%	19% 0%	44% 25%			
<b>RWM combined</b>			<b>All EXP: 34%, GD: 0%</b> <b>Dis: EXP: 7%, GD: 0%</b>					
<b>Sawley Junior School</b>						78% 24%	61% 37%	80% 11%
<b>Dis (29)</b>						59% 16%	50% 31%	75% 6%
<b>RWM combined</b>						<b>All EXP: 67%, GD: 10%</b> <b>Dis: EXP: 47%, GD: 6%</b>		
<b>Shardlow Primary School</b>	80%	100%	93% 36%	71% 50%	86% 14%	93% 40%	100% 7%	93% 14%
<b>Dis (1)</b>	NA	50%	100% 0%	0% 0%	100% 0%	100% 0%	100% 0%	100%
<b>RWM combined</b>			<b>All: EXP: 71%, GD: 14%</b> <b>Dis: EXP: 100%, GD 0%</b>			<b>All EXP: 93%, GD: 0%</b> <b>Dis: EXP: 100%, GD: 0%</b>		

## WILLOWS ACADEMY TRUST

### TRUSTEES' REPORT (CONTINUED)

#### FOR THE YEAR ENDED 31 AUGUST 2021

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##### Key financial performance indicators

The Trustees and Academy Governing Bodies consider that the following are key performance indicators for the Academy Trust:

- Pupils numbers (leading directly to the Education and Skills Funding Agency ("ESFA") funding level);
- Pupils attendance data (Impacted by coronavirus although schools continued to comply with the DfE requirements to report attendance of key worker and vulnerable pupils;
- General financial stability - aim for income to match expenditure each year;
- Percentage of income received from the ESFA 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
- Financial benchmarking
- Financial impact of Covid-19 on self-generated income

Despite the impact of the coronavirus on the ability of schools to operate normally for all pupils, the Trustees and Academy Governing Bodies have been pleased that expectations of the key performance indicators listed have been managed successfully during this 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. The coronavirus pandemic impacted upon the self-generated income activities such as; The WRAP around club and swimming lettings have been adversely affected with the schools not being fully opened, for 2021 the income has been much reduced, however we were able to distribute staff to assist the school in other functions and we were able to open to a reduced capacity and in the case of Dovedale the holiday club operated over the school holiday periods to ensure a slight offset in the loss of income.

The day to day funded element of the Trust is still in line with the original budgets set, this will constantly be reviewed to ensure we have the most up to date information to make informed decisions that will impact the future of the Trust.

As a Trust we are still happy that the reserve policy we have in place ensures the Trust remains a going concern, the loss of income is expected to be clawed back over the next 3-5 years. 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 2021

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#### **Financial review**

Most of the Academy Trust's recurrent income is obtained from the ESFA in the form of grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the period ended 31 August 2021 and the associated expenditure are shown as restricted funds in the statement of financial activities.

During the year ended 31 August 2021, incoming resources totalled £6,023,509 (2020: £5,495,758) and total expenditure was £6,132,158 (2020: £6,046,065), creating a deficit of £108,649 (2020: deficit of £550,307). When the fixed asset net deficit of £149,078 (2020: net deficit of £189,312) and movements on the local government pension scheme of £349,000 (2020: £351,000) are excluded there was a surplus of £389,429 (2020: £9,995 deficit).

The combined balance on restricted income funds and unrestricted income funds (excluding the pension reserve) as at 31 August 2021 was £822,373, compared to £478,319 as at 31 August 2020. The movement of £344,054 (2020: deficit of £36,245) consists of the in-year surplus of £389,429 (2020: £9,995 deficit) and the transfer to the restricted fixed asset fund of £45,375 (2020: £26,250).

At 31 August 2021, the net book value of fixed assets was £7,376,101 (2020: £7,479,804) and movements in tangible fixed assets are shown in note 13 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 Trust.

#### Reserves policy

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

The Trustees will always try to match income with expenditure in the current year (set and manage a balanced budget), will only carry forward reserves that it considers necessary and will have a clear plan for how it will be used to benefit the pupils.

As at 31 August 2021 the Trust has 'free' reserves i.e. those reserves that are freely available for general purposes of the Trust total £508,899 (2020: £478,319). The restricted fixed asset fund totals £7,376,101 (2020: £7,479,804) which can only be realised by disposing of tangible fixed assets. The restricted reserve deficit of £3,248,000 (2020: £2,126,000) relates to the Local Government Pension Fund which is due to be repaid in line with the agreed terms of the Fund.

The Trustees have determined that the appropriate level of free reserves should be equivalent to one month's staffing expenditure cost, approximately £381,000. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grant income and to provide a cushion to deal with unexpected emergencies such as urgent maintenance or long term sickness where unforeseen costs are incurred.

The reserve policy in place is effective and has ensured that the Trust is still financially viable. With the loss of self-generated income due to the impact of coronavirus the reserves position will be lower than originally budgeted, however they will still be in-line with the Trust Reserve policy. The Trustees will monitor the level of reserves to ensure that they are maintained at the required level. In the event that they are partly used the Trust will strive to rebuild free reserves up to the level needed.

#### Investment policy

The Academy Trust does not hold any investments.

# WILLOWS ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

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#### Principal risks and uncertainties

The main risks that the Academy Trust 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 Trust (including the capacity of staff and buildings to meet the needs of pupils) and its performance in delivering the curriculum. The school buildings are used to generate income via the before and after school clubs, the use of the swimming pool to provide swimming lessons to the general public. The income from these has been adversely effected by the coronavirus. The business continuity plan in place ensured that the business side of the Trust remained similar to when we were fully open, the financial controls remained in place and although meetings were virtual all minutes and approvals took place.

**Financial** - covering risks to the Academy Trust's financial position, including revenue streams, cost control and cash management. Risk registers included the impact of Covid on the trusts financial position. Income streams from the before and after school clubs and swimming clubs were suspended or reduced due to Covid-19 from January to July. Due to Covid-19 there has been increased expenditure incurred due to additional cleaning and materials to provide a safe environment for pupils and staff. Expenditure also increased due to providing additional resources for home learning.

The risks to which the Academy Trust is exposed arise both internally and externally. External risks include those in respect of future funding levels, pupil numbers, competition, changes to rules and regulations, financial position of the staff pension schemes and the financial impact of the coronavirus on self-generated income. The day to day funded element of the Trust is still in line with the original budgets set, this will continue to be reviewed to ensure we have the most up to date information to make informed decisions that will impact the future of the Trust.

#### **Fundraising**

Individual schools participate in fundraising events primarily organised by each Parent Teacher Association. During the spring and summer terms due to the ongoing coronavirus pandemic the PTA's at each school were not able to fundraise from activities such as; movie nights, discos, summer fairs and although these events normally generate a substantial amount of additional income for schools the Trust never budgets for this income and is treated as 'Bonus Income', therefore budgets were not impacted.

Funding raised by Non-Government Grant Applications were unsuccessful due to the private sector removing funding during the pandemic but again this is not budgeted for.

Headteachers and governing bodies reported on fundraising activities during the autumn term to the board of directors. Directors delegate fundraising to individual school governing bodies and ensure they adhere to the 6 principles of fundraising;

1. Plan effectively
2. Supervise fundraisers
3. Protect the trusts reputation and assets
4. Identify and comply with the laws on fundraising
5. Identify and recognise fundraising standards
6. Be open and accountable

Ensuring the Trust meets it legal obligations. All fundraising activities are monitored by the Trustees.

# WILLOWS ACADEMY TRUST

## TRUSTEES' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

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#### **Plans for future periods**

The aims and key objectives set for future periods are;

- Review of the Trust Development Plan to ensure it meets the needs of pupils, staff, governors and Trustees.
- Review the Trusts Growth Strategy for expansion in-line with the central government policy on academy conversion, mergers and the opening of free schools. Work on expansion during 2020/21 was impacted by the implications of the coronavirus and delayed any plans for expansion/merger due to available capacity for face to face meetings, the local authorities delaying making decisions on new school proposals and schools delaying decisions on conversion.
- Develop a learning platform at Shardlow and Dovedale Primary Schools.
- Complete roofing works via the allocated funding from the Condition Improvement Fund.
- Engage consultants to complete an assessment of the condition of Trusts estate and develop a trust wide asset management plan.
- Complete an external review of governance
- Review of the key performance indicators to ensure schools remain financially viable and resources impact directly on pupil outcomes
- Continue developing a CPD programme to include the Early Career framework for NQTs and RQTs, mentoring and training for all staff at all levels and the growth of middle and senior leaders ensuring the trust retains experienced and exemplary staff
- Shared staff, governors and directors training on the new Ofsted framework
- Bulk purchasing
- Review of service level agreements held by individual academies
- Expansion of facilities to accommodate increasing pupil numbers
- The use of the Trust's assets i.e. school buildings to generate income via the further development of before and after school childcare provision and the local community use of the swimming pool.
- Maintain a high level of learning during the ongoing coronavirus pandemic ensuring all pupils are provided with home learning if self-isolating minimising any interruption in learning.
- Ensure the mental and physical well-being of staff and pupils remain a key focus.

#### **Funds held as custodian trustee on behalf of others**

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



**WILLOWS ACADEMY TRUST**

**TRUSTEES' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2021**

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**Auditor**

In so far as the trustees are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

A resolution proposing that 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 2021 and signed on its behalf by:

J Haigh  
**Accounting Officer**

Y Dean  
**Chair**

# WILLOWS ACADEMY TRUST

## GOVERNANCE STATEMENT

### FOR THE YEAR ENDED 31 AUGUST 2021

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#### 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.

As trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

The board of trustees has delegated the day-to-day responsibility to the chief executive, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between 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 7 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustees	Meetings attended	Out of possible
S Dennis (Resigned 3 October 2021)	6	7
J Haigh (Accounting Officer)	7	7
J Prince (Vice Chair) (Resigned 12 October 2021)	5	7
A Page	7	7
K Moran (Resigned 30 March 2021)	5	5
A Taylor	7	7
Y Dean (Chair) (Appointed 10 May 2021)	2	2
K Knight (Appointed 1 November 2021)	0	0

## WILLOWS ACADEMY TRUST

### GOVERNANCE STATEMENT (CONTINUED)

#### FOR THE YEAR ENDED 31 AUGUST 2021

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A skills audit was conducted at the beginning of the academic year and the composition of the key skills of the board clearly identified. The audit identified where there were gaps and as a consequence a new director was recruited with these skills in mind following the resignation of a director before the start of the academic year. The trust is actively seeking to recruit a director following a resignation in March 2021.

The directors have reviewed the trusts key operating documentation and amended where appropriate to ensure the smooth running of the Trust.

The Trust's vision and aims and scheme of delegation have been updated along with key policies operational at Trust and school level.

The trust arranged training for the academy governing bodies on the role of a governor in the academy sector.

Although performance data has been adversely affected by the Covid pandemic information for each academy has been shared with directors termly along with moderation information where appropriate. This has ensured the directors are fully informed about the standards and achievement at each of the academies.

Monthly financial accounts have been shared with directors ensuring they are fully informed about the financial position of each academy and the Trust. This has been a challenging year financially for trusts due to the impact of Covid but the directors are happy with the way the finances have been managed and the trust remains financially viable.

#### **Governance review**

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 directors. Self-evaluation is scheduled into the first meeting of the Board of Trustees each year. Board meetings conclude with 'What have we achieved' and feedback given to academy governing bodies.

The skills audit for 20/21 reflected the following in relation to finance & risk - the score is an average score for each area, graded by level of experience/skill: 1 = none, 5 = extensive:

<i>I understand the principles of risk management: how to prioritise, assess and mitigate against risks</i>	4
<i>I have experience of financial planning: budgeting, monitoring and compliance</i>	4
<i>I understand how the financial efficiency of schools is measured and compared to similar schools</i>	3

Skills and competency audits have also been completed by each academy board of governors and action plans created for training purposes. Governors received training on using data and monitoring standards as part of the training on the roles and responsibilities of a governor during induction training.

360 reviews of the chairs of governors are completed by their governing bodies and shared with the board of directors.

An external review of governance is planned for 2021/22.

## WILLOWS ACADEMY TRUST

### GOVERNANCE STATEMENT (CONTINUED)

#### FOR THE YEAR ENDED 31 AUGUST 2021

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The finance & audit committee is a sub-committee of the main board of trustees. Its purpose is to:

- Keep under review the strategic management of the Trust's finances, including the long-term deployment of resources
- Ensure that the Trust operates within the financial guidelines of the Funding Agency
- In consultation with the Chief Executive Officer (CEO) and the Chief Finance Officer (CFO), to draft the formal budget plan for the financial year, before approval by the Board of Directors
- Consider a budget position statement, including virement decisions at least termly and report significant anomalies from the anticipated position to the Board
- Receive headline financial information and monthly monitoring reports from the Chief Finance Officer at each meeting to ensure that it is able to effectively monitor the annual expenditure against the agreed budget
- Review decisions in respect of service level agreements or in-house provision and to monitor the effectiveness of these services
- Draft the annual accounts for the Directors of the Trust, to be sent to the Secretary of State, Companies Registry and Charities Commission
- Review the staffing structure of the Trust based on plans presented by the CEO and/or CFO and funds available for the Trust, and make recommendations to the Board
- Ensure that a consistent approach to headteacher and staff performance management is adopted across the Trust
- Consider and recommend a pay policy for the Trust to be agreed by the Board and ensure that a consistent approach to pay review is in place across the Trust
- Ensure that the Trust adopts an appropriate range of personnel procedures e.g. disciplinary, grievance, capability and remuneration.

The committee has dealt with the effect on expenditure and income impacted by the Covid pandemic. They have ensured schools have had the resources required to provide remote learning via learning platforms and IT infrastructure.

They have agreed proposals for the condition improvement funding bids and ensured schools buildings meet health and safety requirements approving expenditure where required such as the new security gates on the Sawley site.

Attendance at meetings in the year was as follows:

<b>Trustees</b>	<b>Meetings attended</b>	<b>Out of possible</b>
S Dennis (Resigned 3 October 2021)	5	6
J Haigh (Accounting Officer)	6	6
J Prince (Vice Chair) (Resigned 12 October 2021)	4	6
A Page	6	6
K Moran (Resigned 30 March 2021)	4	4
A Taylor	6	6
Y Dean (Chair) (Appointed 10 May 2021)	2	2

# WILLOWS ACADEMY TRUST

## GOVERNANCE STATEMENT (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

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#### **Review of value for money**

As accounting officer, the chief executive officer 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:

- Purchasing shared human resources services across the MAT.
- Purchasing shared legal services
- Purchasing shared health and safety
- Purchasing shared IT services
- Covid catch-up funding used to provide intervention to support pupils
- Accessing DFE funding for the development of a learning platform to deliver remote learning
- MAT contracts in place for purchasing of Education Resources providing a reduction in cost
- MAT contracts for facilities management i.e. PAT testing
- Benchmarking carried out across the MAT
- MAT online safeguarding training
- MAT subject network groups to disseminate good practise
- MAT professional network groups (subject leaders, deputy heads and headteachers, administration and teaching assistants)
- The development of MAT specialist leaders in education to support school improvement (deployment has been affected by Covid restrictions)
- Robust Finance Policy with clear purchasing guidelines to ensure procedures are followed correctly.
- All contracts are assessed before renewal to ensure value for money.
- The CEO conducts reviews of school data and school performance rather than outsourcing
- Headteacher performance management conducted by the CEO rather than outsourcing
- Trust wide safeguarding reviews conducted by a trust executive lead (deployment has been affected by Covid restrictions)
- MAT training via Trust INSET days
- Data protection audits conducted in-house and reports sent to directors.
- MAT Governor Training
- Review of Internal Scrutiny Services
- Review of External Audit Services

#### **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 for the period 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements.

## **WILLOWS ACADEMY TRUST**

### **GOVERNANCE STATEMENT (CONTINUED)**

#### **FOR THE YEAR ENDED 31 AUGUST 2021**

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##### **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 on-going process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the period 1 September 2020 to 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

##### **The risk and control framework**

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

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- regular reviews by the Board of Trustees 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; and
- 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 and Academies Finance Limited as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. In particular the checks carried out in the current period included:

- Testing of payroll systems
- Testing of purchase systems
- Testing of control account/ bank reconciliations
- Testing of recruitment processes
- Review of Policies
- Testing of Income
- Testing of Related Party Transactions
- Testing of Governance

On an annual basis, the auditor reports to the board of trustees through the finance & audit committee on the operation of the systems of control and on the discharge of the financial responsibilities of the board of trustees, and annually prepares an annual summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress.

The internal auditor has delivered their schedule of work as planned, with no material control issues being identified as a result of their work.

## **WILLOWS ACADEMY TRUST**

### **GOVERNANCE STATEMENT (CONTINUED)**

#### **FOR THE YEAR ENDED 31 AUGUST 2021**

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##### **Review of effectiveness**

As Accounting Officer, the Chief Executive 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 auditor;
- the academy Chief Financial Officer
- the work of the external auditor;
- the financial management and governance self-assessment process; and
- 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 the internal and external audits following the review of the systems of the financial controls. They ensure continuous improvement of the system is in place.

Approved by order of the board of trustees on 14 December 2021 and signed on its behalf by:

J Haigh  
**Accounting Officer**

Y Dean  
**Chair**

## **WILLOWS ACADEMY TRUST**

### **STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE**

#### **FOR THE YEAR ENDED 31 AUGUST 2021**

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As Accounting Officer of Willows Academy Trust, I have considered my responsibility to notify the academy trust board of trustees 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 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 2020.

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 ESFA.

J Haigh  
**Accounting Officer**

14 December 2021



## **WILLOWS ACADEMY TRUST**

### **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

#### **FOR THE YEAR ENDED 31 AUGUST 2021**

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The Trustees (who 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 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 board of trustees on 14 December 2021 and signed on its behalf by:

J Haigh  
**Accounting Officer**

Y Dean  
**Chair**

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

**FOR THE YEAR ENDED 31 AUGUST 2021**

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### **Opinion**

We have audited the accounts of Willows 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.

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

**FOR THE YEAR ENDED 31 AUGUST 2021**

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### **Other information**

The other information comprises the information included in the annual report, other than the accounts and our auditor's report thereon. The trustees are responsible for the other information. Our opinion on the accounts does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the accounts or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **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.

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

**FOR THE YEAR ENDED 31 AUGUST 2021**

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### **Responsibilities of trustees**

As explained more fully in the statement of trustees' responsibilities, the trustees are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, the trustees are responsible for assessing the academy trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the accounts**

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

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 extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the charitable company and the industry in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to:

- child protection,
- the funding agreement,
- academies accounts direction 2020-2021,
- the academies financial handbook 2020,
- employment and health and safety regulation,
- anti-bribery, corruption and fraud,

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

**FOR THE YEAR ENDED 31 AUGUST 2021**

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We considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to inflated income and surplus. Audit procedures performed included:

- review of the financial statement disclosures to underlying supporting documentation,
- enquiries of management,
- testing of journals and evaluating whether there was evidence of bias by the senior leadership team that represented a risk of material misstatement due to fraud
- evaluation of the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- review of correspondence and reports to the regulator, including correspondence with the Education and Skills Funding Agency and
- review of internal audit reports in so far as they related to the financial statements.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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.

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

**FOR THE YEAR ENDED 31 AUGUST 2021**

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**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.

**Elizabeth Searby (Senior Statutory Auditor)**  
**for and on behalf of UHY Hacker Young**

14 December 2021

**Chartered Accountants**  
**Statutory Auditor**

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

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In accordance with the terms of our engagement letter dated 1 July 2015 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 Willows 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 Willows 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 Willows 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 Willows Academy Trust and ESFA, 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 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.

**INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON  
REGULARITY TO WILLOWS ACADEMY TRUST AND THE EDUCATION AND SKILLS  
FUNDING AGENCY (CONTINUED)  
FOR THE YEAR ENDED 31 AUGUST 2021**

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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 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 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.

**Reporting Accountant**

UHY Hacker Young  
14 Park Row  
Nottingham  
NG1 6GR

Dated: 14 December 2021



**WILLOWS ACADEMY TRUST**

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

	Notes	Unrestricted funds £	Restricted funds: General Fixed asset £ £		Total 2021 £	Total 2020 £
<b>Income and endowments from:</b>						
Donations and capital grants	3	-	19,824	59,140	78,964	47,415
Charitable activities:						
- Funding for educational operations	4	-	5,733,115	-	5,733,115	5,205,438
Other trading activities	5	140,065	71,274	-	211,339	242,577
Investments	6	91	-	-	91	328
<b>Total</b>		140,156	5,824,213	59,140	6,023,509	5,495,758
<b>Expenditure on:</b>						
Charitable activities:						
- Educational operations	8	109,576	5,814,364	208,218	6,132,158	6,046,065
<b>Total</b>	7	109,576	5,814,364	208,218	6,132,158	6,046,065
<b>Net income/(expenditure)</b>		30,580	9,849	(149,078)	(108,649)	(550,307)
Transfers between funds	18	-	(45,375)	45,375	-	-
<b>Other recognised gains/(losses)</b>						
Actuarial (losses)/gains on defined benefit pension schemes	20	-	(773,000)	-	(773,000)	522,000
<b>Net movement in funds</b>		30,580	(808,526)	(103,703)	(881,649)	(28,307)
<b>Reconciliation of funds</b>						
Total funds brought forward		478,319	(2,126,000)	7,479,804	5,832,123	5,860,430
Total funds carried forward		508,899	(2,934,526)	7,376,101	4,950,474	5,832,123

**WILLOWS ACADEMY TRUST**

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

Comparative year information Year ended 31 August 2020	Notes	Unrestricted funds £	Restricted funds: General Fixed asset £ £		Total 2020 £
<b>Income and endowments from:</b>					
Donations and capital grants	3	18,322	-	29,093	47,415
Charitable activities:					
- Funding for educational operations	4	-	5,205,438	-	5,205,438
Other trading activities	5	136,750	105,827	-	242,577
Investments	6	328	-	-	328
<b>Total</b>		155,400	5,311,265	29,093	5,495,758
<b>Expenditure on:</b>					
Charitable activities:					
- Educational operations	8	98,987	5,728,673	218,405	6,046,065
<b>Total</b>	7	98,987	5,728,673	218,405	6,046,065
<b>Net income/(expenditure)</b>		56,413	(417,408)	(189,312)	(550,307)
Transfers between funds	18	(92,658)	66,408	26,250	-
<b>Other recognised gains/(losses)</b>					
Actuarial gains on defined benefit pension schemes	20	-	522,000	-	522,000
<b>Net movement in funds</b>		(36,245)	171,000	(163,062)	(28,307)
<b>Reconciliation of funds</b>					
Total funds brought forward		514,564	(2,297,000)	7,642,866	5,860,430
Total funds carried forward		478,319	(2,126,000)	7,479,804	5,832,123

# WILLOWS ACADEMY TRUST

## BALANCE SHEET

AS AT 31 AUGUST 2021

	Notes	2021		2020	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	13		7,376,101		7,479,804
<b>Current assets</b>					
Stocks	14	17,397		10,720	
Debtors	15	205,917		205,342	
Cash at bank and in hand		862,269		653,251	
		<u>1,085,583</u>		<u>869,313</u>	
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	16	(263,210)		(390,994)	
<b>Net current assets</b>			<u>822,373</u>		<u>478,319</u>
<b>Net assets excluding pension liability</b>			<u>8,198,474</u>		<u>7,958,123</u>
Defined benefit pension scheme liability	20		(3,248,000)		(2,126,000)
<b>Total net assets</b>			<u>4,950,474</u>		<u>5,832,123</u>
<b>Funds of the academy trust:</b>					
<b>Restricted funds</b>	18				
- Fixed asset funds			7,376,101		7,479,804
- Restricted income funds			313,474		-
- Pension reserve			(3,248,000)		(2,126,000)
<b>Total restricted funds</b>			<u>4,441,575</u>		<u>5,353,804</u>
<b>Unrestricted income funds</b>	18		<u>508,899</u>		<u>478,319</u>
<b>Total funds</b>			<u>4,950,474</u>		<u>5,832,123</u>

The accounts on pages 31 to 58 were approved by the trustees and authorised for issue on 14 December 2021 and are signed on their behalf by:

J Haigh  
Accounting Officer

Y Dean  
Chair

Company Number 09093035

**WILLOWS ACADEMY TRUST**

**STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED 31 AUGUST 2021**

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	Notes	2021 £	£	2020 £	£
<b>Cash flows from operating activities</b>					
Net cash provided by operating activities	21		254,302		114,069
<b>Cash flows from investing activities</b>					
Dividends, interest and rents from investments		91		328	
Capital grants from DfE Group		29,208		29,093	
Purchase of tangible fixed assets		(74,583)		(55,343)	
<b>Net cash used in investing activities</b>			<u>(45,284)</u>		<u>(25,922)</u>
<b>Net increase in cash and cash equivalents in the reporting period</b>			209,018		88,147
Cash and cash equivalents at beginning of the year			<u>653,251</u>		<u>565,104</u>
<b>Cash and cash equivalents at end of the year</b>			<u><u>862,269</u></u>		<u><u>653,251</u></u>

# WILLOWS ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 AUGUST 2021

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#### 1 Accounting policies

The Willows Academy Trust is a charitable company limited by guarantee incorporated in England and Wales. The registered office is Sawley Junior School, Wilmot Street, Long Eaton, Derbyshire, NG10 3DQ.

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 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 Income

All incoming resources are recognised when the academy trust has entitlement to the funds, the receipt is probable and the amount can be measured reliably.

###### Grants

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.

# WILLOWS ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

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#### 1 Accounting policies

(Continued)

##### 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.

#### 1.4 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 exclusive of recoverable VAT.

# WILLOWS ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

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#### 1 Accounting policies

(Continued)

##### 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.

#### 1.5 Tangible fixed assets and depreciation

Assets costing £3,000 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. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

Long leasehold buildings	50 years
Long leasehold land	Over the remaining term of the lease
Computer equipment	2-3 years
Fixtures, fittings & equipment	3-5 years

Where there are specific conditions attached to the funding requiring the continued use of the asset, assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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.

#### 1.6 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 of services it must provide.

# WILLOWS ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

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#### 1 Accounting policies

(Continued)

##### 1.7 Leased assets

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

##### 1.8 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.

##### 1.9 Stock

Unsold uniform and unused educational supplies are valued at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less further costs to completion and disposal. Provisions are made for obsolete and slow moving stock where appropriate.

##### 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.

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 20, the TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers consequently the TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.



# WILLOWS 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 the Education and Skills 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 and Skills Funding Agency/Department for Education.

#### 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 discussed below.

# WILLOWS ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

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#### 2 Critical accounting estimates and areas of judgement (Continued)

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, which are disclosed in note 20, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

#### 3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
Donated fixed assets	-	29,932	29,932	-
Capital grants	-	29,208	29,208	29,093
Other donations	-	19,824	19,824	18,322
	-----	-----	-----	-----
	-	78,964	78,964	47,415
	=====	=====	=====	=====

Donations and capital grants in year ended 31 August 2021 totalled £78,964 (2020: £47,415), of which £Nil related to unrestricted funds (2020: £18,322), £19,824 related to other restricted funds (2020: £Nil), and £59,140 related to restricted fixed assets (2020: £29,093).

**WILLOWS ACADEMY TRUST**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2021**

**4 Funding for the academy trust's educational operations**

	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 £
<b>DfE/ESFA grants</b>				
General annual grant (GAG)	-	4,405,004	4,405,004	4,021,101
Other DfE/ESFA grants:				
UIFSM	-	141,606	141,606	149,237
Pupil premium	-	325,878	325,878	309,855
Teachers' pay & pension grants	-	212,724	212,724	187,286
Others	-	121,723	121,723	128,839
	-	5,206,935	5,206,935	4,796,318
<b>Other government grants</b>				
Local authority grants	-	437,269	437,269	392,599
Special educational projects	-	500	500	1,630
	-	437,769	437,769	394,229
<b>COVID-19 additional funding</b>				
<b>DfE/ESFA</b>				
Catch-up premium	-	86,720	86,720	-
Other DfE/ESFA COVID-19 funding	-	1,691	1,691	14,891
	-	88,411	88,411	14,891
<b>Total funding</b>	-	5,733,115	5,733,115	5,205,438

Following the reclassification in the Academies Accounts Direction 2020/21 of some grants received from the Department for Education and ESFA, the academy trust's funding for Universal Infant Free School Meals and Pupil Premium is no longer reported under the Other DfE Group grants heading, but as separate lines under the Other DfE/ESFA grants heading. The prior year numbers have been reclassified.

The Academy Trust has been eligible to claim additional funding in year from government support schemes in response to the coronavirus outbreak. The funding received is shown above under "COVID-19 additional funding".

The academy received £87k of funding for catch-up premium and costs incurred in respect of this funding totalled £87k, with the remaining £Nil to be spent in 2021/22.

**WILLOWS ACADEMY TRUST**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2021**

**5 Other trading activities**

	<b>Unrestricted funds £</b>	<b>Restricted funds £</b>	<b>Total 2021 £</b>	<b>Total 2020 £</b>
Trip income	-	10,474	10,474	37,227
Catering income	-	60,800	60,800	68,600
Other income	140,065	-	140,065	136,750
	<u>140,065</u>	<u>71,274</u>	<u>211,339</u>	<u>242,577</u>

The income from other trading activities in the year ended 31 August 2021 totalled £211,339 (2020: £242,577), of which £140,065 was unrestricted (2020: £136,750) and £71,274 was restricted (2020: £105,827).

**6 Investment income**

	<b>Unrestricted funds £</b>	<b>Restricted funds £</b>	<b>Total 2021 £</b>	<b>Total 2020 £</b>
Short term deposits	91	-	91	328
	<u>91</u>	<u>-</u>	<u>91</u>	<u>328</u>

Investment income in year ended 31 August 2021 totalled £91 (2020: £328), of which £91 (2020: £328) related to unrestricted funds and £Nil related to restricted funds (2020: £Nil).

**7 Expenditure**

	<b>Staff costs £</b>	<b>Non Pay Expenditure</b>		<b>Total 2021 £</b>	<b>Total 2020 £</b>
		<b>Premises £</b>	<b>Other £</b>		
Academy's educational operations					
- Direct costs	3,955,208	-	156,159	4,111,367	4,094,675
- Allocated support costs	1,034,703	431,371	554,717	2,020,791	1,951,390
	<u>4,989,911</u>	<u>431,371</u>	<u>710,876</u>	<u>6,132,158</u>	<u>6,046,065</u>

**WILLOWS ACADEMY TRUST**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2021**

**7 Expenditure (Continued)**

<b>Net income/(expenditure) for the year includes:</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Fees payable to auditor for audit services	16,290	16,500
Operating lease rentals	21,140	27,144
Depreciation of tangible fixed assets	208,218	218,405
Net interest on defined benefit pension liability	37,000	47,000
	<u>          </u>	<u>          </u>

**8 Charitable activities**

	<b>Unrestricted funds £</b>	<b>Restricted funds £</b>	<b>Total 2021 £</b>	<b>Total 2020 £</b>
<b>Direct costs</b>				
Educational operations	12,824	4,098,543	4,111,367	4,094,675
<b>Support costs</b>				
Educational operations	96,752	1,924,039	2,020,791	1,951,390
	<u>109,576</u>	<u>6,022,582</u>	<u>6,132,158</u>	<u>6,046,065</u>

	<b>2021 £</b>	<b>2020 £</b>
<b>Analysis of support costs</b>		
Support staff costs	1,034,703	967,674
Depreciation	208,218	218,405
Premises costs	223,153	196,038
Legal costs	51,365	64,210
Other support costs	487,062	488,563
Governance costs	16,290	16,500
	<u>2,020,791</u>	<u>1,951,390</u>

# WILLOWS ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

#### 9 Staff

##### Staff costs

Staff costs during the year were:

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Wages and salaries	3,524,360	3,406,337
Social security costs	302,289	288,088
Pension costs	1,086,720	1,039,143
	<hr/>	<hr/>
Staff costs - employees	4,913,369	4,733,568
Agency staff costs	65,699	53,000
	<hr/>	<hr/>
	4,979,068	4,786,568
Staff development and other staff costs	10,843	29,370
	<hr/>	<hr/>
Total staff expenditure	4,989,911	4,815,938
	<hr/> <hr/>	<hr/> <hr/>

##### Staff numbers

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

	<b>2021</b>	<b>2020</b>
	<b>Number</b>	<b>Number</b>
Teachers	61	64
Administration and support	117	117
	<hr/>	<hr/>
	178	181
	<hr/> <hr/>	<hr/> <hr/>

##### Higher paid staff

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

	<b>2021</b>	<b>2020</b>
	<b>Number</b>	<b>Number</b>
£60,000 - £70,000	2	2
£70,000 - £80,000	1	1
£80,000 - £90,000	-	1
£90,000 - £100,000	1	-
	<hr/> <hr/>	<hr/> <hr/>

# WILLOWS ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

#### 9 Staff

(Continued)

##### 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 £623,924 (2020: £536,428).

#### 10 Central services

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

- human resources;
- financial services;
- legal services;
- educational support services;
- others as arising.

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

- flat percentage of GAG (6%) (2020: 6%).

The amounts charged during the year were as follows:

	2021	2020
	£	£
Dovedale Primary School	91,575	84,840
Sawley Junior School	61,962	74,798
Sawley Infant School	83,501	56,359
Shardlow Primary School	27,262	25,269
Willows Academy Trust	-	-
	<u>264,300</u>	<u>241,266</u>

#### 11 Trustees' remuneration and expenses

One or more Trustees have been paid remuneration or have received other benefits from an employment with the Academy Trust. Staff only receive remuneration in respect of services they provide undertaking the role of staff members under their contract of employment.

J Haigh (Chief Executive Officer)

Remuneration £90,000 - £95,000 (2020: £85,000 - £90,000)

Employer's pension contributions paid £20,000 - £25,000 (2020: £20,000 - £25,000)

During the year, travel and subsistence payments and office expenses totalling £Nil (2020: £174) were reimbursed or paid directly to Trustees (2020: one Trustee).

Other related party transactions involving the trustees are set out within note 24.

# WILLOWS ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

#### 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 Tangible fixed assets

	Long leasehold buildings £	Computer equipment £	Fixtures, fittings & equipment £	Total £
<b>Cost</b>				
At 1 September 2020	8,195,031	249,531	244,015	8,688,577
Additions	-	55,213	49,302	104,515
At 31 August 2021	8,195,031	304,744	293,317	8,793,092
<b>Depreciation</b>				
At 1 September 2020	816,170	226,836	165,767	1,208,773
Charge for the year	156,961	18,111	33,146	208,218
At 31 August 2021	973,131	244,947	198,913	1,416,991
<b>Net book value</b>				
At 31 August 2021	7,221,900	59,797	94,404	7,376,101
At 31 August 2020	7,378,861	22,695	78,248	7,479,804

Included in long leasehold land and buildings is land of £597,000 (2020: £597,000).

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 at Shardlow Primary School is held under a 125-year lease with the local authority. The buildings at Shardlow Primary School are owned by the Diocese of Derbyshire and are occupied under a 5 year lease commencing May 2018.

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



**WILLOWS ACADEMY TRUST**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2021**

**14 Stocks**

**2021**  
**£**

**2020**  
**£**

Stock 17,397 10,720

**15 Debtors**

**2021**  
**£**

**2020**  
**£**

Trade debtors 1,874 -  
VAT recoverable 22,821 30,078  
Other debtors 4,258 2,793  
Prepayments and accrued income 176,964 172,471

205,917 205,342

**16 Creditors: amounts falling due within one year**

**2021**  
**£**

**2020**  
**£**

Trade creditors 73,591 191,692  
Other creditors 1,107 162  
Accruals and deferred income 188,512 199,140

263,210 390,994

**17 Deferred income**

**2021**  
**£**

**2020**  
**£**

Deferred income is included within:

Creditors due within one year 110,427 113,689

Deferred income at 1 September 2020 113,689 123,267

Released from previous years (113,689) (123,267)

Resources deferred in the year 110,427 113,689

**Deferred income at 31 August 2021** 110,427 113,689

**WILLOWS ACADEMY TRUST**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2021**

**17 Deferred income**

**(Continued)**

At the balance sheet date, the deferred income provision of £110,427 includes £82,605 universal infant free school meals grant, £10,035 rates relief, £17,575 of trip income, and £212 dinner money received in advance for the autumn term.

**18 Funds**

	<b>Balance at 1 September 2020 £</b>	<b>Income £</b>	<b>Expenditure £</b>	<b>Gains, losses and transfers £</b>	<b>Balance at 31 August 2021 £</b>
<b>Restricted general funds</b>					
General Annual Grant (GAG)	-	4,405,004	(4,084,385)	(45,375)	275,244
UIFSM	-	141,606	(141,606)	-	-
Pupil premium	-	325,878	(325,878)	-	-
Catch-up premium	-	86,720	(86,720)	-	-
Other DfE/ESFA COVID-19 funding	-	1,691	(1,691)	-	-
Other DfE/ESFA grants	-	334,447	(296,217)	-	38,230
Other government grants	-	437,769	(437,769)	-	-
Other restricted funds	-	91,098	(91,098)	-	-
Pension reserve	(2,126,000)	-	(349,000)	(773,000)	(3,248,000)
	<u>(2,126,000)</u>	<u>5,824,213</u>	<u>(5,814,364)</u>	<u>(818,375)</u>	<u>(2,934,526)</u>
<b>Restricted fixed asset funds</b>					
DfE group capital grants	7,479,804	29,208	(207,433)	45,375	7,346,954
Donated fixed assets	-	29,932	(785)	-	29,147
	<u>7,479,804</u>	<u>59,140</u>	<u>(208,218)</u>	<u>45,375</u>	<u>7,376,101</u>
<b>Total restricted funds</b>	<u>5,353,804</u>	<u>5,883,353</u>	<u>(6,022,582)</u>	<u>(773,000)</u>	<u>4,441,575</u>
<b>Unrestricted funds</b>					
General funds	478,319	140,156	(109,576)	-	508,899
	<u>478,319</u>	<u>140,156</u>	<u>(109,576)</u>	<u>-</u>	<u>508,899</u>
<b>Total funds</b>	<u>5,832,123</u>	<u>6,023,509</u>	<u>(6,132,158)</u>	<u>(773,000)</u>	<u>4,950,474</u>

# WILLOWS ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

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#### 18 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 DfE/ESFA where the asset acquired or created is held for a specific purpose. Donated fixed assets relate to IT equipment donations from the DfE.

Restricted general funds comprise all other restricted funds received and include grants from the DfE/ESFA, such as the general annual grant (GAG), Universal infant free school meals (UIFSM), Pupil Premium (PP), Teachers' pay grant (TPG, Teachers' pension grant (TPECG), and others.

The Academy Trust was also eligible to receive additional funding from the DfE in relation to COVID-19, including catch-up premium. This has also been included in restricted general funds.

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 2021.

A transfer of £45,375 (2020: £26,250) was made from the GAG fund to the restricted fixed asset fund to cover capital expenditure not covered by capital grant income.

The pension reserve held within restricted funds was in deficit by £3,248,000 at 31 August 2021. This does not mean that an immediate liability for this amount crystallises. The Trust has entered into an agreement with Derbyshire County Council to make contributions in addition to normal funding levels for the next 17 years, if needed. No additional contributions were made for the year to 31 August 2021 (2020: £Nil).

From April 2017, employer contributions percentages increased rather than the Trust paying over separate additional contributions. The contribution rates are as follows:

Dovedale Primary	20.9% (2020: 20.9%)
Sawley Juniors	21.2% (2020: 21.2%)
Sawley Infants	22.0% (2020: 20.0%)
Shardlow Primary	21.3% (2020: 23.3%)

**WILLOWS ACADEMY TRUST**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2021**

**18 Funds**

**(Continued)**

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

	<b>Balance at 1 September 2019 £</b>	<b>Income £</b>	<b>Expenditure £</b>	<b>Gains, losses and transfers £</b>	<b>Balance at 31 August 2020 £</b>
<b>Restricted general funds</b>					
General Annual Grant (GAG)	-	4,021,101	(4,087,509)	66,408	-
UIFSM	-	149,237	(149,237)	-	-
Pupil premium	-	309,855	(309,855)	-	-
Other DfE/ESFA grants	-	316,125	(316,125)	-	-
Other government grants	-	409,120	(409,120)	-	-
Other restricted funds	-	105,827	(105,827)	-	-
Pension reserve	(2,297,000)	-	(351,000)	522,000	(2,126,000)
	<u>(2,297,000)</u>	<u>5,311,265</u>	<u>(5,728,673)</u>	<u>588,408</u>	<u>(2,126,000)</u>
<b>Restricted fixed asset funds</b>					
DfE group capital grants	7,642,866	29,093	(218,405)	26,250	7,479,804
	<u>7,642,866</u>	<u>29,093</u>	<u>(218,405)</u>	<u>26,250</u>	<u>7,479,804</u>
<b>Total restricted funds</b>	<u>5,345,866</u>	<u>5,340,358</u>	<u>(5,947,078)</u>	<u>614,658</u>	<u>5,353,804</u>
<b>Unrestricted funds</b>					
General funds	514,564	155,400	(98,987)	(92,658)	478,319
	<u>514,564</u>	<u>155,400</u>	<u>(98,987)</u>	<u>(92,658)</u>	<u>478,319</u>
<b>Total funds</b>	<u>5,860,430</u>	<u>5,495,758</u>	<u>(6,046,065)</u>	<u>522,000</u>	<u>5,832,123</u>

# WILLOWS ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

#### 18 Funds

(Continued)

##### Total funds analysis by academy

	2021	2020
	£	£
Fund balances at 31 August 2021 were allocated as follows:		
Dovedale Primary School	125,888	28,548
Sawley Junior School	525,678	371,456
Sawley Infant School	213,689	129,152
Shardlow Primary School	(4,727)	(6,846)
Willows Academy Trust	(38,155)	(43,991)
	<hr/>	<hr/>
Total before fixed assets fund and pension reserve	822,373	478,319
Restricted fixed asset fund	7,376,101	7,479,804
Pension reserve	(3,248,000)	(2,126,000)
	<hr/>	<hr/>
Total funds	4,950,474	5,832,123
	<hr/> <hr/>	<hr/> <hr/>

The Willows Academy Trust central function is currently in a deficit position. It was decided for the 2020/21 financial year that charges for central services would not increase, remaining at 6% of GAG income. For the 2021/22 financial year, the trust is forecasting an in-year surplus position and a plan is in place to ensure the Trust achieves sufficient surplus reserves in future years.

Shardlow Primary School is currently in a deficit reserve position; the main reason for this is the historic staffing structure. The staffing structure has been revised from 19/20 and there is a long term plan in place to ensure that the school achieves surplus reserves.

**WILLOWS ACADEMY TRUST**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2021**

**18 Funds**

**(Continued)**

**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 £
Dovedale Primary School	1,298,511	384,852	46,872	326,899	2,057,134	1,927,378
Sawley Junior School	1,044,025	246,395	47,608	258,070	1,596,098	1,570,344
Sawley Infant School	1,109,957	226,304	29,059	280,921	1,646,241	1,708,698
Shardlow Primary School	378,861	96,740	32,620	119,073	627,294	614,156
Willows Academy Trust	123,854	80,412	-	57,207	261,473	248,352
	<u>3,955,208</u>	<u>1,034,703</u>	<u>156,159</u>	<u>1,042,170</u>	<u>6,188,240</u>	<u>6,068,928</u>

**Total cost analysis by academy- prior year**

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

	Teaching and educational support staff £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2020 £
Dovedale Primary School	1,219,681	353,498	67,358	286,841	1,927,378
Sawley Junior School	1,016,732	220,938	69,267	263,407	1,570,344
Sawley Infant School	1,135,754	220,075	60,169	292,700	1,708,698
Shardlow Primary School	354,855	105,388	49,618	104,295	614,156
Willows Academy Trust	121,243	67,775	-	59,334	248,352
	<u>3,848,265</u>	<u>967,674</u>	<u>246,412</u>	<u>1,006,577</u>	<u>6,068,928</u>

# WILLOWS ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

#### 19 Analysis of net assets between funds

	<b>Unrestricted Funds £</b>	<b>Restricted funds: General    Fixed asset £            £</b>		<b>Total Funds £</b>
<b>Fund balances at 31 August 2021 are represented by:</b>				
Tangible fixed assets	-	-	7,376,101	7,376,101
Current assets	508,899	576,684	-	1,085,583
Creditors falling due within one year	-	(263,210)	-	(263,210)
Defined benefit pension liability	-	(3,248,000)	-	(3,248,000)
<b>Total net assets</b>	<b>508,899</b>	<b>(2,934,526)</b>	<b>7,376,101</b>	<b>4,950,474</b>

	<b>Unrestricted Funds £</b>	<b>Restricted funds: General    Fixed asset £            £</b>		<b>Total Funds £</b>
<b>Fund balances at 31 August 2020 are represented by:</b>				
Tangible fixed assets	-	-	7,479,804	7,479,804
Current assets	478,319	390,994	-	869,313
Creditors falling due within one year	-	(390,994)	-	(390,994)
Defined benefit pension liability	-	(2,126,000)	-	(2,126,000)
<b>Total net assets</b>	<b>478,319</b>	<b>(2,126,000)</b>	<b>7,479,804</b>	<b>5,832,123</b>

#### 20 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 Derbyshire County 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.

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

#### 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.

# WILLOWS ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

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#### 20 Pension and similar obligations

(Continued)

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.

#### 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 £517,310 (2020: £485,730).

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 20.3 to 23.0% for employers and 5.5 to 12.5% for employees.

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.



**WILLOWS ACADEMY TRUST**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2021**

**20 Pension and similar obligations (Continued)**

<b>Total contributions made</b>	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Employer's contributions	256,000	225,000
Employees' contributions	70,000	62,000
	<u>          </u>	<u>          </u>
Total contributions	326,000	287,000
	<u>          </u>	<u>          </u>

<b>Principal actuarial assumptions</b>	<b>2021</b>	<b>2020</b>
	<b>%</b>	<b>%</b>
Rate of increase in salaries	3.6	2.9
Rate of increase for pensions in payment/inflation	2.9	2.2
Discount rate for scheme liabilities	1.65	1.7
Inflation assumption (CPI)	2.9	2.2
Commutation of pensions to lump sums	50.0	50.0
	<u>          </u>	<u>          </u>

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

	<b>2021</b>	<b>2020</b>
	<b>Years</b>	<b>Years</b>
Retiring today		
- Males	21.3	21.6
- Females	23.9	23.7
Retiring in 20 years		
- Males	22.5	22.6
- Females	25.8	25.1
	<u>          </u>	<u>          </u>

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

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
0.1% decrease in Real Discount Rate	181	136
0.1% increase in Salary Increase Rate	24	21
0.1% increase in Pension Increase Rate	153	113
	<u>          </u>	<u>          </u>

# WILLOWS ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

#### 20 Pension and similar obligations

(Continued)

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

	2021	2020
	Fair value	Fair value
	£	£
Equities	2,375,000	1,758,000
Bonds	840,000	652,000
Cash	183,000	227,000
Property	256,000	198,000
	<u>3,654,000</u>	<u>2,835,000</u>

The actual return on scheme assets was £512,000 (2020: £23,000).

##### Amount recognised in the statement of financial activities

	2021	2020
	£	£
Current service cost	568,000	529,000
Interest income	(52,000)	(50,000)
Interest cost	89,000	97,000
	<u>605,000</u>	<u>576,000</u>

##### Changes in the present value of defined benefit obligations

	2021	2020
	£	£
At 1 September 2020	4,961,000	4,835,000
Current service cost	568,000	529,000
Interest cost	89,000	97,000
Employee contributions	70,000	62,000
Actuarial loss/(gain)	1,233,000	(549,000)
Benefits paid	(19,000)	(13,000)
	<u>6,902,000</u>	<u>4,961,000</u>

**WILLOWS ACADEMY TRUST**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2021**

**20 Pension and similar obligations (Continued)**

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

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
At 1 September 2020	2,835,000	2,538,000
Interest income	52,000	50,000
Actuarial (gain)/loss	460,000	(27,000)
Employer contributions	256,000	225,000
Employee contributions	70,000	62,000
Benefits paid	(19,000)	(13,000)
	<u>3,654,000</u>	<u>2,835,000</u>
At 31 August 2021	<u>3,654,000</u>	<u>2,835,000</u>

**21 Reconciliation of net expenditure to net cash flow from operating activities**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Net expenditure for the reporting period (as per the statement of financial activities)	(108,649)	(550,307)
Adjusted for:		
Capital grants from DfE and other capital income	(59,140)	(29,093)
Investment income receivable	(91)	(328)
Defined benefit pension costs less contributions payable	312,000	304,000
Defined benefit pension scheme finance cost	37,000	47,000
Depreciation of tangible fixed assets	208,218	218,405
(Increase)/decrease in stocks	(6,677)	5,743
(Increase)/decrease in debtors	(575)	15,564
(Decrease)/increase in creditors	(127,784)	103,085
	<u>254,302</u>	<u>114,069</u>
<b>Net cash provided by operating activities</b>	<u>254,302</u>	<u>114,069</u>

**22 Analysis of changes in net funds**

	<b>1 September</b>	<b>Cash flows</b>	<b>31 August</b>
	<b>2020</b>		<b>2021</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Cash	653,251	209,018	862,269
	<u>653,251</u>	<u>209,018</u>	<u>862,269</u>

# WILLOWS ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2021

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#### 23 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	21,835	17,686
Amounts due in two and five years	20,498	28,274
	<u>42,333</u>	<u>45,960</u>

#### 24 Related party transactions

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 conducted at arms length and in accordance with the academy trust's financial regulations and normal procurement procedures. The following related party transactions took place in the financial period.

##### Expenditure Related Party Transactions

The academy trust reimbursed J Richardson, CFO, £2,645 for travel expenses at no more than cost.

All transactions involving related parties are conducted in accordance with the requirements of the Academies Financial Handbook, including notifying ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

#### 25 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.