

Registration number: 09440025

Willow Tree Academy

(A company limited by guarantee)

Annual Report and Financial Statements

for the Year Ended 31 August 2019

# Willow Tree Academy

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# **Willow Tree Academy**

## **Reference and Administrative Details**

### **Members**

Mr A Trueman  
Mrs KR Skidmore  
Mrs L Hobson (resigned 31 August 2019)  
Mrs N Needham (appointed 1 September 2019)

### **Trustees (Directors)**

Mr A Trueman  
Mrs MJ Smith  
Mrs RC Barker  
Mrs L Hobson (resigned 31 August 2019)  
Mrs NJ Needham  
Mrs KR Skidmore (resigned 31 August 2019)  
Mrs JK Fearnley

### **Company Secretary**

Mrs JP Draycott

### **Senior Management Team**

Mrs J K Fearnley, CEO/Executive Head Teacher  
Mrs M Adams, Head of School - Herringthorpe Juniors  
Mrs J Cook, Head of School - Greasbrough Primary  
Mrs L Greenwood, Head of School - Rockingham Junior & Infants  
Mr N Williams, Head of School - Roughwood Primary  
Mrs J P Draycott, Chief Financial Officer  
Mrs L J Bridges, Trust Finance Manager

### **Principal and Registered Office**

Herringthorpe Junior School  
Chatterton Drive  
Rotherham  
S65 2JW

### **Company Registration Number**

09440025

**Auditors**

Marriott Gibbs Rees Wallis Limited  
Chartered Certified Accountants and Statutory Auditor  
13-17 Paradise Square  
Sheffield  
S1 2DE

**Bankers**

Royal Bank of Scotland  
747 Attercliffe Road  
Sheffield  
S9 3RF

**Solicitors**

Wrigleys Solicitors LLP  
19 Cookridge Street  
Leeds  
LS2 3AG

## **Willow Tree Academy**

### **Trustees' Report for the Year Ended 31 August 2019**

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2019. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

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

##### ***Constitution***

The academy trust is a company limited by guarantee and is an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The company registration number is 09440025.

The trustees of the Willow Tree Academy are also the directors of the charitable company for the purposes of company law. The charitable company operates as Willow Tree Academy.

Details of the directors/trustees who served during the year, and to the date these accounts are approved are included in the Reference and Administrative Details on page 1.

Willow Tree Academy now operates 4 academies for pupils aged 2 to 11 serving some of the most deprived catchment areas in Rotherham. Herringthorpe Junior School had 356 children on roll. Greasbrough Primary School had 240 on roll. Roughwood Primary School had 283 children on roll and Rockingham Junior & Infant School had 343 children on roll in the January 2019 census. Willow Tree Academy now has over 1200 children attending our schools.

##### ***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 they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £10 of the debts and liabilities contracted before they ceased to be a member.

##### ***Trustees' indemnities***

Trustees are covered by the school's insurer for liability arising from negligent acts, errors and omissions committed in good faith.

## **Willow Tree Academy**

### **Trustees' Report for the Year Ended 31 August 2019 (continued)**

#### ***Method of recruitment and appointment or election of Trustees***

The appointments of all governors are appointed by the board of trustees with the focus on the appropriate skills required.

The Academy trustees will appoint additional directors/trustees as the need arises and as the Academy expands.

The number of trustees of the company, shall be no less than 3 but, (unless determined by ordinary resolution) shall not be subject to any maximum.

The articles of association set out the categories of trustees and this includes the following:

- 3 members of the Academy
- The Executive Head Teacher/ Chief Executive Officer
- 1 co-opted trustee from each school

The Chair of the Trust Board launched an in depth review of Governance to enable the academy to become a Sponsor Academy in 2017, to support the growth plan of the multi-academy trust and to continue to hold the Senior Leadership Team to account for the continued success of the schools within the academy. This led to a rigorous skills audit and the restructure of the trust board; leading to the appointment of trustees with key skills in HR, Finance and STEM.

During 2018 a further review was conducted and with effect from September 2018 the local governing bodies were replaced by School Improvement Boards (SIBs). This initiative has been very successful, enabling opportunities for professional development for governors and engaging them in focused school improvement activities which have utilised their skills and expertise. We believe this move has transformed the governance of our schools, in effectiveness, challenge and support for each academy. The Chair of the Trust is a member of each of the SIBs to monitor their effectiveness in holding each school to account for its pupils.

The School Improvement Boards have had a positive impact during 2018/2019 with the new members making a marked contribution to school improvement in each school in the areas of English, Science, Finance and HR.

#### **The role of the Trustees**

The role of the directors/trustees of the Willow Tree Academy is to provide the strategic direction of the academy.

#### ***Policies and procedures adopted for the induction and training of Trustees***

The training and induction provided for new trustees will depend on their existing experience. Where necessary induction will provide training on charity and educational, legal and financial matters. All new trustees will be given an induction in the key characteristics of the academies in the trust, so that they understand the challenges and opportunities that are open to Willow Tree. They will have the chance to meet with staff and pupils. All new trustees will be provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their roles as trustees.

## **Willow Tree Academy**

### **Trustees' Report for the Year Ended 31 August 2019 (continued)**

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

The Executive Head Teacher's appraisal cycle is monitored each term by the three Trustees of the company and reviewed in November each year. The Trustees have delegated the responsibility for the appraisal cycle of all other members of the Senior Leadership Teams to the Executive Head Teacher who will report to the Board of trustees on the outcomes.

All remuneration for Key Management Personnel is in line with the Pay Policy agreed by the Academy Trust Board.

#### **Governors**

All schools and their constitutions are managed by their relevant School Improvement Board.

#### **Trade union facility time**

The Academy has over 128 full-time equivalent employees: however there are no trade union representatives. Therefore no further information is disclosed on our website or in these accounts.

#### ***Organisational structure***

Subject to the mandates imposed by the Companies Act 2006, the Articles of Association ensure that the activities of the Academy are managed by the Trustees who exercise all the powers of the Academy Trust. The Trustees' scheme of delegation provides for decisions to be taken at the most appropriate level by the individual school governing bodies, sub-committees and staff through the management structure. The key responsibilities reserved for Trustees include: the responsibility to ensure that adequate operational systems and controls are in place and implemented to meet the academy's regulatory and funding obligations; the academy's accounting policies; approval of the annual consolidated budget; determine financial matters of a high value not delegated to its governing bodies, sub-committees or the school's staff, the appointment of its auditors; the security of the school's assets and appointment of the Executive Head Teacher. The scheme of Delegation was reviewed and updated in July 2018 as was the Value Statement for the Trust and the Trust Development Plan.

#### **The Role of the School Improvement Boards**

The School Improvement Boards of the Willow Tree Academy aim to promote high standards of educational achievement in all our schools. In all our deliberations the school improvement boards will:

- have the quality of the children's learning at the heart of all our business
- be united around a common vision shared with the CEO/Executive Head Teacher and staff, and expressed in each School Improvement Plan
- and have clear and achievable goals

To underpin the above objectives the School Improvement Boards will, in conducting all of its business, act with integrity, objectivity and honestly and in the best interests of the schools.

## **Willow Tree Academy**

### **Trustees' Report for the Year Ended 31 August 2019 (continued)**

The School Improvement Boards will carry out their duties by taking a mainly strategic role in the running of the schools.

This will include:

- setting the vision, aims and objectives of the school
- establishing the strategic framework for the school
- agreeing policies and targets for achieving the aims and objectives; and
- reviewing progress and reviewing the strategic framework in the light of progress made

The School Improvements Boards will act as a "critical friend" to the CEO/Executive Head Teacher and Head of School

This will include;

- Providing the Executive Head Teacher and Head of School and staff with support, Constructive advice and information drawing on its member's knowledge and experience
- Monitoring and evaluating the schools' effectiveness

The School Improvement Boards will discuss, question and, where appropriate, refine proposals from the Executive Head Teacher, whilst always respecting the professional roles of the Executive Head Teacher and other staff, and their responsibilities for the management of the school. In fulfilling these duties this local governance will seek to reduce the administrative burden on the Executive Head Teacher.

The Trust Board delegates some of its statutory functions to the school improvement boards in turn, however, to ensure that the schools focus on where they can add most value - that is, in helping to decide the schools' strategies for improvement - the schools improvement boards, in consultation with the Executive Head Teacher, have considered their decision making arrangements and have delegated some functions to committees, individual governors and the Executive Head Teacher. These are recorded on page 3 and meetings are held in conjunction with the Articles of Association and relevant terms of reference.

The School Improvement Boards, in partnership with the Executive Head Teacher and staff, will help to decide what is required for the schools to achieve and set the framework for reaching the goals. The School Improvement Plan and agreed policies will provide the main focus for achieving this.

The School Improvement Board will monitor progress within each school, over time and in comparison with similar schools, but are not responsible for collecting monitoring data; this is the responsibility of the Heads of School. The School Improvement Board will use the agreed monitoring data to review and evaluate progress against previously set targets and see whether policies are working or need changing.

All Governors are encouraged to visit the schools, following prior arrangement with the Heads of School, to support staff and to gain a better understanding of their school. This will enable more effective decisions to be made on behalf of all pupils. The School Improvement Board will adopt an agreed procedure for "Governor's School Visits" and all governors will be expected to adhere to the principles outlined in this procedure.



## **Willow Tree Academy**

### **Trustees' Report for the Year Ended 31 August 2019 (continued)**

The School Improvement Board will be prepared to explain its decisions to anyone who has legitimate interest. This may include staff, parents and the press as well as the Secretary of State for Education and the ESFA.

The Trust Board has the power to form sub-committees of named governors to address specific areas such as premises, pay review, finance and staffing and audit. Each sub-committee comprises of three members, one of which is the Chair of the committee.

#### **The Executive Head Teacher/Accounting Officer**

The Executive Head Teacher will formulate policies and suggest appropriate targets to achieve the schools' visions, aims and objectives, for consideration by the school improvement board. The Executive Head Teacher may, where appropriate, involve the School Improvement Board at an early stage when formulating such policies.

Following their adoption by the School Improvement Board, the Heads of School will implement the policies and lead the schools towards the agreed targets.

The Executive Head Teacher is accountable to the Trust Board for the performance of all schools within the trust and the Heads of School are accountable to the School Improvement Board for their schools' performances.

The Executive Head Teacher will advise the School Improvement Board upon the most appropriate arrangements for monitoring and evaluating particular requirements and policies and will provide the local governing bodies with sufficient information, as agreed, to enable them to carry out their functions effectively.

The Executive Head Teacher is responsible for the internal organisation, management and control of the schools and for advising on and implementing the local governing bodies' strategic framework. This will include:

- Formulating the vision, aims and objectives for the schools
- Formulating policies and targets to achieve the aims and objectives: and
- Reporting to the Trust Board and School Improvement Boards on progress at least once every school year

The Trust Board and Executive Head Teacher will work together in partnership to develop key policies.

The Trust Board will seek the advice of the Executive Head Teacher before taking decisions on any of these matters.

Senior Leadership Teams (SLT) of the schools within the Academy Trust comprise of;

- The Executive Head Teacher/CEO
- The Heads of School
- The Head of Teaching and Learning
- The Deputy Heads of School
- Assistant Head Teachers

## **Willow Tree Academy**

### **Trustees' Report for the Year Ended 31 August 2019 (continued)**

The Senior Leadership Team determines the strategic direction of the school, making policy recommendations to the school improvement boards. The SLT has operational control of the school and monitors the quality of provision.

Middle leaders at all levels contribute to the decision making process and are instrumental in ensuring the implementation in their area of whole school policies and procedures. Subject leaders meet together regularly and these meetings serve both to further the school improvement agenda and to provide additional professional development opportunities of these colleagues.

Line management structures are a key part of the organisation of the schools, ensuring dialogue and accountability for performance. All colleagues are subject to performance review procedure, the targets contain in which all contribute to the achievement of the School Improvement Plans.

The Executive Head Teacher/CEO and the relevant School Business Manager assess each school's financial position. This is reported to the Willow Tree Academy Finance and Audit Committee on a termly basis, as part of the budget setting, monitoring and planning process. The Finance and Audit Committee ratifies the school budgets and reports directly to the Trust Board.

#### ***Risk management***

The directors/trustees have assessed the major risks to which the schools are exposed, in particular those relating to the specific teaching and other operational areas and its finances. The Trustees have implemented a number of systems to assess the risks that the schools face, especially in the operational areas (e.g. in relation to Teaching and Learning, Health & Safety, Bullying, Behaviour and Welfare and School Visits) and in relation to the control of finance. Systems are in place, including operational procedures (e.g. vetting of new staff and visitors, security of the schools' grounds) and the internal financial controls in order to minimise risk. Where significant financial risk still remains, the Governors have ensured they have adequate insurance cover alongside controls. The Schools have effective systems of internal financial controls.

The Chair of the Trust has tasked the Finance and Audit committee to make cost savings across the four schools and will report these back at each meeting.

## **Willow Tree Academy**

### **Trustees' Report for the Year Ended 31 August 2019 (continued)**

#### ***Connected organisations, including related party relationships***

The sponsorship of the Rockingham Junior and Infant School was agreed by the RSC and the trust board in July 2017. Rockingham Junior and Infant School joined Willow Tree Academy on 1st June 2018.

The new leadership team at Rockingham Junior and Infant School is now making rapid improvement to our children's behaviour and learning outcomes. New appointments made from September will further add to the ongoing changes brought about after Ofsted judgement and the Trust Board have been pleased with the positive comments from parents that have been received.

Herringthorpe Junior School is a National Support School and was awarded Teaching School status in 2017 and will continue to support other schools to improve in partnership with Learners First Teaching School Alliance.

In 2019/2020 the Trust will seek to extend the age range of both Roughwood and Greasbrough Schools to incorporate 2 and 3 year old provision. The Chair of Trustees and the Executive Head Teacher are seeking to expand the MAT to five schools and are proactive in seeking partners.

The academy has close links with the Clifton, Oakwood and the Wingfield Learning Communities.

The Willow Tree Academy maintains a close and productive working relationship with Rotherham Local Authority and the Executive Head Teacher is a member of an Associate Head Teacher group; through the brokering of partnerships it is expected that there will be schools wishing to join Willow Tree Academy in the near future.

#### **Mission Statement**

The Mission Statement of Willow Tree Academy is that *"Together Anything is Possible"*

## **Willow Tree Academy**

### **Trustees' Report for the Year Ended 31 August 2019 (continued)**

#### **Objectives and activities**

##### ***Objects and aims***

The Schools that comprise The Willow Tree Academy have adopted the following aims and objectives:

- \* To provide a welcoming, secure and caring environment where worthwhile and satisfying relationships are formed and where respect and empathy are our guiding principles.
- \* To provide enriching and stimulating curriculum experiences that promote active learning and enable pupils to achieve success in all they do.
- \* To have high expectations of what we can all achieve by working together.
- \* To develop pupils' confidence in their capacity to learn, both independently and collaboratively.
- \* To foster an effective partnership between home and school, so that families can learn together.
- \* To ensure the continuous professional development of all staff and value their personal contribution to the school.

The overall aims of the academy are to enhance the learning of every child in our schools and give them access to a stimulating and broad curriculum and to help them achieve an outstanding, world-class level of primary education.

The national curriculum has brought renewed creativity to children's learning and they have embraced the challenge with great enthusiasm. We are now incorporating Science, Technology, Engineering and Mathematics (STEM) into many lessons across the academy.

The schools are Centre's of Excellence for the Curriculum, ICT, the Arts, Enterprise and SEMH and have been chosen as Trailblazer schools for the national initiative to address mental health issues in children.

We have invested heavily in new ICT capability to ensure we can continue to grow for the future.

## Willow Tree Academy

### Trustees' Report for the Year Ended 31 August 2019 (continued)

#### **Objectives, strategies and activities**

The Trust Board in conjunction with the Willow Tree Academy Senior Leadership Team has identified the following priorities for the forthcoming year in all our schools.

#### **Priority 1 - Reading, Writing and EGPS**

- To teach children oracy skills, in order to enable them to have a greater depth and comprehension of language and literature.
- To improve reading fluency and comprehension, to ensure that all pupils achieve at least in line with age-related expectation.
- To improve writing achievement to ensure that all pupils achieve at least in line with age-related expectations.
- Improve phonics and EGPS achievement for all pupils but especially for disadvantaged children in order to ensure that all pupils achieve at least in line with age-related expectations.

#### **Priority 2 - Mathematics**

- To teach children mathematics across the curriculum in order to ensure all pupils achieve at least in line with age-related expectations
- Improve reasoning skills and develop a mastery approach to develop children's understanding and application to a wide range of concepts, drawing on all areas of maths understanding
- To improve timetable and arithmetic knowledge, and consolidate robust tracking and assessment to identify areas for improvement
- To plan and teach well-structured lessons building on prior knowledge and skills
- To extend the impact of outdoor learning in maths and links to science and ICT

#### **Priority 3 - Science**

- To teach children science across the curriculum in order to ensure that all pupils achieve at least in line with age-related expectations and develop skills, knowledge and understanding of the world
- To secure scientific skills appropriate to their age
- To further develop strategies that ensure all children become effective learners in, and make connections across Science, Technology and Engineering
- To develop pupil's ability to select appropriate technology to support and enhance their learning experience
- Develop pupil enthusiasm and engagement in science

#### **Priority 4 - Behaviour and SEMH**

- To teach children and staff the core principles of Restorative Practice so that children are responsible for their behaviour and Social, Emotional and Mental Health across our schools improves. To ensure that British Values are promoted and understood by all

To enhance Personal Development of all pupils in our academy through:

- Further developing the teaching of PSHE and Citizenship
- Further engage parents through the Healthy Lifestyles programme
- To develop Restorative Practice (RP) strategies and embed into the academy ethos for all stakeholders
- Improve pupil responsibility and accountability for their behaviour in school
- To identify needs and close gaps for children with Social, Emotional and Mental Health barriers
- Develop Nemesis and the concept of social change through school in order to give children opportunities to become agents of change through social innovation projects
- To develop further strategies to improve children's attendance

## Willow Tree Academy

### Trustees' Report for the Year Ended 31 August 2019 (continued)

#### Strategic Report

##### Achievements and performance

##### End of Year School Results 2018-2019

##### Herringthorpe Junior School

##### Percentage

% National Standard (or higher) Reading	85%
% National Standard (or higher) Writing	86%
% National Standard (or higher) Maths	97%
% National Standard (or higher) GPS	88%
% National Standard (or higher) R,W&M combined	81%
% Above National Standard Reading	29%
% Above National Standard Writing	20%
% Above National Standard Maths	22%
% Above National Standard GPS	37%
% Above National Standard R,W&M combined	10%

##### Roughwood Primary School

##### Percentage

EYFS A Good Level of Development	72%
Phonics - Year 1	74%
Phonics - Year 2	33%

##### *End of Key Stage 1*

% National Standard (or higher) Reading	62%
% National Standard (or higher) Writing	60%
% National Standard (or higher) Maths	78%
% Above National Standard Reading	24%
% Above National Standard Writing	16%
% Above National Standard Maths	22%

##### *End of Key Stage 2*

% National Standard (or higher) Reading	63%
% National Standard (or higher) Writing	73%
% National Standard (or higher) Maths	77%
% National Standard (or higher) GPS	70%
% National Standard (or higher) R,W&M combined	60%
% Above National Standard Reading	3%
% Above National Standard Writing	16%
% Above National Standard Maths	10%
% Above National Standard GPS	11%
% Above National Standard R,W&M combined	3%

## Willow Tree Academy

### Trustees' Report for the Year Ended 31 August 2019 (continued)

#### Strategic Report

<b>Greasbrough Primary School</b>	<b>Percentage</b>
EYFS A Good Level of Development	75%
Phonics - Year 1	74%
Phonics - Year 2	100%
<b><i>End of Key Stage 1</i></b>	
% National Standard (or higher) Reading	73%
% National Standard (or higher) Writing	67%
% National Standard (or higher) Maths	82%
% Above National Standard Reading	24%
% Above National Standard Writing	6%
% Above National Standard Maths	24%
<b><i>End of Key Stage 2</i></b>	
% National Standard (or higher) Reading	75%
% National Standard (or higher) Writing	72%
% National Standard (or higher) Maths	75%
% National Standard (or higher) GPS	78%
% National Standard (or higher) R,W&M combined	66%
% Above National Standard Reading	16%
% Above National Standard Writing	9%
% Above National Standard Maths	25%
% Above National Standard GPS	16%
% Above National Standard R,W&M combined	9%

## Willow Tree Academy

### Trustees' Report for the Year Ended 31 August 2019 (continued)

#### Strategic Report

<b>Rockingham Junior and Infant School</b>	<b>Percentage</b>
EYFS A Good Level of Development	63%
Phonics - Year 1	73%
Phonics - Year 2	81%
<b>End of Key Stage 1</b>	
% National Standard (or higher) Reading	62%
% National Standard (or higher) Writing	60%
% National Standard (or higher) Maths	78%
% Above National Standard Reading	24%
% Above National Standard Writing	16%
% Above National Standard Maths	22%
<b>End of Key Stage 2</b>	
% National Standard (or higher) Reading	63%
% National Standard (or higher) Writing	75%
% National Standard (or higher) Maths	59%
% National Standard (or higher) GPS	63%
% National Standard (or higher) R,W&M combined	50%
% Above National Standard Reading	3%
% Above National Standard Writing	9%
% Above National Standard Maths	22%
% Above National Standard GPS	13%
% Above National Standard R,W&M combined	3%

#### **OTHER ACHIEVEMENTS**

Herringthorpe Junior School achieved well above national expectations at KS2 2019

Herringthorpe Junior School achieved the Geography Primary Gold Quality Mark

Rockingham Junior and Infant School and Roughwood Primary School have both been awarded the Anti Bullying Gold Award during 2019 for their ongoing commitment to our children

Willow Tree Academy was chosen as a key partner in 2018 in an international pilot for the NEMESIS project, designed to develop social change-makers of tomorrow. Herringthorpe Junior School being described as 'world leaders' in Enterprise education.



## Willow Tree Academy

### Trustees' Report for the Year Ended 31 August 2019 (continued)

#### Strategic Report

##### **Public benefit**

The trustees have complied with their duty to have due regard to the guidance and public benefit published by the charity commission in exercising their powers or duties.

The Willow Tree Academy's principal objective is to provide education for pupils of different abilities between the ages of 3 and 11. The governors and trustees confirm that they have complied with the duty in Section 4 of the Charities Act 2006 to have regard to the Charity Commissioners general guidance on public benefit in exercising their powers or duties. Further they have referred to this guidance when reviewing the Academy's aims and objectives and in planning its future activities. We support other schools through the delivery of professional development and the sharing of practice and knowledge to ultimately benefit the wider school community.

##### **Key financial performance indicators**

As of 31<sup>st</sup> August:-

	<b>Unit</b>	<b>2019</b>	<b>2018</b>
Fund Balance (excluding fixed assets & pensions)	£	730,667	511,039
Cash In Bank	£	975,484	706,770
Total Staff Costs	£	4,262,177	3,207,990
Staff Costs as a Proportion of Total Expense	%	68.4	71.5

##### **Key non-financial performance indicators**

The Academy's financial performance is monitored by the trustees. The Chair of Trustees and the Chief Executive Officer have established a Finance and Audit Committee comprising of the School Business Managers from each school. They have been tasked with finding financial cost savings across the Academy. This committee will meet every half term and then report their findings to the Chair and CEO every term.

Each school's individual financial performance is monitored by the local governing body, the Executive Head Teacher and the School Business Manager.

It is also monitored through the completion and submission of the Education Funding Agency (ESFA) of:

- The Academy's Annual Report and Financial Statements
- Whole Government Accounts data (including budget forecasts for the coming year)
- The Annual AAR (Academy Accounts Return)

## **Willow Tree Academy**

### **Trustees' Report for the Year Ended 31 August 2019 (continued)**

#### **Strategic Report**

The schools have all been subject to inspections by Ofsted since 2014 with Herringthorpe Junior School being rated as outstanding, Greasbrough Primary School rated good at a one-day inspection in April 2018, was recommended for a two-day section 5 inspection.

Extract from Report:-

"I am of the opinion that the school has demonstrated strong practice and marked improvement in certain areas. This may indicate that the school is improving towards being outstanding. Therefore, I am recommending that the school's next inspection be a section 5 inspection."

Through our collaboration Roughwood Primary School has now been rated as a good school, although the challenges of the community, attendance and complex needs of the pupils means progress and attainment at the end of KS2 remains stubbornly just above the floor standards. Rockingham Junior & Infant School was rated inadequate in 2017 and placed in special measures. Intensive support has been rapidly introduced and accelerated improvement is evident from the last school of concern report with the school achieving above floor standards in 2018.

#### ***Going concern***

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

## Willow Tree Academy

### Trustees' Report for the Year Ended 31 August 2019 (continued)

#### Strategic Report

##### Financial review

Most of the schools' income is in the form of recurring grants from the Education and Skills Funding Agency (ESFA), which are provided under the funding agreement with the Academy. The use of this income is restricted to particular purposes. The ESFA grants are received by the Academy for the year ended 31st August 2019 and the associated expenditure are shown in the restricted funds in the Statement of Financial Activities.

In accordance with the Charity Commission's Statement of Recommended Practice (SORP) - Accounting and Reporting by Charities 2015, Capital grants will be shown in the Statement of Financial Activities as restricted income in the fixed asset fund.

The restricted asset balance is reduced by the annual depreciation charges, in accordance with the schools' accounting policy, over the asset's useful life.

As reported in these financial statements the in-year surplus, being the balance of restricted general funds (excluding pension reserve) and unrestricted funds, was £730,667.

Total funds held by the academy as at 31st August 2019 were £11,309,773 compared to £12,329,882 at August 2018. The decrease of £1,020,109 is made up as follows:

- £219,628 increase in general fund balances to £730,667. The carried forward unrestricted and restricted general funds are £506,948 and £223,719 respectively.
- £1,624,000 increase in Local Government Pensions Scheme Liability to £4,318,000, due to the revaluation of the schemes and change in actuarial assumptions.
- £384,263 increase in restricted fixed asset fund to £14,897,106. The main reason for the increase in these funds was asset additions under construction amounting to £416,323, which was heating improvement works carried out from the CIF funding received.

##### ***The principal sources of funding and how expenditure has supported the key objectives of the academy trust***

The General Annual Grant is linked to the School Improvement Plan for each school. The grant is aligned to each priority area to support the vision of an outstanding education for all children.

The Finance and Audit Committee are tasked with cost saving across the academy so the budgets for each school are managed efficiently.

## **Willow Tree Academy**

### **Trustees' Report for the Year Ended 31 August 2019 (continued)**

#### **Strategic Report**

##### ***Financial effect of significant events***

The Academy has now increased to 4 schools and with this brings challenges for funding. Roughwood Primary School has now a stable budget and we are working towards this at Rockingham Junior and Infant School (in deficit on conversion).

The Board of the Academy Trust carried out a due diligence on Rockingham Junior and Infant School prior to the conversion date and the trust has now plans in place for a stable budget for this year.

The Chair of the Trust and the Chief Executive meet with the School Business Managers monthly to monitor each school budget to ensure these remain healthy.

Willow Tree Academy has a policy of the top slicing of each school budget of 2% to support central services and provide funding for exceptional costs. This will increase to 4% for 2019/2020.

##### ***An explanation of the impact (if any) of a material pension liability arising from obligations to a defined benefit pension scheme or asset on the financial position of the academy trust***

As at 31 August 2019, The Local Government Pension Scheme deficit amounts to £4,318,000 (2018: £2,694,000). The trustees have agreed to make an annual contribution of £100,210 in addition to normal funding level to support this deficit.

##### ***Financial and risk management objectives and policies***

The academy is not generally exposed to significant uncertainty in relation to financial instruments. The key issue is the pension scheme liability, which is included in the accounts based on actuarial advice and inevitably will be subject to future fluctuations.

# Willow Tree Academy

## Trustees' Report for the Year Ended 31 August 2019 (continued)

### Strategic Report

#### *Principal risks and uncertainties*

The academy has undertaken work during the period to establish the system of internal control, including financial, operational and risk management, which is designed to protect the Schools' assets and reputations. The Academy's Risk Register contains the details of risks to which this organisation is exposed. It identifies the key risks, the likelihood of those risks occurring, their potential impact on the Schools and the actions that will be taken to reduce, avoid and mitigate those risks. The register includes controls in place to minimise and mitigate any potential impact on the Schools. It also reflects the continuing efforts taken by the Schools during the year and includes appropriate dates for review of those risks. All proposed new activities are assessed for risks. Risks are rated using a consistent scoring system.

The most significant risks are identified below:

#### 1. Government Funding

The Academy has considerable reliance on continued government funding through the Education and Skills Funding Agency (ESFA), under the funding agreement with the Education and Skills Funding Agency. During this period, 95% of the school's revenue was ultimately public funded. The schools are informed by the ESFA of funding mechanisms and policies to the same degree as similar organisations.

The government's funding formula uses pupil numbers, amongst other factors, as the primary driver to determine funding levels.

#### 2. Underlying rate of inflation and staffing costs

The Academy is mindful of the rise in the underlying rate of inflation. The schools' employees transferred from the local authority employer to the Academy with the same terms and conditions, and have been subject to the same pay freezes as maintained Schools. Natural progression within salary grades increases costs even under current circumstances. The Schools reviewed the Pay Policy in 2018, in accordance with the statutory provisions of the School Teachers' Pay and Conditions Document.

Over the next 5 years, schools are likely to experience real terms cuts in spending per pupil of between 9% and 12%.

## Willow Tree Academy

### Trustees' Report for the Year Ended 31 August 2019 (continued)

#### Strategic Report

##### ***Reserves policy***

A key objective of the Academy is to maintain a structure of prudent financial management.

The aims of the Academy's Reserves Policy are twofold. The level of reserves should ensure fluctuations in income (e.g. reduced pupil numbers) and unexpected expenditure (e.g. curriculum changes) are effectively managed.

In achieving this, the trustees will be mindful that existing pupils are not disadvantaged through the retention of excessive reserves.

The Academy does not currently hold a reserve fund from any of the individual school's budgets. This is to enable funds to be spent at on work to bring all the schools up to a standard fit for purpose.

The trustees are committed to a 4% reserve from each school budget from September 2019 to fund central services.

To this end the trustees will continue to review reserve levels annually.

##### ***Investment policy***

The Academy's Articles of Association restrict any decisions on the investing of school's funds to the local governing bodies.

Trustees may only invest funds after taking advice from the financial expert, as defined under the Financial Services and Markets Act 2000. Investments are currently restricted to deposit accounts within the Schools' bankers. Any interest is returned to the Schools as unrestricted income.

##### ***Strategic Risks***

The trustees have met and discussed the risks to which the Academy is exposed. A strategic risk register has been compiled and is reviewed an annual basis. The annual review will include trustees, members of executive Leadership and the Finance Trustee as appropriate.

The strategic risk register seeks to identify the key strategic risks that the Academy could be exposed to, identifies the likelihood of the risk occurring, its impact and the actions that are being addressed to mitigate the risk. Risk categories considered are varied and include reputational, educational performance, operational and financial. Certain financial risks such as public and employee liability are mitigated through insurance cover

## **Willow Tree Academy**

### **Trustees' Report for the Year Ended 31 August 2019 (continued)**

#### **Strategic Report**

##### **Fundraising**

The schools raise funds each year by the Easter Fair, Summer Fair and Christmas Fair. All items sold are made by each class in each school and all profits from these are used by each school to provide children's discos and events to celebrate the end of each school term.

This year we began to raise funds for the redevelopment of the former caretakers house at Rockingham Junior and Infant School and our aim is to convert the house into a base for Willow Tree Academy Children with Social, Emotional and Mental Health needs. We believe this is an essential part of our trust Improvement Plan to meet our children's ongoing needs.

We have held a visioning event for parents and staff to give us feedback and support for this venture, and the board has begun to prepare a bid for lottery funding to support the costs associated with this.

The Trust Chair and the Chief Executive Officer are meeting with Local Groups and Local Authority Officers to source further funding to enable our vision to become a reality.

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

Plans for the future are developed by the governors and the Willow Tree SLT, this comprises of leaders across the academy's individual schools. They are then presented and published in the annual School Development Plan.

The trustee's vision for the future direction includes expansion of the academy trust to comprise initially of five schools within the next two to three years and we are working with the Regional Schools Commissioners Office to identify schools that are in need of intensive support in order for them to improve.

Over the next twelve months the trust will go through a period of consultation, further developing its school improvement strategy and implementing new systems. The trust will continue to have the raising standards, through improvements in progress and learning, as its top priority.

We will continue to support Rockingham Junior and Infant School to enable the school to be judged a good school.

The development of Willow Tree Academy Teaching School is a priority and will focus on ensuring outstanding entrants into the profession, CPD and as previously mentioned school to school support.

## Willow Tree Academy

### Trustees' Report for the Year Ended 31 August 2019 (continued)

#### **Funds held as Custodian Trustee on behalf of others**

The Academy and its trustees do not act as the Custodian Trustees of any other charity.

#### **Auditor**

Insofar 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.

#### ***Reappointment of auditor***

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of Marriott Gibbs Rees Wallis Limited as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

Trustees' Report, incorporating a Strategic Report, was approved by order of the members of the Governing Body on 16/12/2019 and signed on its behalf by:



Mr A Trueman  
Trustee



## Willow Tree Academy

### Governance Statement

#### Scope of responsibility

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

The Governing Body has delegated the day-to-day responsibility to Mrs JK Fearnley, 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 Willow Tree Academy and the Secretary of State for Education. They are also responsible for reporting to the Governing Body any material weaknesses or breakdowns in internal control.

#### Governance

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The Governing Body has formally met 5 times during the year. Attendance during the year at meetings of the Governing Body was as follows:

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Mr A Trueman	5	5
Mrs NJ Needham	3	5
Mrs JK Fearnley	5	5
Mrs RC Barker	2	5
Mrs MJ Smith	4	5
Mrs L Hobson	1	5
Mrs KR Skidmore	1	5

Attendance at the local governing body meetings was as follows:

#### *Herringthorpe Junior School*

<b>Governor</b>	<b>Meetings Attended</b>	<b>Out of a Possible</b>
Mr A Trueman	6	6
Rev K Skidmore	4	6
Mrs J Fearnley	5	6
Mrs M Adams	5	6
Mrs J Evans	5	6
Mrs K Johnson	4	6
Mr S Rafiq	3	3
Mrs N Needham	4	6

**Willow Tree Academy**  
**Governance Statement (continued)**

***Greasbrough Primary School***

<b>Governor</b>	<b>Meetings Attended</b>	<b>Out of a Possible</b>
Mr A Trueman	6	6
Mrs J Fearnley	5	6
Mrs J Cook	5	6
Mrs R Barker	4	6
Mr D Bradley	3	6
Mrs J Lee	6	3
Mrs S Jenkinson	5	6
Mrs D Fisher	5	6

***Roughwood Primary School***

<b>Governor</b>	<b>Meetings Attended</b>	<b>Out of a Possible</b>
Mr A Trueman	2	6
Mrs J Fearnley	5	6
Mrs N Williams	5	6
Mrs L Wheeler	4	6
Mrs S Whitehouse	5	6
Mrs C Petch	4	6
Mrs N Cusworth	5	6
Mrs F Hunt	5	6

***Rockingham Junior and Infant School***

<b>Governor</b>	<b>Meetings Attended</b>	<b>Out of a Possible</b>
Mr A Trueman	6	6
Mrs J Fearnley	5	6
Mrs F Hunt	5	6
Mrs L Greenwood	5	6
Mr M Hanson	5	6
Mrs V Rackham	5	6
Mrs K Longmore	5	6
Mrs N Evans	5	6

## **Willow Tree Academy**

### **Governance Statement (continued)**

#### **Governance reviews**

Following on from the review which was carried out during July 2018 by Mr A Trueman and Mrs J K Fearnley, where the Academy decided to replace local governing bodies with new school improvement boards as new committees of the Trust Board. The new boards have had a greater role and impact on achievement in each school and the new members of each School Improvement Board are bringing a new and exciting challenge to governance across the trust.

The Chair carried out a review in September 2019 assessing how the new School Improvement Boards were operating and has now decided to carry out a new skills audit of all members to ensure we have the necessary skills to move all our schools forward.

This audit will be assessed in January 2020 and a training plan will be put together to enable all members to update their skills in order to provide the correct support and challenge to the leadership teams in each school.

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

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

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

- Improving education outcomes for all students across our schools and improving opportunities for all pupils. This has been done by:

- Collaboration between the schools to develop an effective curriculum to ensure students have access to a broad curriculum; including additional time for core subjects such as English and Mathematics for identified pupils, residential experiences and joint visits.

- Curriculum leaders have worked together to enable key staff to be used across all school sites reducing spare teacher capacity whenever possible

- Robust data collections across the schools to ensure pupils and teachers are challenged and make effective progress.

- Reducing the cost of professional development of both teachers and support staff whilst increasing the quality of training opportunities for all staff. This has been done by:

- Joint in-house teacher training days (inset) incorporating teaching and support staff from both schools. This has given outstanding phase leaders opportunities to share good practice which has helped to deliver more effective lessons to the students of our schools. The cost of this initiative has reduced overall training and development costs across all sites.

## **Willow Tree Academy**

### **Governance Statement (continued)**

#### **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 ongoing 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 Willow Tree Academy for the year ended 31 August 2019 and up to the date of approval of the annual report and financial statements.

#### **Capacity to handle risk**

The Governing Body 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 Governing Body is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust's significant risks that has been in place for the year ended 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Governing Body.

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

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

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

During the year there has been rigorous testing of the Payroll system. This has been undertaken between all the schools in Willow Tree Academy to ensure any risks were identified and reviewed by the Board of Trustees.

The Governing Body has considered the need for a specific internal audit function and has decided:

- not to appoint an internal auditor. However the Trustees have appointed Marriott Gibbs Rees Wallis Limited, the external auditor, to perform additional checks, carried out by team members not involved in the statutory audit.

The auditor's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems.

On a quarterly basis, the auditor reports to the Governing Body on the operation of the systems of control and on the discharge of the Governing Body's financial responsibilities.

## Willow Tree Academy

### Governance Statement (continued)

#### Review of effectiveness

As Accounting Officer, Mrs JK Fearnley 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 audit governors;
- the work of the external auditor;
- the financial management and governance self assessment process;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the members of the Governing Body on 16/12/19 and signed on its behalf by:



Mr A Trueman  
Trustee



Mrs JK Fearnley  
Accounting officer  
Trustee

## Willow Tree Academy

### Statement on Regularity, Propriety and Compliance

As Accounting Officer of Willow Tree Academy I have considered my responsibility to notify the academy trust Governing Body and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

I confirm that I and the academy trust Governing Body are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2018.

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



Mrs JK Fearnley  
Accounting officer

Date:16/12/19

## Willow Tree Academy

### Statement of Trustees' Responsibilities

The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Academies Accounts Direction published by the Education & Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements 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 financial statements, the Trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgments 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 financial statements; and
- prepare the financial statements 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 financial statements 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 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 financial statements may differ from legislation in other jurisdictions.

Approved by order of the members of the Board on 16/12/19 and signed on its behalf by:



Mr A Trueman  
Trustee

## **Willow Tree Academy**

### **Independent Auditor's Report on the Financial Statements to the Members of Willow Tree Academy**

#### **Opinion**

We have audited the financial statements of Willow Tree Academy (the 'Academy') for the year ended 31 August 2019, which comprise the Statement of Financial Activities incorporating Income and Expenditure Account, Balance Sheet, Statement of Cash Flows, and Notes to the Financial Statements, 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 (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy trust's affairs at 31 August 2019 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Charities SORP 2015 and Academies Accounts Direction 2018 to 2019.

#### **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 financial statements section of our report. We are independent of the Academy in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Trustees use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Academy's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### **Other information (covers the Reference and Administrative Details, the Trustees' Report and Strategic Report and the Governance Statement)**

The Trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements 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.



## **Willow Tree Academy**

### **Independent Auditor's Report on the Financial Statements to the Members of Willow Tree Academy (continued)**

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements 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 financial statements 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.

#### **Opinion 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 Strategic Report and Trustees' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Trustees' Report have been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and Trustees' Report.

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

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

#### **Responsibilities of Trustees**

As explained more fully in the Statement of Trustees' Responsibilities [set out on page 28], the Trustees are responsible for the preparation of the financial statements 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Trustees are responsible for assessing the Academy'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 Academy or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements 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 financial statements.

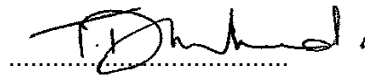
## Willow Tree Academy

### Independent Auditor's Report on the Financial Statements to the Members of Willow Tree Academy (continued)

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### Use of our report

This report is made solely to the Academy's Trustees, 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 Academy's trustees 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 Academy and its Trustees, as a body, for our audit work, for this report, or for the opinions we have formed.



Mrs Tina Dawn Havenhand FCCA (Senior Statutory Auditor)  
For and on behalf of Marriott Gibbs Rees Wallis Limited  
Chartered Certified Accountants and Statutory Auditor

13-17 Paradise Square  
Sheffield  
S1 2DE

Date: 16 December 2019

## **Willow Tree Academy**

### **Independent Reporting Accountant's Report on Regularity to Willow Tree Academy and the Education & Skills Funding Agency**

In accordance with the terms of our engagement letter dated and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Willow Tree Academy during the period 1 September 2018 to 31 August 2019 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 Willow Tree Academy and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we may state to Willow Tree Academy and the 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 Willow Tree Academy and the ESFA, for our work, for this report, or for the conclusion we have formed.

#### **Respective responsibilities of the Governing Body's accounting officer and the reporting accountant**

The Accounting Officer is responsible, under the requirements of the Governing Body's funding agreement with the Secretary of State for Education dated 26 March 2015 and the Academies Financial Handbook extant from 1 September 2018, 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 2018 to 2019. 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 year from 1 September 2018 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

#### **Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- The assessment and evaluation of relevant control procedures adopted by the Academy Trust
- Assessing the risk of material irregularity
- Undertaking limited testing of income and expenditure, including identifying and testing funding agreements in place.

## Willow Tree Academy

### Independent Reporting Accountant's Report on Regularity to Willow Tree Academy and the Education & Skills Funding Agency (continued)

#### 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 year from 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Marriott Gibbs Rees Wallis Limited  
Chartered Certified Accountants and Reporting Accountant

13-17 Paradise Square  
Sheffield  
S1 2DE

Date: 16 December 2019

## Willow Tree Academy

### Statement of Financial Activities for the Year Ended 31 August 2019 (including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	2018/19 Total £
<b>Income and endowments from:</b>					
Voluntary income					
Donations and capital grants	2	49,264	80,927	496,168	626,359
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	-	5,577,729	-	5,577,729
Other trading activities	4	182,868	57,206	-	240,074
Investments	5	1,949	-	-	1,949
<b>Total</b>		<b>234,081</b>	<b>5,715,862</b>	<b>496,168</b>	<b>6,446,111</b>
<b>Expenditure on:</b>					
<i>Charitable activities:</i>					
Academy trust educational operations	7	-	6,096,137	135,083	6,231,220
Net income/(expenditure)		234,081	(380,275)	361,085	214,891
Transfers between funds		(130,714)	107,536	23,178	-
<b>Other recognised gains and losses</b>					
Actuarial gains on defined benefit pension schemes	22	-	(1,235,000)	-	(1,235,000)
Net movement in funds/(deficit)		103,367	(1,507,739)	384,263	(1,020,109)
<b>Reconciliation of funds</b>					
Total funds/(deficit) brought forward at 1 September 2018		403,581	(2,586,542)	14,512,843	12,329,882
Total funds/(deficit) carried forward at 31 August 2019		506,948	(4,094,281)	14,897,106	11,309,773

## Willow Tree Academy

### Statement of Financial Activities for the Year Ended 31 August 2018 (including Income and Expenditure Account)

	Note	Unrestricted Funds £	Restricted General Funds £	Restricted Fixed Asset Funds £	2017/18 Total £
<b>Income and endowments from:</b>					
Voluntary income					
Donations and capital grants	2	22,985	65,880	21,352	110,217
Transfer from local authority on conversion		139,606	(1,354,000)	7,812,689	6,598,295
<i>Charitable activities:</i>					
Funding for the Academy trust's educational operations	3	-	4,019,668	-	4,019,668
Other trading activities	4	152,820	174,759	-	327,579
Investments	5	732	-	-	732
<b>Total</b>		<b>316,143</b>	<b>2,906,307</b>	<b>7,834,041</b>	<b>11,056,491</b>
<b>Expenditure on:</b>					
<i>Charitable activities:</i>					
Academy trust educational operations	7	-	4,380,954	103,926	4,484,880
Net income/(expenditure)		316,143	(1,474,647)	7,730,115	6,571,611
Transfers between funds		(56,980)	39,335	17,645	-
<b>Other recognised gains and losses</b>					
Actuarial gains on defined benefit pension schemes	22	-	233,000	-	233,000
Net movement in funds/(deficit)		259,163	(1,202,312)	7,747,760	6,804,611
<b>Reconciliation of funds</b>					
Total funds/(deficit) brought forward at 1 September 2017		144,418	(1,384,230)	6,765,083	5,525,271
Total funds/(deficit) carried forward at 31 August 2018		403,581	(2,586,542)	14,512,843	12,329,882

**Willow Tree Academy**  
**(Registration number: 09440025)**  
**Balance Sheet as at 31 August 2019**

	Note	2019 £	2018 £
<b>Fixed assets</b>			
Tangible assets	12	14,881,780	14,509,020
<b>Current assets</b>			
Debtors	13	546,530	281,213
Cash at bank and in hand		975,484	706,770
		<u>1,522,014</u>	<u>987,983</u>
Creditors: Amounts falling due within one year	14	<u>(776,021)</u>	<u>(473,121)</u>
Net current assets		<u>745,993</u>	<u>514,862</u>
Total assets less current liabilities		<u>15,627,773</u>	<u>15,023,882</u>
Net assets excluding pension liability		15,627,773	15,023,882
Pension scheme liability	22	<u>(4,318,000)</u>	<u>(2,694,000)</u>
Net assets including pension liability		<u>11,309,773</u>	<u>12,329,882</u>
<b>Funds of the Academy:</b>			
<b>Restricted funds</b>			
Restricted general fund		223,719	107,458
Restricted fixed asset fund		14,897,106	14,512,843
Restricted pension fund		<u>(4,318,000)</u>	<u>(2,694,000)</u>
		10,802,825	11,926,301
<b>Unrestricted funds</b>			
Unrestricted general fund		<u>506,948</u>	<u>403,581</u>
Total funds		<u>11,309,773</u>	<u>12,329,882</u>

The financial statements on pages 34 to 61 were approved by the Trustees, and authorised for issue on 16/12/19 and signed on their behalf by:



Mr A Trueman  
Trustee

## Willow Tree Academy

### Statement of Cash Flows for the Year Ended 31 August 2019

	Note	2019 £	2018 £
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	18	278,440	334,187
Cash flows from investing activities	19	(9,726)	(26,544)
Cash transferred on conversion to an academy trust		-	139,606
Change in cash and cash equivalents in the year		268,714	447,249
Cash and cash equivalents at 1 September		706,770	259,521
Cash and cash equivalents at 31 August	20	975,484	706,770



# Willow Tree Academy

## Notes to the Financial Statements for the Year Ended 31 August 2019

### 1 Accounting policies

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

#### **Basis of preparation**

The financial statements 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 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Willow Tree Academy meets the definition of a public benefit entity under FRS 102.

#### **Going concern**

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

#### **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.

## **Willow Tree Academy**

### **Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)**

#### **1 Accounting policies (continued)**

##### ***Grants***

Grants are included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

General Annual Grant is recognised in full in the Statement of Financial Activities in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

Pupil Premium is recognised in the period of entitlement. Where entitlement occurs before income is received, the income is accrued.

Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grants are reflected in the balance sheet in the restricted fixed asset fund. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

##### ***Sponsorship income***

Sponsorship income provided to the academy trust which amounts to a donation is recognised in the Statement of Financial Activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

##### ***Donations***

Donations are recognised on a receivable basis (where there are no performance-related conditions) where the receipt is probable and the amount can be reliably measured.

##### ***Other income***

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the academy trust has provided the goods or services.

##### ***Donated goods, facilities and services***

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

## Willow Tree Academy

### Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

#### 1 Accounting policies (continued)

##### ***Donated fixed assets***

Where the donated good is a fixed asset it is measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be 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.

##### **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 allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

##### ***Expenditure on raising funds***

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

##### ***Charitable activities***

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

All resources expended are inclusive of irrecoverable VAT.

## Willow Tree Academy

### Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

#### 1 Accounting policies (continued)

##### Tangible fixed assets

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment. Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on such assets is charged to the restricted fixed asset fund in the Statement of Financial Activities so as to reduce the fund over the useful economic life of the related asset on a basis consistent with the Academy Trust's depreciation policy.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of each asset over its expected useful lives, per the table below.

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.

<b>Asset class</b>	<b>Depreciation method and rate</b>
Long Leasehold Buildings	125 years over lease term
Land	Not depreciated
Leasehold Improvements	10 years straight line
Fixtures, Fittings and Equipment	5 years straight line
ICT Equipment	3 years straight line

##### Liabilities

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

##### Provisions

Provisions are recognised when the academy trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

##### Leased assets

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

## **Willow Tree Academy**

### **Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)**

#### **1 Accounting policies (continued)**

##### **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 as detailed in note 13. 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 as detailed in notes 14. 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.

##### **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.

## **Willow Tree Academy**

### **Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)**

#### **1 Accounting policies (continued)**

##### **Pension benefits**

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

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

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

They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

Actuarial gains and losses are recognised immediately in other recognised gains and losses.

##### **Fund accounting**

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

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

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

##### **Critical accounting estimates and areas of judgement**

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.

## Willow Tree Academy

### Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

#### 1 Accounting policies (continued)

##### **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.

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 (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, 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 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. 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.

#### 2 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	2018/19 Total £	2017/18 Total £
<b>Other voluntary income</b>					
Capital grants	-	-	496,168	496,168	21,352
Other donations	49,264	80,927	-	130,191	88,865
	49,264	80,927	496,168	626,359	110,217

#### 3 Funding for the Academy Trust's educational operations

	Restricted funds £	2018/19 Total £	2017/18 Total £
<b>DfE/ESFA revenue grants</b>			
General Annual Grant (GAG)	4,472,331	4,472,331	3,304,409
Start Up Grants	-	-	50,000
Other DfE/ESFA Grants	736,105	736,105	493,765
	5,208,436	5,208,436	3,848,174
<b>Other government grants</b>			
Local Authority Grants	348,134	348,134	129,566
Special Educational Projects	21,159	21,159	41,928
	369,293	369,293	171,494

## Willow Tree Academy

### Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

#### 3 Funding for the Academy Trust's educational operations (continued)

	Restricted funds £	2018/19 Total £	2017/18 Total £
Total grants	5,577,729	5,577,729	4,019,668

#### 4 Other trading activities

	Unrestricted funds £	Restricted funds £	2018/19 Total £	2017/18 Total £
Hire of facilities	16,992	-	16,992	11,685
Catering income	162,350	-	162,350	132,715
Recharges and reimbursements	-	495	495	-
Other sales	3,526	56,711	60,237	183,179
	182,868	57,206	240,074	327,579

#### 5 Investment income

	Unrestricted funds £	2018/19 Total £	2017/18 Total £
Short term deposits	1,949	1,949	732

#### 6 Expenditure

	Non Pay Expenditure			2018/19 Total £	2017/18 Total £
	Staff costs £	Premises £	Other costs £		
<b>Academy's educational operations</b>					
Direct costs	3,521,303	93,533	616,016	4,230,852	3,149,879
Allocated support costs	740,874	299,572	959,922	2,000,368	1,335,001
	4,262,177	393,105	1,575,938	6,231,220	4,484,880



## Willow Tree Academy

### Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

#### 6 Expenditure (continued)

Net income/(expenditure) for the year includes:

	2018/19 £	2017/18 £
Operating lease rentals	6,607	10,741
Depreciation	135,083	103,926
Fees payable to auditor - audit	8,250	8,218
- other audit services	1,335	2,810
	6,231,220	4,484,880

#### 7 Charitable activities

	2018/19 £	2017/18 £
Direct costs - educational operations	4,230,852	3,149,879
Support costs - educational operations	2,000,368	1,335,001
	6,231,220	4,484,880
<b>Educational operations</b>	<b>2018/19</b>	<b>2017/18</b>
£	Total	Total
	£	£

#### Analysis of support costs

Support staff costs	740,874	740,874	509,848
Technology costs	13,297	13,297	23,094
Premises costs	299,572	299,572	194,230
Other support costs	842,012	842,012	504,167
Governance costs	104,613	104,613	103,662
Total support costs	2,000,368	2,000,368	1,335,001

#### 8 Staff

##### Staff costs

	2018/19 £	2017/18 £
<b>Staff costs during the year were:</b>		
Wages and salaries	3,344,311	2,513,490
Social security costs	274,843	215,621
Operating costs of defined benefit pension schemes	579,865	441,830
	4,199,019	3,170,941
Supply staff costs	56,723	37,049
Staff restructuring costs	6,435	-
	4,262,177	3,207,990

## Willow Tree Academy

### Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

#### 8 Staff (continued)

2019  
£

#### Staff restructuring costs comprise:

Redundancy payments	<u>6,435</u>
---------------------	--------------

#### Staff numbers

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

	2018/19 No	2017/18 No
<b>Charitable Activities</b>		
Teachers	52	50
Administration and support	145	128
Management	7	19
	<u>204</u>	<u>197</u>

#### Higher paid staff

The number of employees whose emoluments exceeded £60,000 was:

	2019 No	2018 No
£60,001 - £70,000	1	-
£130,001 - £140,000	-	1
£140,001 - £150,000	1	-
	<u>1</u>	<u>-</u>

#### Key management personnel

The key management personnel of the academy trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £502,100 (2018: £457,521).

## Willow Tree Academy

### Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

#### 9 Central services

The academy trust does not administer a trust level budget to pay for central services. However, during the year to 31 August 2019 the MAT has been receiving top slice income from the four schools of 2% of GAG income. From September 2019 this has been increased to 4% from the four schools.

The costs of the Executive Head, Trust Finance Manager, Chief Finance Officer and ICT support is funded between the four schools within the MAT. The staff costs recharged in the year was as follows:

Herringthorpe Juniors £178,065 (2018 : £96,287)  
Greasbrough Primary £51,223 (2018 : £45,712)  
Roughwood Primary £49,835 (2018 : £40,611)  
Rockingham Junior & Infants £63,346 (2018 : £18,906)

#### 10 Related party transactions - trustees' remuneration and expenses

One or more trustees has been paid remuneration or has received other benefits from employment with the academy trust. The principal and other staff trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment, and not in respect of their role as trustees. The value of trustees' remuneration and other benefits was as follows:

Mrs JK Fearnley (Executive Head and Trustee):

Remuneration: £125,000 - £130,000 (2018 - £75,000 - £80,000)

Employer's pension contributions: £15,000 - £20,000 (2018 - £10,000 - £15,000)

Mrs J K Fearnley was appointed as a trustee on 1 January 2018, therefore the 2018 remuneration information stated above is for the period 1 January 2018 to 31 August 2018.

During the year ended 31 August 2019, travel and subsistence expenses totalling £355 (2018 - £203) were reimbursed or paid directly to 1 trustees (2018 - 1).

Other related party transactions involving the trustees are set out in note 23.

#### 11 Trustees' and officers' insurance

The academy trust has opted into the Department of 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 business, and provides cover up to £10,000,000. It is not possible to quantify the trustees and officer's indemnity element from the overall cost of the RPA scheme.

## Willow Tree Academy

### Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

#### 12 Tangible fixed assets

	Leasehold land and buildings £	Assets under construction £	Furniture and equipment £	Computer equipment £	Total £
<b>Cost</b>					
At 1 September 2018	14,583,350	-	58,987	137,438	14,779,775
Additions	36,605	416,323	31,718	23,197	507,843
At 31 August 2019	14,619,955	416,323	90,705	160,635	15,287,618
<b>Depreciation</b>					
At 1 September 2018	174,200	-	17,079	79,476	270,755
Charge for the year	93,533	-	16,657	24,893	135,083
At 31 August 2019	267,733	-	33,736	104,369	405,838
<b>Net book value</b>					
At 31 August 2019	14,352,222	416,323	56,969	56,266	14,881,780
At 31 August 2018	14,409,150	-	41,908	57,962	14,509,020

#### Assets under construction

Greasbrough and Roughwood have had extensive heating replacement works which were completed shortly after the year end. The majority of the work was done in the school holidays and so these costs have been included as assets under construction and as such no depreciation is charged. This work was funded by successful CIF bids for both schools.

#### Long term leasehold property

The trusts' land and buildings include a leasehold on Herringthorpe Junior's land and school buildings Greasbrough Primary School's land and buildings, Roughwood Primary's land and Rockingham Junior and Infant's land and buildings for a notional fee over 125 years.

Herringthorpe Juniors share land and buildings with Herringthorpe Infants School (LA maintained school). A shared use agreement has been put in place under which the trust takes responsibility for 53.5% of the land and buildings.

## Willow Tree Academy

### Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

#### 13 Debtors

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Trade debtors	8,994	7,029
VAT recoverable	69,831	48,972
Prepayments	125,669	96,997
Accrued income	342,036	128,215
	546,530	281,213

#### 14 Creditors: amounts falling due within one year

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Trade creditors	213,616	155,376
Other taxation and social security	56,693	59,572
Other creditors	-	754
Accruals	337,590	124,525
Deferred income	110,284	74,493
Pension scheme creditor	57,838	58,401
	776,021	473,121

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>Deferred income</b>		
Deferred income at 1 September 2018	74,493	110,076
Resources deferred in the period	110,284	74,493
Amounts released from previous periods	(74,493)	(110,076)
Deferred income at 31 August 2019	110,284	74,493

At the balance sheet date, the academy trust was holding funds received in advance in respect of Universal Infant Free School Meals Grant, SEN provision, rates relief, school trips commencing September 2019.

## Willow Tree Academy

### Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

#### 15 Funds

	Balance at 1 September 2018 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2019 £
<b>Restricted general funds</b>					
General annual grant	57,753	4,472,331	(4,463,468)	107,536	174,152
StartUp Grant	29,743	-	-	-	29,743
Pupil Premium	-	511,684	(511,684)	-	-
Other DFE/ESFA Grants	19,962	224,421	(224,559)	-	19,824
Other Restricted Income	-	507,426	(507,426)	-	-
	<u>107,458</u>	<u>5,715,862</u>	<u>(5,707,137)</u>	<u>107,536</u>	<u>223,719</u>
<b>Restricted fixed asset funds</b>					
Transfer on conversion	14,434,641	-	(111,544)	-	14,323,097
DFE/ESFA capital grants	29,055	496,168	(14,929)	-	510,294
Capital expenditure from GAG	49,147	-	(8,610)	23,178	63,715
	<u>14,512,843</u>	<u>496,168</u>	<u>(135,083)</u>	<u>23,178</u>	<u>14,897,106</u>
<b>Restricted pension funds</b>					
Pensions Reserve	(2,694,000)	-	(389,000)	(1,235,000)	(4,318,000)
Total restricted funds	11,926,301	6,212,030	(6,231,220)	(1,104,286)	10,802,825
<b>Unrestricted funds</b>					
Unrestricted general funds	403,581	234,081	-	(130,714)	506,948
Total funds	<u>12,329,882</u>	<u>6,446,111</u>	<u>(6,231,220)</u>	<u>(1,235,000)</u>	<u>11,309,773</u>

## Willow Tree Academy

### Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

#### 15 Funds (continued)

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

	Balance at 1 September 2017 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	Balance at 31 August 2018 £
<b>Restricted general funds</b>					
General annual grant	29,770	3,304,410	(3,315,762)	39,335	57,753
StartUp Grant	-	50,000	(20,257)	-	29,743
Pupil Premium	-	367,123	(367,123)	-	-
Other DFE/ESFA Grants	-	126,642	(106,680)	-	19,962
Other Restricted Income	-	412,132	(412,132)	-	-
	29,770	4,260,307	(4,221,954)	39,335	107,458
<b>Restricted fixed asset funds</b>					
Transfer on conversion	6,707,673	7,812,689	(85,721)	-	14,434,641
DFE/ESFA capital grants	20,466	21,352	(12,763)	-	29,055
Capital expenditure from GAG	36,944	-	(5,442)	17,645	49,147
	6,765,083	7,834,041	(103,926)	17,645	14,512,843
<b>Restricted pension funds</b>					
Pensions Reserve	(1,414,000)	(1,354,000)	(159,000)	233,000	(2,694,000)
Total restricted funds	5,380,853	10,740,348	(4,484,880)	289,980	11,926,301
<b>Unrestricted funds</b>					
Unrestricted general funds	144,418	316,143	-	(56,980)	403,581
Total funds	5,525,271	11,056,491	(4,484,880)	233,000	12,329,882

## Willow Tree Academy

### Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

#### 15 Funds (continued)

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

**General Annual Grant (GAG):** this is the academy's principal funding stream from the Education and Skills Funding Agency. The funding must be used for the running of the school and for the benefit of the pupils. The use of the grant is governed by the terms and conditions set out in the Funding Agreement.

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 2019.

**Other DfE/ESFA Grants:** the trust received additional revenue grant funding from the ESFA including the following:

PE Sports Grant to help promote sports and physical activity in schools.

Pupil Premium to help raise attainment amongst pupils considered socially deprived. This funding is allocated based on eligibility for free school meals.

Universal Infant Free School Meals Grant to support schools in delivering the offer of free school meals to all pupils in year groups reception, year 1 and year 2.

**Other Restricted Income:** the trust received income from an LA maintained school to fund the cost of the Executive Head Teacher and other staff time.

**Pension Reserve:** On conversion, each school within the trust inherited a share of the Local Government Pension Scheme (LGPS) liability. The liability for each school as at 31st August 2019 is valued as follows:

Herringthorpe Juniors - £1,197,000 (2018 : £713,000)  
Greasbrough Primary - £920,000 (2018 : £583,000)  
Roughwood Primary - £907,000 (2018 : £574,000)  
Rockingham Junior & Infant - £1,294,000 (2018 : £824,000)

In the year, £389,000 pension finance charges were incurred. At 31st August 2019, the pension deficit for the trust had increased by £1,624,000, due to changes made by the actuary in its pensions assumptions in the year. At 31st August 2019, the pension deficit stood at £4,318,000.

**DfE/ESFA Capital Grants:** the trust received the following capital grants from the ESFA:

Devolved Formula Capital funding of £79,845 for building improvements and ICT.

CIF Funding of £416,323 for building improvements at Roughwood and Greasbrough.

**Unrestricted Funds:** During the year the academy, trust generated £234,081 in unrestricted funds from catering, lettings, insurance claims and other general donations and contributions.

These funds may be used towards meeting any of the charitable objectives of the trust at the discretion of the trustees. A total of £130,714 was transferred to fund expenditure within Restricted Funds leaving unrestricted balances of £506,948 as at 31st August 2019.



## Willow Tree Academy

### Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

#### 15 Funds (continued)

##### Analysis of academies by fund balance

Fund balances as at 31 August 2019 were allocated as follows:

	<b>Total 2019</b>	Total 2018
	£	£
Herringthorpe Juniors	215,028	245,088
Greasbrough Primary	100,555	107,181
Roughwood Primary	133,204	141,327
Rockingham Junior & Infants	78,866	(18,159)
Willow Tree	203,014	35,602
	<b>730,667</b>	511,039
<b>Total before fixed asset and pension reserve</b>		
Restricted fixed asset fund	14,897,106	14,512,843
Pension Reserve	(4,318,000)	(2,694,000)
	<b>11,309,773</b>	12,329,882
<b>Total</b>	<b>11,309,773</b>	12,329,882

##### Analysis of academies by cost

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

	Teaching and Educational Support Staff	Other Support Staff	Educational Supplies	Other Costs (excluding depreciation)	Total
Herringthorpe Juniors	960,208	255,923	64,213	490,561	1,770,905
Greasbrough Primary	696,361	146,752	38,748	300,563	1,182,424
Roughwood Primary	863,396	156,484	62,194	372,686	1,454,760
Rockingham Junior & Infants	1,001,338	181,715	62,570	442,287	1,687,910
Willow Tree Central	-	-	-	138	138
	<b>3,521,303</b>	<b>740,874</b>	<b>227,725</b>	<b>1,606,235</b>	<b>6,096,137</b>
<b>Total Willow Tree MAT</b>	<b>3,521,303</b>	<b>740,874</b>	<b>227,725</b>	<b>1,606,235</b>	<b>6,096,137</b>

## Willow Tree Academy

### Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

#### 16 Analysis of net assets between funds

Fund balances at 31 August 2019 are represented by:

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	14,881,780	14,881,780
Current assets	506,948	732,536	282,530	1,522,014
Current liabilities	-	(508,817)	(267,204)	(776,021)
Pension scheme liability	-	(4,318,000)	-	(4,318,000)
<b>Total net assets</b>	<b>506,948</b>	<b>(4,094,281)</b>	<b>14,897,106</b>	<b>11,309,773</b>

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

	Unrestricted funds £	Restricted general funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets	-	-	14,509,020	14,509,020
Current assets	403,581	580,579	3,823	987,983
Current liabilities	-	(473,121)	-	(473,121)
Pension scheme liability	-	(2,694,000)	-	(2,694,000)
<b>Total net assets</b>	<b>403,581</b>	<b>(2,586,542)</b>	<b>14,512,843</b>	<b>12,329,882</b>

#### 17 Commitments under operating leases

##### *Operating leases*

At 31 August 2019 the total of the academy trust's future minimum lease payments under non-cancellable operating leases was:

	2019 £	2018 £
Amounts due within one year	4,046	7,652
Amounts due between one and five years	4,065	2,870
	<u>8,111</u>	<u>10,522</u>

## Willow Tree Academy

### Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

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

	2018/19 £	2017/18 £
Net income	214,891	6,571,611
Depreciation	135,083	103,926
Capital grants from DfE and other capital income	(496,168)	(21,352)
Interest receivable	(1,949)	(635)
Defined benefit pension scheme cost less contributions payable	389,000	159,000
Increase in debtors	(265,317)	(11,346)
Increase in creditors	302,900	131,278
Net assets transferred on conversion to academy trust	-	(6,598,295)
Net cash provided by Operating Activities	<u>278,440</u>	<u>334,187</u>

#### 19 Cash flows from investing activities

	2018/19 £	2017/18 £
Dividends, interest and rents from investments	1,949	732
Purchase of tangible fixed assets	(507,843)	(48,531)
Capital funding received from sponsors and others	<u>496,168</u>	<u>21,352</u>
Net cash used in investing activities	<u>(9,726)</u>	<u>(26,447)</u>

#### 20 Analysis of cash and cash equivalents

	2019 £	2018 £
Cash at bank and in hand	<u>975,484</u>	<u>706,770</u>
Total cash and cash equivalents	<u>975,484</u>	<u>706,770</u>

#### 21 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 they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £10 of the debts and liabilities contracted before they ceased to be a member.

## Willow Tree Academy

### Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

#### 22 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 South Yorkshire Pension Authority. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

Contributions amounting to £57,838 (2018 - £58,401) were payable to the schemes at 31 August and are included within creditors.

#### Teachers' Pension Scheme

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

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

#### Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014.

The key elements of the valuation and subsequent consultation are:

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

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 September 2019.

## Willow Tree Academy

### Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

#### 22 Pension and similar obligations (continued)

The employer's pension costs paid to TPS in the period amounted to £273,736 (2018: £226,473). A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

Under the definitions set out in FRS 102, the TPS is an unfunded multi-employer pension scheme. The academy trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy trust has set out above the information available on the scheme.

#### Local government pension scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £292,378 (2018 - £274,258), of which employer's contributions totalled £206,935 (2018 - £215,668) and employees' contributions totalled £85,443 (2018 - £58,590). The agreed contribution rates for future years are from 12.3% to 13.6% per cent for employers and from 5.5% to 12.5% per cent for employees.

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

#### Principal actuarial assumptions

	2019 %	2018 %
Rate of increase in salaries	3.25	3.40
Rate of increase for pensions in payment/inflation	2.10	2.25
Discount rate for scheme liabilities	1.80	2.85
Inflation assumptions (CPI)	2.00	2.15

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

	2019	2018
<b>Retiring today</b>		
Males retiring today	23.20	23.00
Females retiring today	25.90	25.80
<b>Retiring in 20 years</b>		
Males retiring in 20 years	25.30	25.20
Females retiring in 20 years	28.30	28.10

#### Sensitivity analysis

The LGPS Pension Deficit/(Surplus) is subject to change dependant on the following factors:-

## Willow Tree Academy

### Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

#### 22 Pension and similar obligations (continued)

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Discount rate +0.1%	4,151,000	2,581,000
Mortality assumption – 1 year increase	4,432,000	2,771,000
CPI rate +0.1%	4,489,000	2,808,000
Pay Growth +0.1%	4,358,000	2,723,000

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

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Equities	1,176,000	917,000
Government bonds	322,000	246,000
Other bonds	164,000	126,000
Property	196,000	167,000
Cash and other liquid assets	72,000	78,000
Other	319,000	187,000
Total market value of assets	2,249,000	1,721,000

The actual return on scheme assets was £144,000 (2018 - £63,000).

## Willow Tree Academy

### Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

#### 22 Pension and similar obligations (continued)

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

	<b>2018/19</b>	<b>2017/18</b>
	<b>£</b>	<b>£</b>
Current service cost	439,000	311,000
Net interest cost	(55,000)	-
Interest cost	126,000	52,000
Admin expenses	6,000	4,000
Past service cost	181,000	-
	697,000	367,000

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

	<b>2018/19</b>	<b>2017/18</b>
	<b>£</b>	<b>£</b>
At start of period	4,415,000	2,099,000
Conversion of academy trusts	-	2,102,000
Current service cost	439,000	311,000
Interest cost	126,000	84,000
Employee contributions	86,000	55,000
Actuarial (gain)/loss	1,322,000	(201,000)
Benefits paid	(2,000)	(35,000)
Past service cost	181,000	-
	6,567,000	4,415,000

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

	<b>2018/19</b>	<b>2017/18</b>
	<b>£</b>	<b>£</b>
At start of period	1,721,000	685,000
Transferred in on existing academies joining the trust	-	748,000
Interest income	55,000	32,000
Actuarial gain/(loss)	87,000	32,000
Employer contributions	308,000	208,000
Employee contributions	86,000	55,000
Benefits paid	(2,000)	(35,000)
Effect of non-routine settlements	(6,000)	(4,000)
	2,249,000	1,721,000

## Willow Tree Academy

### Notes to the Financial Statements for the Year Ended 31 August 2019 (continued)

#### 23 Related party transactions

Owing to the nature of the academy trust 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 the trustees have an interest. All transactions involving such organisations should be conducted in accordance with the requirements of the AFH and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions. The following related party transactions took place in the financial period.

#### Expenditure related party transactions

During the year the academy made the following related party transactions:

##### **Clifton EMAG Limited**

(Anthony Trueman, a Trustee and Chair of Governors at Herringthorpe Juniors, is a director of Clifton EMAG Limited. )

During the year ended 31st August 2019, Herringthorpe Junior School paid £9,500 for a 3 year subscription to curriculum support services covering the 3 years to 12th September 2022. This amount has been shown in prepayments as at the year end.

The element above £2,500 has been provided 'at no more than cost' and Clifton EMAG Limited has provided a statement of assurance confirming this.

At the balance sheet date the amount due to Clifton EMAG Limited was £Nil (2018 - £Nil).

##### **Karen Trueman**

(Chair of Trustees, Anthony Trueman's spouse Karen Trueman works at the Academy as a teaching assistant.)

Karen Trueman is paid at the appropriate pay scale for her role. Karen Trueman's appointment was made in open competition and Anthony Trueman was not involved in the decision making process.

At the balance sheet date the amount due to Karen Trueman was £Nil (2018 - £Nil).