

**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 2022**

# WILLOWS ACADEMY TRUST

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# WILLOWS ACADEMY TRUST

## REFERENCE AND ADMINISTRATIVE DETAILS

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### Members

S Dennis  
G Blair  
E Martin (Resigned 13 September 2022)  
J Richardson (Appointed 13 September 2022)

### Trustees

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

### Senior management team

J Haigh - Chief Executive Officer  
J Richardson - Chief Finance Officer (Resigned 18 February 2022)  
A Pole (SAAF) - Chief Finance Officer (Appointed 1 February 2022)  
A Burton - Principal, Sawley Junior School  
M Harrel - Co Principal, Sawley Infant & Nursery School  
R Morley - Co Principal, Sawley Infant & Nursery School  
S Housman - Principal, Dovedale Primary School  
K Magner - Principal, Shardlow Primary School  
M Davis - Acting Principal, Shardlow Primary School (From 1 September 2020 to 6 June 2021)

### 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 2022

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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 2021 to 31 August 2022. 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 1155 plus 96 full-time equivalent nursery places and had a roll of 1069 in the school census in April 2022.

#### **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.

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

Details of the insurance cover are provided in note 11 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 Directors
- 1 Trust employee Director

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

Directors 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, business colleagues and a direct approach to businesses is used to recruit new directors. 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 2022

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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 ongoing issues associated with 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 complete the safeguarding training online via the Hays training portal. All Directors have secure access to the Trust portal whereby all documentation can be easily accessed.

The chair of the board of directors meets with the chair of governing bodies termly to discuss the strategic direction of the trust and to ensure the sharing of information and the identification of any issues remain a key focus.

#### Organisational structure

The organisational structure consists of three levels: The Members and Directors 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 directors 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 directors 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, recruiting support staff, teachers and adopting an annual plan. Directors are responsible for ratifying the decisions made by an Academy Governing body. Directors monitor the academy use of budgets and make major decisions about the direction of the Academy, the performance of schools, 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 Directors 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 2022

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

The key management personnel of the academy trust comprise the Directors 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 directors, 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 director which 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 trustees.

The day to day running of the remuneration policy is delegated to the headteachers and monitored by the academy governing body and discussed and reviewed by the board of directors. All details for setting pay and remuneration of key management personnel are set out in the Pay Policy which is reviewed annually by the board of directors.

Remuneration of key management personnel is set at an individual level, and where possible the directors have taken external professional advice. Senior management salaries are linked to pay spines, helping directors 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 2022**

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##### Engagement with employees

Although the Trust has less than 250 employees Willows Academy Trust considers communication and engagement with employees vital for a successful trust. Engagement involves; visits into school to engage with staff and to be available for discussions. The Chief Executive Officer produces 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. There has been a strong focus in communication with staff during the ongoing effects of the Covid 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. Monthly meetings take place with headteachers and issues and concerns are a standard agenda item ensuring they are dealt with promptly.

Staff questionnaires are completed annually and shared with directors and governors.

The Trusts Equality and Diversity Policy ensures that all employees are treated fairly and equitably from recruitment to career development and promotion. This is reviewed and updated annually to ensure the policy is fit for purpose. Equality and diversity are a standard item on the CEO report and any breaches of which there have been none reported in 2021/22 is reported on half termly.

##### 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 and Saaf (Schools Academy and Finance) since February 2022 have reviewed 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, Busy Bees, Derbyshire Traded Services and SchoolPro 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 the Derbyshire Schools Forum, Derbyshire Safeguarding Children's Board, Erewash Sports Partnership, Nottingham Trent University, Derby University, Spencer Teaching Hub and the local cluster of schools. Trust leaders work closely with other Multi-Academy Trusts and the Confederation of School Trusts to access training, expertise and to share resources. The Chief Executive Officer is contracted as an OFSTED inspector and also represents academies across Derbyshire on the Local Authorities Schools Forum. Each academy has a charitable group at local level focussed on fundraising and charitable events for the individual Academy.



## WILLOWS ACADEMY TRUST

### TRUSTEES' REPORT (CONTINUED)

#### FOR THE YEAR ENDED 31 AUGUST 2022

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#### **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.*

##### 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 Directors 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 2022

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#### Public benefit

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

Willows Academy Trust is a Multi Academy Trust catering for children aged 3 to 11 and strives to promote and support the advancement of education within a local context. The schools provide an extensive programme of educational and recreational activity - all designed to contribute to the overall education of the pupils in areas such as academic distinction, music, the arts and sport. For example, some of the Academies 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 and nurseries to help the transition of pupils. Schools also work within the local community to ensure that it is central to community cohesion i.e. via the participation in the Long Eaton Carnival, Christmas Light switch on and the Chinese New Year parade.

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 and national elections, swimming lessons, Local Beaver, Scout and football groups to support children.

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

#### **Strategic report**

##### **Achievements and performance**

The key areas for development across the trust for 2021/22 were to;

- Increase the percentage of pupils attaining ARE in writing so they are in-line with national expectations by July 2022,
- Diminish the gap between disadvantaged and non-disadvantaged pupils reading, writing and mathematics.

School led tutoring was implemented in all schools to support pupils in diminishing the gaps in their learning as a result of the Covid pandemic. Writing had been adversely affected compared to other subjects due to the difficulty in teaching remotely. Given the significantly low baselines in September 2021 pupils have made good progress in writing although there is still work to be done to bring in-line with other subjects.

The gap between disadvantaged and non-disadvantaged is reducing in the majority of subjects across most schools.

WILLOWS ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

Key performance indicators

*End of Summer 2022 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>	61%	82%	83% 34%	80% 15%	85% 32%	82% 26%	82% 27%	70% 20%
<b>Dis: KS1 (7) KS2 (7)</b>			50% 0%	56% 0%	56% 0%	54% 14%	62% 0%	62% 0%
<b>RWM combined</b>			<b>All EXP: 78%, GD: 32%</b>			<b>All EXP 73%, GD: 9%</b>		
			<b>Dis EXP: 40%, GD: 0%</b>			<b>DIS: EXP 23%, GD: 0%</b>		
<b>Sawley Infant &amp; Nursery</b>	55%	81%	70% 22%	53% 2%	73% 9%			
<b>Dis (23)</b>			60% 8%	40% 0%	56% 8%			
<b>RWM combined</b>			<b>All EXP: 53%, GD: 2%</b>					
			<b>Dis: EXP: 40%, GD: 0%</b>					
<b>Sawley Junior School</b>						71% 31%	68% 12%	65% 15%
<b>Dis (26)</b>						57% 17%	52% 9%	57% 0%
<b>RWM combined</b>						<b>All EXP: 58%, GD: 2%</b>		
						<b>Dis: EXP: 34%, GD: 0%</b>		
<b>Shardlow Primary School</b>	55%	85%	57% 14%	57% 14%	71% 7%	81% 38%	56% 0%	69% 13%
<b>Dis KS1 (4) &amp; KS2 (4)</b>			50% 0%	50% 0%	50% 0%	80% 0%	50% 0%	60% 0%
<b>RWM combined</b>			<b>All: EXP: 57%, GD: 0%</b>			<b>All EXP: 56%, GD: 0%</b>		
			<b>Dis: EXP: 50%, GD 0%</b>			<b>Dis: EXP: 50%, GD: 0%</b>		

## WILLOWS ACADEMY TRUST

### TRUSTEES' REPORT (CONTINUED)

#### FOR THE YEAR ENDED 31 AUGUST 2022

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##### Key financial performance indicators

The directors and academy governing bodies consider that the following are key performance indicators for the Academy Trust:

- Pupils numbers (leading directly to the Education Schools Funding Agency ("ESFA") funding levels;
- Pupils attendance data (impacted by coronavirus infections during the spring term when absences doubled due to the virus)
- General financial stability - aim for staffing ratios to match pupil numbers in each year group;
- Percentage of income received from EFSA 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;
- Inflation rates impacting on cost of energy and resources

Despite the impact of absences due to coronavirus on the ability of schools to operate normally for all pupils, the directors 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 directors 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 and schools are only just beginning to recover but are yet to meet the pre-pandemic levels.

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 happy that the reserve policy we have in place ensures the Trust remains a going concern, the loss of self-generated income is expected to be clawed back over the next 2-4 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 2022

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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 2022, incoming resources totalled £7,855,746 (2021: £6,023,509) and total expenditure was £6,774,529 (2021: £6,132,158), creating a surplus of £1,081,217 (2021: deficit of £108,649). When the fixed asset net surplus of £1,435,150 (2021: net deficit of £149,078) and movements on the local government pension scheme of £565,000 (2021: £349,000) are excluded there was a surplus of £211,067 (2021: £389,429).

The combined balance on restricted income funds and unrestricted income funds (excluding the pension reserve) as at 31 August 2022 was £953,074, compared to £822,373 as at 31 August 2021. The movement of £130,701 (2021: £344,054) consists of the in-year surplus of £211,067 (2021: £389,429 surplus) and the transfer to the restricted fixed asset fund of £80,366 (2021: £45,375).

At 31 August 2022, the net book value of fixed assets was £8,009,339 (2021: £7,376,101) 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 directors 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 directors 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.

The trustees have determined that the appropriate level of free reserves should be equivalent to one month's staffing expenditure cost, approximately £435,000. 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 ongoing issues associated with the coronavirus pandemic, increased energy costs and price increases for resources 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 2022

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#### Principal risks and uncertainties

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

- **Operational and reputational** - this covers risks to the running of the Academy (including the capacity of staff and buildings to meet the needs of pupils) and its performance in delivering the curriculum. 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 and the local Rainbow and Cubs groups. Despite the ongoing impact of coronavirus, the business continuity plan in place ensured that the business and the subsequent financial controls continued to operate effectively 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. Due to coronavirus there has been increased expenditure incurred due to staff absences and additional cleaning and materials to provide a safe environment for pupils and staff.
- 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. Fundraising events took place in schools although these reduced in comparison to previous years due to ongoing restrictions in school. Although these events 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.

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 its legal obligations. All fundraising activities are monitored by the Directors.

## **WILLOWS ACADEMY TRUST**

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

#### **FOR THE YEAR ENDED 31 AUGUST 2022**

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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 directors
- Review the Trusts Growth Strategy for expansion in-line with the central government policy on academy conversion, mergers and the opening of free schools.
- Continue to work in partnership with the RSC (Regional Schools Commissioners Office) during the due diligence process for a potential merger with another trust.
- Complete IT audits across the trust and develop a 3-5-year development plan.
- Review all expenditure ensuring this correlates with pupil numbers and staffing levels at each school.
- 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 the CPD programme to include the Early Career framework for ECTS (Early Career Teachers) 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
- Bulk purchasing
- Review of service level agreements held by individual academies
- Expansion of facilities to accommodate increasing pupil numbers at some schools.
- 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 at Sawley and the local community use of the swimming pool.
- Ensure the mental and physical well-being of staff and pupils remain a key focus.

The trust leadership is in discussions with a view to a merger with another academy trust in the next year.

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

The Academy Trust does not currently hold any funds on behalf of others. A resolution proposing that UHY Hacker Young be reappointed as auditor of the charitable company will be put to the members.

## **WILLOWS ACADEMY TRUST**

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

#### **FOR THE YEAR ENDED 31 AUGUST 2022**

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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 13 December 2022 and signed on its behalf by:

J Haigh  
**Accounting Officer**

Y Dean  
**Chair**



# WILLOWS ACADEMY TRUST

## GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2022

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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)	0	0
J Haigh (Accounting Officer)	7	7
J Prince (Resigned 12 October 2021)	0	0
A Page	7	7
A Taylor (Vice Chair)	6	7
Y Dean (Chair)	7	7
K Knight (Appointed 1 November 2021)	6	7

## **WILLOWS ACADEMY TRUST**

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

#### **FOR THE YEAR ENDED 31 AUGUST 2022**

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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 this included human resources and as a consequence a new director was recruited with these skills in mind following the resignation of a director.

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

The Trusts vision and aims and scheme of delegation have been reviewed and 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 during an Ofsted inspection. The chair of governors' forum is led by the chair of the board and has included sharing information on governors monitoring in schools.

Although performance data has been adversely affected by the Covid pandemic information for each academy has been shared with directors' half termly along with moderation and monitoring 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 but the directors are happy with the way the finances have been managed and the trust remains financially viable.

Directors have ratified decisions made by the Finance and Audit Committee including the Condition and Improvement Funding and contributions made by schools.

Directors have been actively seeking expansion opportunities to strengthen the ongoing development and the future of the trust.

#### **Governance reviews:**

All directors complete 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.

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 Section 5 and 8 Ofsted inspections along with the roles and responsibilities of a governor. The trust provides a comprehensive Governor Handbook that contains a wealth of information for governors to enable them to execute their roles and responsibilities.

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 2022/23.

## WILLOWS ACADEMY TRUST

### GOVERNANCE STATEMENT (CONTINUED)

#### FOR THE YEAR ENDED 31 AUGUST 2022

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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) and Saaf, 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/Saaf 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.

Attendance at meetings in the year was as follows:

<b>Trustees</b>	<b>Meetings attended</b>	<b>Out of possible</b>
J Haigh (Accounting Officer)	6	6
J Prince (Resigned 12 October 2021)	0	0
A Page	6	6
A Taylor (Vice Chair)	5	6
Y Dean (Chair)	6	6
K Knight (Appointed 1 November 2021)	5	6

## **WILLOWS ACADEMY TRUST**

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

#### **FOR THE YEAR ENDED 31 AUGUST 2022**

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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 with no increased cost
- Purchasing shared health and safety
- Purchasing shared IT services
- Purchasing shared data protection consultancy
- Renegotiated the Employee Assistance Programme contract
- School-led funding used to provide intervention to support pupils
- MAT contracts in place for purchasing of Education Resources providing a reduction in cost
- MAT contracts for facilities management i.e. PAT testing
- Outsourcing condition improvement bid writing to AMR Consult resulting in successful bids for 3 out of 4 schools for building works.
- Benchmarking carried out across the MAT
- MAT online safeguarding training
- MAT subject network groups to disseminate good practice
- MAT professional network groups (subject leaders, deputy heads and headteachers, administration and teaching assistants)
- 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
- MAT training via Trust INSET days
- 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 2021 to 31 August 2022 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 2022

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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 2021 to 31 August 2022 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 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 directors of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and has decided:

- to appoint PKF Smith Cooper as internal auditors

The option has been chosen because 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:

- Purchasing
- Expense claims
- Charge card transactions
- Connected party transactions
- Financial Reporting and control account reconciliations
- Submission of ESFA returns and other compliance matters

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, On an annual basis the auditor prepares a 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.

##### **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 and Saaf (Schools Academy and Finance)
- the work of the external auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

**WILLOWS ACADEMY TRUST**

**GOVERNANCE STATEMENT (CONTINUED)**

**FOR THE YEAR ENDED 31 AUGUST 2022**

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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 13 December 2022 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 2022**

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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 ESFA terms and conditions of funding, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook 2021.

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 Academy Trust Handbook 2021.

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**

13 December 2022

## **WILLOWS ACADEMY TRUST**

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

#### **FOR THE YEAR ENDED 31 AUGUST 2022**

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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 2021 to 2022 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 2021 to 2022;
- 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 13 December 2022 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 2022**

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**Opinion**

We have audited the accounts of Willows Academy Trust for the year ended 31 August 2022 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 2021 to 2022 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 2022 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 2021 to 2022.

**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 2022**

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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 2022**

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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 2021-2022,
- the Academy Trust Handbook 2021,
- 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 2022**

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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 2022**

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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**

13 December 2022

**Chartered Accountants  
Statutory Auditor**

**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 2022**

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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 2021 to 2022, 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 2021 to 31 August 2022 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 2021, 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 2021 to 2022. 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 2021 to 31 August 2022 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

**Approach**

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

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

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

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

**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 2022**

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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 2021 to 31 August 2022 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: 13 December 2022

**WILLOWS ACADEMY TRUST**

**STATEMENT OF FINANCIAL ACTIVITIES  
INCLUDING INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31 AUGUST 2022**

	Notes	Unrestricted funds £	Restricted funds: General    Fixed asset £            £		Total 2022 £	Total 2021 £
<b>Income and endowments from:</b>						
Donations and capital grants	3	-	4,621	1,656,459	1,661,080	78,964
Charitable activities:						
- Funding for educational operations	4	-	5,836,002	-	5,836,002	5,733,115
Other trading activities	5	210,664	147,872	-	358,536	211,339
Investments	6	128	-	-	128	91
<b>Total</b>		<u>210,792</u>	<u>5,988,495</u>	<u>1,656,459</u>	<u>7,855,746</u>	<u>6,023,509</u>
<b>Expenditure on:</b>						
Charitable activities:						
- Educational operations	8	128,919	6,424,301	221,309	6,774,529	6,132,158
<b>Total</b>	7	<u>128,919</u>	<u>6,424,301</u>	<u>221,309</u>	<u>6,774,529</u>	<u>6,132,158</u>
<b>Net income/(expenditure)</b>		81,873	(435,806)	1,435,150	1,081,217	(108,649)
Transfers between funds	18	-	(80,366)	80,366	-	-
<b>Other recognised gains/(losses)</b>						
Actuarial gains/(losses) on defined benefit pension schemes	20	-	3,464,000	-	3,464,000	(773,000)
<b>Net movement in funds</b>		81,873	2,947,828	1,515,516	4,545,217	(881,649)
<b>Reconciliation of funds</b>						
Total funds brought forward		<u>508,899</u>	<u>(2,934,526)</u>	<u>7,376,101</u>	<u>4,950,474</u>	<u>5,832,123</u>
Total funds carried forward		<u>590,772</u>	<u>13,302</u>	<u>8,891,617</u>	<u>9,495,691</u>	<u>4,950,474</u>



**WILLOWS ACADEMY TRUST**

**STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)  
INCLUDING INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31 AUGUST 2022**

<b>Comparative year information</b>		<b>Unrestricted</b>	<b>Restricted funds:</b>		<b>Total</b>
<b>Year ended 31 August 2021</b>		<b>funds</b>	<b>General</b>	<b>Fixed asset</b>	<b>2021</b>
	<b>Notes</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Income and endowments from:</b>					
Donations and capital grants	<b>3</b>	-	19,824	59,140	78,964
Charitable activities:					
- Funding for educational operations	<b>4</b>	-	5,733,115	-	5,733,115
Other trading activities	<b>5</b>	140,065	71,274	-	211,339
Investments	<b>6</b>	91	-	-	91
<b>Total</b>		<u>140,156</u>	<u>5,824,213</u>	<u>59,140</u>	<u>6,023,509</u>
<b>Expenditure on:</b>					
Charitable activities:					
- Educational operations	<b>8</b>	109,576	5,814,364	208,218	6,132,158
<b>Total</b>	<b>7</b>	<u>109,576</u>	<u>5,814,364</u>	<u>208,218</u>	<u>6,132,158</u>
<b>Net income/(expenditure)</b>		30,580	9,849	(149,078)	(108,649)
Transfers between funds	<b>18</b>	-	(45,375)	45,375	-
<b>Other recognised gains/(losses)</b>					
Actuarial losses on defined benefit pension schemes	<b>20</b>	-	(773,000)	-	(773,000)
<b>Net movement in funds</b>		30,580	(808,526)	(103,703)	(881,649)
<b>Reconciliation of funds</b>					
Total funds brought forward		<u>478,319</u>	<u>(2,126,000)</u>	<u>7,479,804</u>	<u>5,832,123</u>
Total funds carried forward		<u>508,899</u>	<u>(2,934,526)</u>	<u>7,376,101</u>	<u>4,950,474</u>

# WILLOWS ACADEMY TRUST

## BALANCE SHEET

AS AT 31 AUGUST 2022

		2022		2021	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	13		8,009,339		7,376,101
<b>Current assets</b>					
Stocks	14	3,793		17,397	
Debtors	15	1,186,251		205,917	
Cash at bank and in hand		1,580,347		862,269	
		<u>2,770,391</u>		<u>1,085,583</u>	
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	16	(935,039)		(263,210)	
<b>Net current assets</b>			<u>1,835,352</u>		<u>822,373</u>
<b>Net assets excluding pension liability</b>			9,844,691		8,198,474
Defined benefit pension scheme liability	20		(349,000)		(3,248,000)
<b>Total net assets</b>			<u>9,495,691</u>		<u>4,950,474</u>
<b>Funds of the academy trust:</b>					
<b>Restricted funds</b>	18				
- Fixed asset funds			8,891,617		7,376,101
- Restricted income funds			362,302		313,474
- Pension reserve			(349,000)		(3,248,000)
<b>Total restricted funds</b>			<u>8,904,919</u>		<u>4,441,575</u>
<b>Unrestricted income funds</b>	18		<u>590,772</u>		<u>508,899</u>
<b>Total funds</b>			<u>9,495,691</u>		<u>4,950,474</u>

The accounts on pages 30 to 57 were approved by the trustees and authorised for issue on 13 December 2022 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 2022**

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	Notes	2022 £	£	2021 £	£
<b>Cash flows from operating activities</b>					
Net cash provided by operating activities	21		799,454		254,302
<b>Cash flows from investing activities</b>					
Dividends, interest and rents from investments		128		91	
Capital grants from DfE Group		29,025		29,208	
Capital funding received from sponsors and others		744,018		-	
Purchase of tangible fixed assets		(854,547)		(74,583)	
<b>Net cash used in investing activities</b>			<b>(81,376)</b>		<b>(45,284)</b>
<b>Net increase in cash and cash equivalents in the reporting period</b>			<b>718,078</b>		<b>209,018</b>
Cash and cash equivalents at beginning of the year			862,269		653,251
<b>Cash and cash equivalents at end of the year</b>			<b>1,580,347</b>		<b>862,269</b>

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# WILLOWS ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 AUGUST 2022

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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 2021 to 2022 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 2022

---

#### 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.

##### 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.

# WILLOWS ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

---

#### 1 Accounting policies

(Continued)

##### 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
Assets under construction	
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 2022

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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 2022

---

#### 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 2022

#### 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. Under FRS102 the discount rate is determined by reference to market yields at the year-end date on high quality corporate bonds. On this basis the trust's actuary has calculated a discount rate of 4.25% at 31 August 2022 which is significantly higher than the discount rate used at 31 August 2021. The impact of the movement in the discount rate is to decrease the defined benefit obligations by approximately 47% compared to 2021. This decrease has a direct impact on the quantification of the overall pension deficit reported in these financial statements at 31 August 2022. 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 2022. 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.

The ultimate responsibility for setting the assumptions is that of the Academy Trust, as the employer, however each year the LGPS actuary proposes a standard set of assumptions as part of the valuation exercise, using their expert opinion, and which comply with the accounting requirements. The Academy Trust has, in practice with most employers, adopted the recommended actuarial assumptions following further consultation with its auditors to ensure these assumptions are reasonable and in line with those adopted by other academy trusts.

#### 3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
Donated fixed assets	-	-	-	29,932
Capital grants	-	1,656,459	1,656,459	29,208
Other donations	-	4,621	4,621	19,824
	<u>-</u>	<u>1,661,080</u>	<u>1,661,080</u>	<u>78,964</u>

Donations and capital grants in year ended 31 August 2022 totalled £1,661,080 (2021: £78,964), of which £Nil related to unrestricted funds (2021: £Nil), £4,621 related to other restricted funds (2021: £19,824), and £1,656,459 related to restricted fixed assets (2021: £59,140).

**WILLOWS ACADEMY TRUST**

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

**FOR THE YEAR ENDED 31 AUGUST 2022**

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

	Unrestricted funds £	Restricted funds £	Total 2022 £	Total 2021 £
<b>DfE/ESFA grants</b>				
General annual grant (GAG)	-	4,708,067	4,708,067	4,405,004
Other DfE/ESFA grants:				
UIFSM	-	135,271	135,271	141,606
Pupil premium	-	344,396	344,396	325,878
Teachers' pay & pension grants	-	14,210	14,210	212,724
Others	-	223,543	223,543	121,723
	-	5,425,487	5,425,487	5,206,935
<b>Other government grants</b>				
Local authority grants	-	410,515	410,515	437,269
Special educational projects	-	-	-	500
	-	410,515	410,515	437,769
<b>COVID-19 additional funding</b>				
<b>DfE/ESFA</b>				
Catch-up premium	-	-	-	86,720
Other DfE/ESFA COVID-19 funding	-	-	-	1,691
	-	-	-	88,411
<b>Total funding</b>	-	5,836,002	5,836,002	5,733,115

Teachers pay and pension grants are included in the General Annual Grant for the year ended 31 August 2022.

**WILLOWS ACADEMY TRUST**

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

**FOR THE YEAR ENDED 31 AUGUST 2022**

**5 Other trading activities**

	<b>Unrestricted funds £</b>	<b>Restricted funds £</b>	<b>Total 2022 £</b>	<b>Total 2021 £</b>
Trip income	-	76,891	76,891	10,474
Catering income	-	70,981	70,981	60,800
Other income	210,664	-	210,664	140,065
	<u>210,664</u>	<u>147,872</u>	<u>358,536</u>	<u>211,339</u>

The income from other trading activities in the year ended 31 August 2022 totalled £358,536 (2021: £211,339), of which £210,664 was unrestricted (2021: £140,065) and £147,872 was restricted (2021: £71,274).

**6 Investment income**

	<b>Unrestricted funds £</b>	<b>Restricted funds £</b>	<b>Total 2022 £</b>	<b>Total 2021 £</b>
Short term deposits	128	-	128	91
	<u>128</u>	<u>-</u>	<u>128</u>	<u>91</u>

Investment income in year ended 31 August 2022 totalled £128 (2021: £91), of which £128 (2021: £91) related to unrestricted funds and £Nil related to restricted funds (2021: £Nil).

**7 Expenditure**

	<b>Staff costs £</b>	<b>Non-pay expenditure</b>		<b>Total 2022 £</b>	<b>Total 2021 £</b>
		<b>Premises £</b>	<b>Other £</b>		
Academy's educational operations					
- Direct costs	4,059,957	-	357,396	4,417,353	4,111,367
- Allocated support costs	1,254,005	488,183	614,988	2,357,176	2,020,791
	<u>5,313,962</u>	<u>488,183</u>	<u>972,384</u>	<u>6,774,529</u>	<u>6,132,158</u>

**WILLOWS ACADEMY TRUST**

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

**FOR THE YEAR ENDED 31 AUGUST 2022**

**7 Expenditure (Continued)**

<b>Net income/(expenditure) for the year includes:</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Fees payable to auditor for audit services	16,200	16,290
Operating lease rentals	14,777	21,140
Depreciation of tangible fixed assets	221,309	208,218
Net interest on defined benefit pension liability	58,000	37,000
	<u>          </u>	<u>          </u>

**8 Charitable activities**

	<b>Unrestricted funds £</b>	<b>Restricted funds £</b>	<b>Total 2022 £</b>	<b>Total 2021 £</b>
<b>Direct costs</b>				
Educational operations	32,171	4,385,182	4,417,353	4,111,367
<b>Support costs</b>				
Educational operations	96,748	2,260,428	2,357,176	2,020,791
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
	<u>128,919</u>	<u>6,645,610</u>	<u>6,774,529</u>	<u>6,132,158</u>

	<b>2022 £</b>	<b>2021 £</b>
<b>Analysis of support costs</b>		
Support staff costs	1,255,870	1,034,703
Depreciation	221,309	208,218
Premises costs	266,874	223,153
Legal costs	90,971	51,365
Other support costs	505,952	487,062
Governance costs	16,200	16,290
	<u>          </u>	<u>          </u>
	<u>2,357,176</u>	<u>2,020,791</u>

# WILLOWS ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

#### 9 Staff

##### Staff costs

Staff costs during the year were:

	2022	2021
	£	£
Wages and salaries	3,618,650	3,524,360
Social security costs	316,447	302,289
Pension costs	1,295,482	1,086,720
	<u>5,230,579</u>	<u>4,913,369</u>
Staff costs - employees	5,230,579	4,913,369
Agency staff costs	83,383	65,699
	<u>5,313,962</u>	<u>4,979,068</u>
Staff development and other staff costs	23,655	10,843
	<u>5,337,617</u>	<u>4,989,911</u>

##### Staff numbers

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

	2022	2021
	Number	Number
Teachers	72	61
Administration and support	137	117
	<u>209</u>	<u>178</u>

##### Higher paid staff

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

	2022	2021
	Number	Number
£60,000 - £70,000	2	2
£70,000 - £80,000	1	1
£90,000 - £100,000	1	1
	<u>4</u>	<u>4</u>

## WILLOWS ACADEMY TRUST

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### FOR THE YEAR ENDED 31 AUGUST 2022

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#### 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 £596,140 (2021: £623,924).

#### 10 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).

#### 11 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.

#### 12 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%) (2021: 6%).

**WILLOWS ACADEMY TRUST**

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

**FOR THE YEAR ENDED 31 AUGUST 2022**

**12 Central services**

**(Continued)**

The amounts charged during the year were as follows:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Dovedale Primary School	103,580	91,575
Sawley Junior School	61,987	61,962
Sawley Infant School	88,108	83,501
Shardlow Primary School	28,808	27,262
Willows Academy Trust	-	-
	<u>282,483</u>	<u>264,300</u>

**13 Tangible fixed assets**

	<b>Long leasehold buildings</b>	<b>Assets under construction</b>	<b>Computer equipment</b>	<b>Fixtures, fittings &amp; equipment</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost</b>					
At 1 September 2021	8,195,030	-	304,744	293,317	8,793,091
Additions	548,399	263,706	11,085	31,357	854,547
	<u>8,743,429</u>	<u>263,706</u>	<u>315,829</u>	<u>324,674</u>	<u>9,647,638</u>
<b>Depreciation</b>					
At 1 September 2021	973,130	-	244,947	198,913	1,416,990
Charge for the year	157,628	-	27,415	36,266	221,309
	<u>1,130,758</u>	<u>-</u>	<u>272,362</u>	<u>235,179</u>	<u>1,638,299</u>
<b>Net book value</b>					
At 31 August 2022	<u>7,612,671</u>	<u>263,706</u>	<u>43,467</u>	<u>89,495</u>	<u>8,009,339</u>
At 31 August 2021	<u>7,221,900</u>	<u>-</u>	<u>59,797</u>	<u>94,404</u>	<u>7,376,101</u>

Included in long leasehold land and buildings is land of £597,000 (2021: £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 2022**

**14 Stocks**

<b>2022</b>	<b>2021</b>
<b>£</b>	<b>£</b>
3,793	17,397

**15 Debtors**

<b>2022</b>	<b>2021</b>
<b>£</b>	<b>£</b>
Trade debtors	1,874
VAT recoverable	22,821
Other debtors	4,258
Prepayments and accrued income	176,964
<u>1,186,251</u>	<u>205,917</u>

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

<b>2022</b>	<b>2021</b>
<b>£</b>	<b>£</b>
Trade creditors	73,591
Other creditors	1,107
Accruals and deferred income	188,512
<u>745,188</u>	<u>263,210</u>

**17 Deferred income**

<b>2022</b>	<b>2021</b>
<b>£</b>	<b>£</b>
Deferred income is included within:	
Creditors due within one year	110,427
<u>80,269</u>	<u>110,427</u>
Deferred income at 1 September 2021	113,689
Released from previous years	(113,689)
Resources deferred in the year	110,427
<u>80,269</u>	<u>110,427</u>
<b>Deferred income at 31 August 2022</b>	<b>110,427</b>

At the balance sheet date, the deferred income provision of £80,269 includes £80,269 universal infant free school meals grant.



WILLOWS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

18 Funds

	Balance at 1 September 2021 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2022 £
<b>Restricted general funds</b>					
General Annual Grant (GAG)	275,244	4,708,067	(4,540,643)	(80,366)	362,302
UIFSM	-	135,271	(135,271)	-	-
Pupil premium	-	344,396	(344,396)	-	-
Other DfE/ESFA grants	38,230	237,753	(275,983)	-	-
Other government grants	-	410,515	(410,515)	-	-
Other restricted funds	-	152,493	(152,493)	-	-
Pension reserve	(3,248,000)	-	(565,000)	3,464,000	(349,000)
	<u>(2,934,526)</u>	<u>5,988,495</u>	<u>(6,424,301)</u>	<u>3,383,634</u>	<u>13,302</u>
<b>Restricted fixed asset funds</b>					
DfE group capital grants	7,346,954	1,656,459	(211,593)	80,366	8,872,186
Donated fixed assets	29,147	-	(9,716)	-	19,431
	<u>7,376,101</u>	<u>1,656,459</u>	<u>(221,309)</u>	<u>80,366</u>	<u>8,891,617</u>
<b>Total restricted funds</b>	<u>4,441,575</u>	<u>7,644,954</u>	<u>(6,645,610)</u>	<u>3,464,000</u>	<u>8,904,919</u>
<b>Unrestricted funds</b>					
General funds	508,899	210,792	(128,919)	-	590,772
<b>Total funds</b>	<u>4,950,474</u>	<u>7,855,746</u>	<u>(6,774,529)</u>	<u>3,464,000</u>	<u>9,495,691</u>

# WILLOWS ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

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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. The restricted fixed asset fund includes £883,416 (2021: £nil) of unspent capital grants in respect of ongoing capital works.

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.

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 2022.

Transfers of £80,366 (2021: £45,375) were 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 £349,000 at 31 August 2022. 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 2022 (2021: £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% (2021: 20.9%)
Sawley Juniors	21.2% (2021: 21.2%)
Sawley Infants	22.0% (2021: 20.0%)
Shardlow Primary	21.3% (2021: 23.3%)

WILLOWS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2022

18 Funds

(Continued)

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

	Balance at 1 September 2020 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2021 £
<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)	-	-
Other DfE/ESFA grants	-	334,447	(296,217)	-	38,230
Catch up premium	-	86,720	(86,720)	-	-
Other DfE/ESFA Covid-19 funding	-	1,691	(1,691)	-	-
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	<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 2022**

**18 Funds**

**(Continued)**

**Total funds analysis by academy**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Fund balances at 31 August 2022 were allocated as follows:		
Dovedale Primary School	149,413	125,888
Sawley Junior School	663,315	525,678
Sawley Infant School	167,331	213,689
Shardlow Primary School	(8,954)	(4,727)
Willows Academy Trust	(18,031)	(38,155)
	<u>953,074</u>	<u>822,373</u>
Total before fixed assets fund and pension reserve		
Restricted fixed asset fund	8,891,617	7,376,101
Pension reserve	(349,000)	(3,248,000)
	<u>9,495,691</u>	<u>4,950,474</u>
Total funds	<u><u>9,495,691</u></u>	<u><u>4,950,474</u></u>

The Willows Academy Trust central function is currently in a deficit position. It was decided for the 2021/22 financial year that charges for central services would not increase, remaining at 6% of GAG income. For the 2022/23 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 and there is a long term plan in place to ensure that the school achieves surplus reserves.

**Total cost analysis by academy**

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

	<b>Teaching and educational support staff</b>	<b>Other support staff costs</b>	<b>Educational supplies</b>	<b>Other costs excluding depreciation</b>	<b>Total 2022</b>	<b>Total 2021</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Dovedale Primary School	1,363,467	479,533	125,073	370,422	2,338,495	2,057,134
Sawley Junior School	1,105,104	295,887	120,973	286,169	1,808,133	1,596,098
Sawley Infant School	1,120,832	314,104	38,265	286,722	1,759,923	1,646,241
Shardlow Primary School	364,905	118,957	51,295	131,633	666,790	627,294
Willows Academy Trust	127,439	47,391	-	87,536	262,366	261,473
	<u>4,081,747</u>	<u>1,255,872</u>	<u>335,606</u>	<u>1,162,482</u>	<u>6,835,707</u>	<u>6,188,240</u>
	<u><u>4,081,747</u></u>	<u><u>1,255,872</u></u>	<u><u>335,606</u></u>	<u><u>1,162,482</u></u>	<u><u>6,835,707</u></u>	<u><u>6,188,240</u></u>

**WILLOWS ACADEMY TRUST**

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

**FOR THE YEAR ENDED 31 AUGUST 2022**

**18 Funds**

**(Continued)**

**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 2021
	£	£	£	£	£
Dovedale Primary School	1,298,511	384,852	46,872	326,899	2,057,134
Sawley Junior School	1,044,025	246,395	47,608	258,070	1,596,098
Sawley Infant School	1,109,957	226,304	29,059	280,921	1,646,241
Shardlow Primary School	378,861	96,740	32,620	119,073	627,294
Willows Academy Trust	123,854	80,412	-	57,207	261,473
	<u>3,955,208</u>	<u>1,034,703</u>	<u>156,159</u>	<u>1,042,170</u>	<u>6,188,240</u>

**19 Analysis of net assets between funds**

	Unrestricted Funds	Restricted funds:		Total Funds
	£	General	Fixed asset	£
		£	£	
<b>Fund balances at 31 August 2022 are represented by:</b>				
Tangible fixed assets	-	-	8,009,339	8,009,339
Current assets	590,772	1,297,341	882,278	2,770,391
Creditors falling due within one year	-	(935,039)	-	(935,039)
Defined benefit pension liability	-	(349,000)	-	(349,000)
<b>Total net assets</b>	<u>590,772</u>	<u>13,302</u>	<u>8,891,617</u>	<u>9,495,691</u>

	Unrestricted Funds	Restricted funds:		Total Funds
	£	General	Fixed asset	£
		£	£	
<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>	<u>508,899</u>	<u>(2,934,526)</u>	<u>7,376,101</u>	<u>4,950,474</u>

# WILLOWS ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

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#### 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.

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 2024.

The employer's pension costs paid to the TPS in the period amounted to £510,707 (2021: £517,310).

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

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**WILLOWS ACADEMY TRUST**

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

**FOR THE YEAR ENDED 31 AUGUST 2022**

**20 Pension and similar obligations**

**(Continued)**

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.

<b>Total contributions made</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Employer's contributions	274,000	256,000
Employees' contributions	74,000	70,000
	<u>348,000</u>	<u>326,000</u>

<b>Principal actuarial assumptions</b>	<b>2022</b>	<b>2021</b>
	<b>%</b>	<b>%</b>
Rate of increase in salaries	3.8	3.6
Rate of increase for pensions in payment/inflation	3.1	2.9
Discount rate for scheme liabilities	4.25	1.65
Inflation assumption (CPI)	3.1	2.9
Commutation of pensions to lump sums	50.0	50.0
	<u>50.0</u>	<u>50.0</u>

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

	<b>2022</b>	<b>2021</b>
	<b>Years</b>	<b>Years</b>
Retiring today		
- Males	21.1	21.3
- Females	23.8	23.9
Retiring in 20 years		
- Males	22.2	22.5
- Females	25.6	25.8
	<u>25.6</u>	<u>25.8</u>

# WILLOWS ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

#### 20 Pension and similar obligations

(Continued)

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

	2022 £'000	2021 £'000
0.1% decrease in Real Discount Rate	108	181
0.1% increase in Salary Increase Rate	14	24
0.1% increase in Pension Increase Rate	93	153
1 year increase in member life expectancy	165	275

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

	2022 Fair value £	2021 Fair value £
Equities	2,520,000	2,375,000
Bonds	790,000	840,000
Cash	113,000	183,000
Property	338,000	256,000
Total market value of assets	3,761,000	3,654,000

The actual return on scheme assets was a deficit of £(218,000) (2021: £512,000 gain).

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

	2022 £	2021 £
Current service cost	781,000	568,000
Interest income	(63,000)	(52,000)
Interest cost	121,000	89,000
Total operating charge	839,000	605,000



**WILLOWS ACADEMY TRUST**

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

**FOR THE YEAR ENDED 31 AUGUST 2022**

**20 Pension and similar obligations**

**(Continued)**

<b>Changes in the present value of defined benefit obligations</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
At 1 September 2021	6,902,000	4,961,000
Current service cost	781,000	568,000
Interest cost	121,000	89,000
Employee contributions	74,000	70,000
Actuarial (gain)/loss	(3,745,000)	1,233,000
Benefits paid	(23,000)	(19,000)
	<u>          </u>	<u>          </u>
At 31 August 2022	<u>4,110,000</u>	<u>6,902,000</u>

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

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
At 1 September 2021	3,654,000	2,835,000
Interest income	63,000	52,000
Actuarial loss/(gain)	(281,000)	460,000
Employer contributions	274,000	256,000
Employee contributions	74,000	70,000
Benefits paid	(23,000)	(19,000)
	<u>          </u>	<u>          </u>
At 31 August 2022	<u>3,761,000</u>	<u>3,654,000</u>

**WILLOWS ACADEMY TRUST**

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

**FOR THE YEAR ENDED 31 AUGUST 2022**

<b>21 Reconciliation of net income/(expenditure) to net cash flow from operating activities</b>		
	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	1,081,217	(108,649)
Adjusted for:		
Capital grants from DfE and other capital income	(1,656,459)	(59,140)
Investment income receivable	(128)	(91)
Defined benefit pension costs less contributions payable	507,000	312,000
Defined benefit pension scheme finance cost	58,000	37,000
Depreciation of tangible fixed assets	221,309	208,218
Decrease/(increase) in stocks	13,604	(6,677)
(Increase) in debtors	(96,918)	(575)
Increase/(decrease) in creditors	671,829	(127,784)
<b>Net cash provided by operating activities</b>	<u>799,454</u>	<u>254,302</u>

<b>22 Analysis of changes in net funds</b>			
	<b>1 September</b>	<b>Cash flows</b>	<b>31 August</b>
	<b>2021</b>		<b>2022</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Cash	862,269	718,078	1,580,347
	<u>862,269</u>	<u>718,078</u>	<u>1,580,347</u>

**23 Operating leases**

At 31 August 2022 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Amounts due within one year	18,590	21,835
Amounts due in two and five years	5,325	20,498
	<u>23,915</u>	<u>42,333</u>

# WILLOWS ACADEMY TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2022

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#### 24 Capital commitments

	2022	2021
	£	£
Expenditure contracted for but not provided in the accounts	750,284	-

#### 25 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 (resigned 18 February 2022), £nil (2021: £2,645) for travel expenses at no more than cost.

All transactions involving related parties are conducted in accordance with the requirements of the Academy Trust 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.

#### 26 Post balance sheet events

The trust leadership is in discussions with a view to a merger with another academy trust in the next year.

#### 27 Members' liability

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