

Company Registration No. 09124782 (England and Wales)

WATERTON ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT AND AUDITED ACCOUNTS
FOR THE PERIOD 10 JULY 2014 TO 31 AUGUST 2015



WATERTON ACADEMY TRUST

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WATERTON ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees

Mr P C Beaman (Chairman) (Appointed 10 July 2014)
Mr G Bishop (Staff Trustee) (Appointed 2 March 2015)
Mr D Dickinson (CEO & Accounting Officer) (Appointed 10 July 2014)
Mrs S George (Appointed 10 July 2014)
Mr P R Halliday (Appointed 2 March 2015)
Mr J T Smith (Appointed 5 January 2015)
Mrs C L Thompson (Appointed 10 July 2014)
Mr P J Wiehl (Appointed 10 July 2014)
Mr M Winn (Appointed 2 August 2015 and resigned 15 December 2015)
Mrs A Kelcher (Appointed 10 July 2014 and resigned 31 January 2015)

Members

- Chair of Directors

Mr P Beaman
Mrs A Kelcher
Mr M Fealy
Mr D Westwell

Senior management team

- Chief Executive Officer
- Trust Business Manager
- Chief Financial Officer

Mr D Dickinson
Mrs V Collins
Mrs P Mellor

Company secretary

Mrs S Christian

Company registration number

09124782 (England and Wales)

Registered office

Walton Primary Academy
The Grove
Walton
Wakefield
WF2 6LD

Academies operated

Walton Primary Academy
Normanton Common Primary Academy
Normanton Junior Academy

Location

The Grove, Walton
Castleford Road, Wakefield
Church Lane, Normanton

Headteacher

Mr A Harpham
Mr G Bishop
Mrs T Southward

Independent auditor

GBAC Limited
Old Linen Court
83-85 Shambles Street
Barnsley
South Yorkshire
S70 2SB

WATERTON ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Bankers

Lloyds Bank Plc
17 Westgate
Wakefield
West Yorkshire
WF1 1JZ

Solicitors

Bond Dickinson LLP
St Ann's Wharf
112 Quayside
Newcastle upon Tyne
NE1 3DX

WATERTON ACADEMY TRUST

TRUSTEES' REPORT

FOR THE PERIOD ENDED 31 AUGUST 2015

The Trustees present their annual report together with the accounts and independent auditor's reports of the charitable company for the period 10 July 2014 to 31 August 2015. The annual report serves the purposes of both a trustees' report, and a directors' report under company law. The report has been prepared in accordance with Part VI of the Charities Act 2011, together with reference to guidance provided in the Education Funding Agency's ("EFA") Academy's Financial Handbook 2014 and Accounts Direction 2014-2015.

The financial statements have been prepared in accordance with the accounting policies on pages 23 to 25 of the financial statements, and comply with the charitable company's memorandum and articles of association, the Companies Act 2006, and the requirements of the Statement of Recommended Practice "Accounting and Reporting by Charities" as issued in March 2005 ('SORP 2005').

The Academy Trust operates two primary and one junior academy in Wakefield, West Yorkshire, England. The academies have a combined pupil capacity of 990 and had a roll of 945 in the November of 2015. Following the period end we have been joined by a further two infant schools.

Structure, governance and management

Constitution

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

The Trustees of Waterton Academy Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as Waterton Academy Trust. Details of the Trustees who served during the period are included in the Reference and Administrative Details on page 1.

Members' liability

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

Trustees' indemnities

In accordance with normal commercial practice, Waterton Academy Trust has purchased insurance to protect governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The insurance provides cover up to £5 million on any one claim. The cost of insurance is included in the total insurance cost.

Method of recruitment and appointment or election of Trustees

The total number of Trustees including the Chief Executive Officer who are employees of the company shall not exceed one third of the total numbers of Trustees.

Trustees are elected via the following arrangements:

- Each academy governing body elects one representative from their number to act as a Trustee;
- The Headteacher's Group elects two members to act as Trustees; and
- Members consider nominations from outside of the Trust to ensure the skillset is appropriate. The Secretary of state may appoint Trustees if the Trustees fail to comply with a Secretary of State warning notice.

Policies and procedures adopted for the induction and training of Trustees

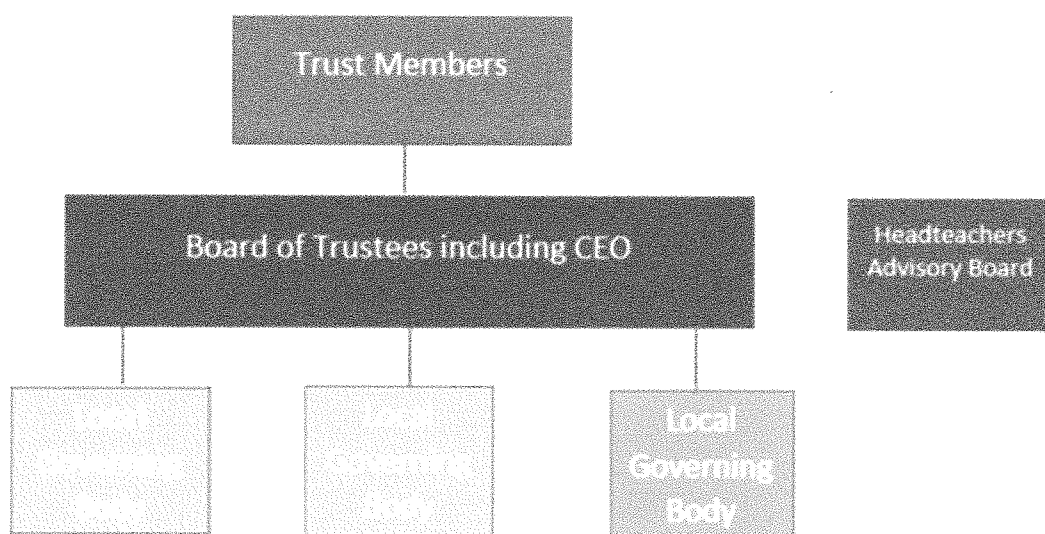
The training and induction provided for each new Trustee will depend on their existing experience. All Trustees of the Trust are provided with access to copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will require to undertake their role as Trustees.

WATERTON ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2015

Organisational structure



During the period the Trust consisted of three schools, two converter primary schools and one sponsored junior school being:

- Walton Primary Academy (Converter 01-09-2014)
- Normanton Common Primary Academy (Converter 01-03-2015)
- Normanton Junior Academy (Sponsored 01-08-2015)

The management structure consists of six levels; the Members, the Board of Trustees, the Chief Executive Officer, the Governing Body of each academy, the Headteacher of each academy and the Senior Leadership Team of each academy. The aim of the structure is to retain a sense of autonomy whilst devolving responsibility and encourage decision making at all levels.

The Trustees are responsible for setting general policy, adopting an annual strategic plan and budget, monitoring individual academy performance and appointment of academy Headteachers.

Each local academy Governing Body receives delegated authority from the Trust Board to support the Trust Board in fulfilling its obligations.

The Chief Executive Officer, working with the individual academy Headteachers, is responsible for the overall performance of the Trust and implementing the policies laid down by the Trustees.

Related parties and other connected charities and organisations

The Trust has an 'exceptional Partner' relationship with schools within the pyramid structures of the individual academy members. This relationship allows for the option of shared SLAs, commissioning of external partners, purchasing of resources and collaborative working. This is a 'soft arrangement' and time frames relate directly to the services procured.

WATERTON ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2015

Objectives and activities

Objects and aims

The principal objective of the Trust is to improve the outcomes for all children within the Normanton and Crofton Pyramids and wherever possible beyond. This will be achieved through working in partnerships to implement a wide range of school improvement initiatives.

The aims of the Trust during the year ended 31 August 2015 are summarised below:

- To provide rapid and sustained improvement to the standard of educational attainment and achievement of all pupils;
- To continue to develop the high quality leadership in each school;
- To continue to provide a broad and balanced curriculum across the Trust;
- To promote collaborative working at all levels;
- To create an organisation that ensures we operate efficiently and provide value for money for the funds expended; and
- To progress the establishment of a network of academy members which provides a high level of education for local children.

Objectives, strategies and activities

Key priorities for the year are contained within the School Improvement Plan for each academy and the Business Plan for the Trust. Areas for improvement are identified through external and internal monitoring and evaluation processes.

Public benefit

The Trustees confirm that they have complied with the duty in Section 17(5) of the Charities Act 2011 to have due regard to the Charity Commissioners general guidance on public benefit in exercising their powers or duties. They have referred this to their guidance when reviewing the Trusts aims and objectives and planning its future activities.

The Trust aims to advance for the public benefit, education in the pyramids of Normanton and Crofton. In particular, we are working to support all of the schools within the Trust and to develop a culture of mutual support and development across these schools. Within the broader community context, each school remains within a broader family of Wakefield schools and operates as part of that network, through bodies such as Pyramid Groups and the developing Wakefield Strategic Alliance.

Strategic report

Achievements and performance

The 2014/15 academic year has seen the Trust grow significantly. September 2014 saw Walton Primary Academy become the founding member; they have since been joined by Normanton Common Primary Academy (convertor March 1st) and Normanton Junior Academy (sponsored August 1st). This year also saw Lee Brigg Infant & Nursery School and Crofton Infants' School have their applications to join the Trust sanctioned by the DFE with scheduled conversion dates of October 1st and December 1st respectively.

WATERTON ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2015

Key Performance Indicators

Waterton Academy Trust is newly formed and in its first full operating year and has developed the following key financial and standards performance indicators.

2015 Standards Key Performance Indicators

Results for EYFS	National 2014	Walton	Normanton Juniors	Normanton Common	Trust Combined
Pupils achieving national expectation (GLD)	60%	81%	N/A	61%	71%
Results for Year 1 Phonics	National 2014	Walton	Normanton Juniors	Normanton Common	Trust Combined
Proportion of pupils achieving national expectation	74%	77%	N/A	59%	66.5%
Results for KS1	National 2014	Walton	Normanton Juniors	Normanton Common	Trust Combined
Reading: attaining L2 or exceeding	90% 31%	84% 34%	N/A	96% 13%	90% 24%
Maths: attaining L2 or exceeding	92% 16%	86% 25%	N/A	96% 9%	91% 17%
Writing: attaining L2 or exceeding	86% 24%	86% 25%	N/A	96% 4%	91% 15%
Results for KS2	National 2014	Walton	Normanton Juniors	Normanton Common	Trust Combined
Reading: attaining L4 or exceeding	89% 48%	100% 73%	85% 48%	86% 54%	90% 58%
Maths: attaining L4 or exceeding	87% 42%	95% 57%	87% 42%	86% 49%	89% 49%
Writing: attaining L4 or exceeding	87% 36%	100% 55%	75% 14%	94% 40%	90% 36%
Combined: attaining L4 or exceeding	80% 24%	95% 41%	71% 11%	77% 31%	81% 28%
Reading: 2 Levels progress or exceeding	91%	98% 39%	83% 13%	94% 41%	92% 31%
Maths: 2 Levels progress or exceeding	90%	98% 48%	92% 29%	94% 47%	95% 41%
Writing: 2 Levels progress or exceeding	94%	100% 36%	82% 9%	100% 41%	95% 29%
APS Maths (Average point Score)	28.1	31.1	29.1	30.4	30.2
APS Reading (Average point Score)	29.0	31.5	28.6	29.2	29.7
APS Writing (Average point Score)	27.9	30.3	26.2	29.1	28.5
Combined: APS (Average point Score)	28.7	31.0	28.2	29.8	29.6

WATERTON ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2015

	National 2014	Walton	Normanton Juniors	Normanton Common	Trust Combined
Pupils Attendance (LA Profile Doc)	96.2%	95.5%	95.0%	96.4%	95.6%
Pupil Numbers (LA Profile Doc)		308/315	303/360	300/315	911/990
MAT Self-Assessment Banding		2 (Good)	3 (RI)	2 (Good)	N/A

Note: The national comparative used for KS1, phonics and EYFS is taken from 2014 data due to 2015 results not being released. KS2 results are compared against the 2015 statistical release where possible.

Outcomes Comments

The overall picture for 2014/15 is very positive. Across all aspects of the KS2 data set, the combined Trust results are superior to national. KS1 results at both Y1 & Y2 present a mixed picture. On a combined Trust level, KS1 presents a healthy picture however individual academy anomalies should be noted. EYFS outcomes as with KS2 are well above at combined Trust level with all academies being either in line or well above national.

Attendance is slightly below national however the appointment of a Trust based Educational Welfare Officer will address this in 2015/16.

Numbers on roll are growing.

2015 Financial Key Performance Indicators

Waterton Academy Trust has developed the following Financial KPIs:

- Each member academy is required to set a balanced annual budget to be agreed at both Trust and local academy level;
- Surplus funds at local academy level are invested in line with Trust policy. Where cash flow allows agreed sums may be invested under instruction from the Trustees;
- Numbers on roll are the key revenue stream and therefore must remain high. Capacity is constantly monitored to ensure maximum revenue is maintained wherever possible; and
- Benchmarking against key cost areas is undertaken on an annual basis to ensure levels of expenditure are within recognised thresholds.

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 the board of trustees continues to adopt the going concern basis in preparing the accounts. Further details regarding the adoption of the going concern basis can be found in the statement of accounting policies.

WATERTON ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2015

Financial review

Most of the Academy Trust's income is obtained from the DfE via the EFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE during the year ended 31 August 2015 and the associated expenditure are shown as Restricted Funds in the Statement of Financial Activity.

At the year ended 31 August 2015, the total Fund balances at individual academies totalled £9,251,465.

At 31 August 2015 the net book value of fixed assets was £9,357,546. The assets were used exclusively for providing education and the associated support services to the pupils of the Trust. The land, buildings and other assets were gifted and right to use granted to the Academy Trust upon conversion. Land and buildings were professionally valued on conversion, the combined values added in the year total £9,343,000. Other assets have been included in the financial statements at a best estimate, taking into account purchase price and remaining useful lives.

The balance of the former schools' budget share £447,582 was transferred across on conversion and is shown as Unrestricted Funds.

The Academy has taken on the deficit in the Local Government Pension Scheme in respect of its non-teaching staff transferred on conversion. The deficit is incorporated within the Statement of Financial Activity. Key financial policies adopted or reviewed during the year include the Finance Policy which lays out the framework for financial management, including financial responsibilities of the Board, Head Teachers, managers, budget holders and other staff, as well as delegated authority for spending. Other policies reviewed and updated included Charges and Lettings, Asset Management and Insurance.

Reserves policy

The Board of Trustees review the reserve levels of the Trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The policy of the Board is that the Trust plans to spend the majority of its revenue income each year on the students in its care; but also to maintain a level of free reserves that will be adequate to provide a stable base for the continuing operation of the Trust whilst ensuring that excessive funds are not accumulated. The level of reserves required will be reviewed each year by the Board. These free reserves are held for the investment in buildings, to smooth any change in pupil led funding and to provide for any unforeseen liabilities. These reserves will provide a cushion to deal with unexpected emergencies such as urgent maintenance.

Investment policy and powers

The Board of Trustees are firmly committed to ensuring that all funds under their control are administered in a risk adverse investment strategy. As such the Board does not consider the investment of surplus funds as a primary activity, but rather a requirement for the effective management of the various funds entrusted to the Board. Due to the nature of the funding cycle, the Trust may at times hold large cash balances which may not be required for immediate use. Where cash flow allows agreed sums may be invested under instruction from the Trustees.

WATERTON ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2015

Principal risks and uncertainties

The principal risks and uncertainties facing the Trust are as follows:

Financial - the Trust has considerable reliance on continued Government funding through the EFA. Whilst the funding is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels or on the same terms .

Failures in governance and/or management - the risk in this area arises from potential failure to effectively manage the Trust's finances, internal controls, compliance with regulations and legislation, statutory returns, etc. The Trustees continue to review and ensure that appropriate measures are in place to mitigate these risks.

Reputational - the continuing success of the Trust is dependent on implementing rapid and sustained educational achievement in its academies and continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Trustees ensure that student success and achievement are closely monitored and reviewed.

Safeguarding and child protection - the Trustees continue to ensure that the highest standards are maintained in the areas of selection and monitoring of staff, the operation of child protection policies and procedures, health & safety and discipline.

Staffing - the success of the Trust is reliant on the quality of its staff and so the Trustees monitor and review policies and procedures to ensure continued development and training of staff as well as ensuring there is clear succession planning.

Fraud and mismanagement of funds - all finance staff receive training to keep them up to date with financial practice requirements and develop their skills in this area. At Trust level, the contracted CFO is tasked with ensuring appropriate practice is adhered to and in line EFA guidelines.

The Trust will continue to strengthen its risk management process throughout the year by improving the process and ensuring staff awareness. A multi-tier risk register is currently being reviewed and will be in place early 2016.

Plans for future periods

The Trust will continue to strive to provide outstanding education and improve the levels of performance of all its pupils.

The Trust will continue to aim to attract high quality teachers and support staff in order to deliver its objectives.

The Trust will continue to work with its strategic partners to improve the educational opportunities for pupils in the wider community.

The Trust will seek to sponsor additional schools and also allow voluntary converters to join the Trust. Allowing voluntary schools to join is fundamental to the ethos of the Trust in collaboration and sharing best practice and reducing the management cost across a greater number of schools.

Funds held as custodian trustee on behalf of others

The Trust and its Trustees do not act as the Custodian Trustees of any other Charity.

WATERTON ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2015

Auditor

In so far as the Trustees are aware:

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

The auditors, GBAC, are willing to continue in office and a resolution to appoint them will be proposed at the annual general meeting.

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 18 December 2015 and signed on its behalf by:



Mr D Dickinson
CEO & Accounting Officer

WATERTON ACADEMY TRUST

GOVERNANCE STATEMENT

FOR THE PERIOD ENDED 31 AUGUST 2015

Scope of responsibility

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

The board of trustees has delegated the day-to-day responsibility to the Chief Executive Officer 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 Waterton Academy Trust and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

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

Trustees	Meetings attended	Out of possible
Mr P C Beaman (Chairman) (Appointed 10 July 2014)	5	5
Mr G Bishop (Staff Trustee) (Appointed 2 March 2015)	1	2
Mr D Dickinson (CEO & Accounting Officer) (Appointed 10 July 2014)	5	5
Mrs S George (Appointed 10 July 2014)	3	5
Mr P R Halliday (Appointed 2 March 2015)	0	2
Mr J T Smith (Appointed 5 January 2015)	3	4
Mrs C L Thompson (Appointed 10 July 2014)	4	5
Mr P J Wiehl (Appointed 10 July 2014)	4	5
Mr M Winn (Appointed 2 August 2015 and resigned 15 December 2015)	0	1
Mrs A Kelcher (Appointed 10 July 2014 and resigned 31 January 2015)	3	3

From November 2015 the board have agreed that an additional 2 sub committees be created:

- A separate Finance and General Purposes Committee to conform with the Academies Financial Handbook and to provide independent assurance to the board; and
- A Standards and Achievement committee to review assessment and performance data from each academy.

The full board had previously taken on full responsibility to oversee financial and standard matters.

An external review of Governance has been commissioned to take place early 2016 once the conversion of Crofton Infants is complete.

Review of value for money

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

WATERTON ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2015

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

- Agreeing economies of scale reductions with suppliers;
- Improved SLA value through additional services without additional cost;
- Increased staff skillset through Trust working;
- Reviewing staffing structure and efficiency;
- Employment of internal school improvement strategies; and
- Commissioning of shared services in partnership with external academy partners.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Waterton Academy Trust for the period 10 July 2014 to 31 August 2015 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

The board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the period 10 July 2014 to 31 August 2015 and up to the date of approval of the annual report and accounts. This process is regularly reviewed by the board of Trustees.

The risk and control framework

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

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

The board of trustees has considered the need for a specific internal audit function and has decided to incorporate this into the terms of reference of the newly established resources committee. The committee will determine the range and scope of the audit function and on an annual basis take into account future growth.

WATERTON ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2015

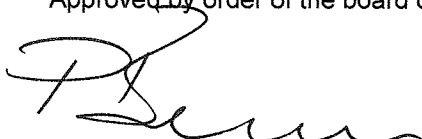
Review of effectiveness

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

- the work of the external auditor; and
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework.

The accounting officer has been advised of the implications of the result of their review of the system of internal control by external auditors for September 2014 to August 2015.

Approved by order of the board of trustees on 18 December 2015 and signed on its behalf by:



Mr P C Beaman
Chairman



Mr D Dickinson
CEO & Accounting Officer

WATERTON ACADEMY TRUST

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE FOR THE PERIOD ENDED 31 AUGUST 2015

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

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

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

Approved on 18 December 2015 and signed by:



Mr D Dickinson
Accounting Officer

WATERTON ACADEMY TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

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

In preparing these accounts, the Trustees are required to:

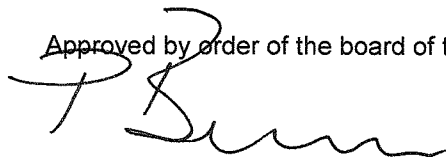
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2005;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the accounts comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for ensuring that in its conduct and operation the charitable company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring that grants received from the EFA/DfE have been applied for the purposes intended.

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

Approved by order of the board of trustees on 18 December 2015 and signed on its behalf by:



Mr P C Beaman
Chairman

WATERTON ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF WATERTON ACADEMY TRUST

We have audited the accounts of Waterton Academy Trust for the period ended 31 August 2015 set out on pages 20 to 41. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and the Academies Accounts Direction 2014 to 2015 issued by the EFA.

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

Respective responsibilities of Trustees and auditors

As explained more fully in the Trustees' Responsibilities Statement set out on page 15, the Trustees, who are also the directors of Waterton Academy Trust for the purposes of company law, are responsible for the preparation of the accounts and for being satisfied that they give a true and fair view.

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

Scope of the audit of the accounts

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

Opinion on accounts

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2015 and of its incoming resources and application of resources, including its income and expenditure, for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2014 to 2015 issued by the EFA.

Opinion on other matter prescribed by the Companies Act 2006

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

WATERTON ACADEMY TRUST

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

Matters on which we are required to report by exception

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

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



Miss Victoria Jane Harrison (Senior Statutory Auditor)
GBAC Limited

Chartered Accountants
Statutory Auditor
Old Linen Court
83-85 Shambles Street
Barnsley
South Yorkshire
S70 2SB

Dated: 18 December 2015

WATERTON ACADEMY TRUST

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

In accordance with the terms of our engagement letter dated 26 September 2014 and further to the requirements of the Education Funding Agency (EFA) as included in the Academies Accounts Direction 2014 to 2015, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Waterton Academy Trust during the period 10 July 2014 to 31 August 2015 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Waterton Academy Trust and the EFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Waterton Academy Trust and the EFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Waterton Academy Trust and the EFA, for our work, for this report, or for the conclusion we have formed.

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

The accounting officer is responsible, under the requirements of Waterton Academy Trust's funding agreement with the Secretary of State for Education dated 28 August 2014 and the Academies Financial Handbook, extant from 1 September 2014, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2014 to 2015. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 10 July 2014 to 31 August 2015 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2014 to 2015 issued by the EFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw to our conclusion includes:

- Discussions with officers of the academy throughout the audit process to ensure that all regularity threats have been addressed;
- Testing of income and expenditure for compliance with the funding and other agreements, the Academies Financial Handbook and the academy's systems of controls;
- Review of the activities carried out by the academy;
- Review of the academy's internal financial procedures to ensure that adequate controls are in place to prevent or identify regularity issues;
- Ensure EFA approval has been obtained where appropriate for relevant transactions.

WATERTON ACADEMY TRUST

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

Conclusion

In the course of our work, except for the matters listed below, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 10 July 2014 to 31 August 2015 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.



Miss Victoria Jane Harrison
Reporting Accountant
GBAC Limited

Dated: 18 December 2015

WATERTON ACADEMY TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE PERIOD ENDED 31 AUGUST 2015

		Unrestricted funds £	Restricted funds £	Fixed Asset funds £	Total £
<u>Incoming resources</u>	Notes				
<i>Resources from generated funds</i>					
- Voluntary income	2	36,766	-	-	36,766
- Inherited on conversion	24	447,582	(593,000)	9,376,200	9,230,782
- Activities for generating funds	3	195	126,321	-	126,516
- Investment income	4	217	-	-	217
<i>Resources from charitable activities</i>					
- Funding for educational operations	5	-	2,419,124	9,281	2,428,405
Total incoming resources		484,760	1,952,445	9,385,481	11,822,686
<u>Resources expended</u>					
<i>Costs of generating funds</i>					
- Relating to voluntary income	6	-	1,071	-	1,071
- Fundraising trading	6	-	150,127	-	150,127
<i>Charitable activities</i>					
- Educational operations	7	-	2,229,501	52,919	2,282,420
Governance costs	8	-	57,603	-	57,603
Total resources expended	6	-	2,438,302	52,919	2,491,221
Net incoming/(outgoing) resources before transfers		484,760	(485,857)	9,332,562	9,331,465
Gross transfers between funds		-	(24,984)	24,984	-
Net income/(expenditure) for the period		484,760	(510,841)	9,357,546	9,331,465
<u>Other recognised gains and losses</u>					
Actuarial gains/(losses) on defined benefit pension scheme	18	-	(80,000)	-	(80,000)
Net movement in funds		484,760	(590,841)	9,357,546	9,251,465
Fund balances at 10 July 2014		-	-	-	-
Fund balances at 31 August 2015		484,760	(590,841)	9,357,546	9,251,465

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

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


WATERTON ACADEMY TRUST

BALANCE SHEET

AS AT 31 AUGUST 2015

	Notes	£	£
Fixed assets			
Tangible assets	11		9,357,546
Current assets			
Stocks	12	6,388	
Debtors	13	333,832	
Cash at bank and in hand		554,401	
		<u>894,621</u>	
Current liabilities			
Creditors: amounts falling due within one year	14	(303,702)	
Net current assets			<u>590,919</u>
Net assets excluding pension liability			<u>9,948,465</u>
Defined benefit pension liability	18		(697,000)
Net assets			<u><u>9,251,465</u></u>
Funds of the Academy Trust:			
Restricted funds	16		
- Fixed asset funds			9,357,546
- General funds			106,159
- Pension reserve			(697,000)
Total restricted funds			<u>8,766,705</u>
Unrestricted income funds	16		<u>484,760</u>
Total funds			<u><u>9,251,465</u></u>

The accounts were approved by order of the board of trustees and authorised for issue on 18 December 2015.


Mr D Dickinson
CEO & Accounting Officer

Company Number 09124782

WATERTON ACADEMY TRUST

CASH FLOW STATEMENT

FOR THE PERIOD ENDED 31 AUGUST 2015

	Notes	£
Net cash inflow from operating activities	19	131,586
Cash funds transferred on conversion		447,582
Returns on investments and servicing of finance		
Investment income		217
		<hr/>
Net cash inflow/(outflow) from returns on investments and servicing of finance		217
		<hr/>
		579,385
Capital expenditure and financial investments		
Capital grants received		9,281
Payments to acquire tangible fixed assets		(34,265)
		<hr/>
Net cash flow from capital activities		(24,984)
		<hr/>
Increase in cash	20	554,401
		<hr/> <hr/>

WATERTON ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2015

1 Accounting policies

1.1 Basis of preparation

The accounts have been prepared under the historical cost convention in accordance with applicable United Kingdom Accounting Standards, the Charity Commission 'Statement of Recommended Practice: Accounting and Reporting by Charities' ('SORP 2005'), the Academies Accounts Direction 2014 to 2015 issued by the Education Funding Agency and the Companies Act 2006. A summary of the principal accounting policies, which have been applied consistently, except where noted, is set out below.

1.2 Going concern

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

1.3 Incoming resources

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

Grants receivable

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

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

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

Sponsorship income

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

Donations

Donations are recognised on a receivable basis where there is certainty of receipt and the amount can be reliably measured.

Other income

Other income, including the hire of facilities, is recognised in the period it is receivable and to the extent the goods have been provided or on completion of the service.

Donated services and gifts in kind

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

WATERTON ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2015

1 Accounting policies

(Continued)

1.4 Resources expended

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

Costs of generating funds

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

Charitable activities

These are costs incurred on the Academy Trust's educational operations.

Governance costs

These include the costs attributable to the Academy Trust's compliance with constitutional and statutory requirements, including audit, strategic management and Trustees' meetings and reimbursed expenses.

All resources expended are inclusive of irrecoverable VAT.

1.5 Tangible fixed assets and depreciation

Assets costing £500 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

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

Land and buildings	Straight line over the period of the lease - 125 years
Computer equipment	33% straight line
Fixtures, fittings & equipment	25% straight line

1.6 Leasing and hire purchase commitments

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

1.7 Stock

Stock is valued at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less further costs to completion and disposal. Provision is made for obsolete and slow moving stock.

WATERTON ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2015

1 Accounting policies

(Continued)

1.8 Taxation

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

1.9 Pensions benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 18, the TPS is a multi-employer scheme and the Academy Trust is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions are recognised as they are paid each period.

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

1.10 Fund accounting

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the Academy Trust at the discretion of the Trustees.

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

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

WATERTON ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2015

2 Voluntary income

	Unrestricted funds £	Restricted funds £	Total £
Private sponsorship	23,624	-	23,624
Other donations	13,142	-	13,142
	<u>36,766</u>	<u>-</u>	<u>36,766</u>

3 Activities for generating funds

	Unrestricted funds £	Restricted funds £	Total £
Hire of facilities	195	-	195
Catering income	-	45,665	45,665
Other school services that generate income	-	80,656	80,656
	<u>195</u>	<u>126,321</u>	<u>126,516</u>

4 Investment income

	Unrestricted funds £	Restricted funds £	Total £
Short term deposits	217	-	217
	<u>217</u>	<u>-</u>	<u>217</u>

WATERTON ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2015

5 Funding for the Academy Trust's educational operations

	Unrestricted funds £	Restricted funds £	Total £
DfE / EFA grants			
General annual grant (GAG)	-	1,836,921	1,836,921
Start up grants	-	120,000	120,000
Capital grants	-	9,281	9,281
Other DfE / EFA grants	-	243,158	243,158
	-	2,209,360	2,209,360
Other government grants			
Local authority grants	-	193,769	193,769
Other grants	-	25,276	25,276
	-	219,045	219,045
Total funding	-	2,428,405	2,428,405

6 Resources expended

	Staff costs £	Premises & equipment £	Other costs £	Total £
Academy's educational operations				
Direct costs	1,662,939	12,131	164,353	1,839,423
Allocated support costs	191,013	80,938	171,046	442,997
	1,853,952	93,069	335,399	2,282,420
Other expenditure				
Costs of generating voluntary income	-	-	1,071	1,071
Costs of activities for generating funds	-	-	150,127	150,127
Governance costs	-	-	57,603	57,603
	-	-	208,801	208,801
Total expenditure	1,853,952	93,069	544,200	2,491,221

Net income/(expenditure) for the period includes:

	£
Operating leases	
- Plant and machinery	12,011
Fees payable to auditor	
- Audit	12,750
- Other services	15,280

WATERTON ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2015

6 Resources expended

(Continued)

Central services

The Academy Trust has provided the following central services to its academies during the period:

- Human resources;
- Financial services;
- Legal services;
- Educational support services;
- Data services;
- IT services;
- Health & Safety;
- School improvement;
- Governance;
- Premises management;
- Statutory audit and accounts; and
- Risk Management.

The Academy Trust charges for these services on the following basis:

- 6% of the total GAG

The amounts charged during the period were as follows:

	Total £
Central Services	-
Normanton Common Primary Academy	36,129
Normanton Junior Academy	6,263
Walton Primary Academy	67,044
	<hr/>
	109,436
	<hr/>

WATERTON ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2015

7 Charitable activities

	Unrestricted funds £	Restricted funds £	Total £
Direct costs			
Teaching and educational support staff costs	-	1,652,538	1,652,538
Depreciation	-	12,131	12,131
Technology costs	-	21,854	21,854
Educational supplies and services	-	69,986	69,986
Staff development	-	10,401	10,401
Educational consultancy	-	4,953	4,953
Other direct costs	-	67,560	67,560
	-	1,839,423	1,839,423
Allocated support costs			
Support staff costs	-	181,013	181,013
Depreciation	-	40,788	40,788
Recruitment and support	-	2,172	2,172
Maintenance of premises and equipment	-	40,150	40,150
Cleaning	-	34,348	34,348
Energy costs	-	30,173	30,173
Rent and rates	-	18,224	18,224
Insurance	-	16,584	16,584
Security and transport	-	603	603
Other support costs	-	78,942	78,942
	-	442,997	442,997
Total costs	-	2,282,420	2,282,420

8 Governance costs

	Unrestricted funds £	Restricted funds £	Total £
Legal and professional fees	-	29,293	29,293
Auditor's remuneration			
- Audit of financial statements	-	12,750	12,750
- Other fees	-	15,280	15,280
Support staff costs	-	280	280
	-	57,603	57,603

WATERTON ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2015

9 Staff costs

	£
Wages and salaries	1,455,829
Social security costs	84,383
Other pension costs	246,379
	<hr/>
	1,786,591
Supply teacher costs	56,960
Staff development and other staff costs	10,401
	<hr/>
Total staff costs	1,853,952
	<hr/>

The average number of persons (including senior management team) employed by the Academy Trust during the period expressed as full time equivalents was as follows:

	Number
Teachers	45
Administration and support	128
Management	4
	<hr/>
	177
	<hr/>

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

	Number
£70,000 - £80,000	1
	<hr/>

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

Teachers' Pension Scheme	Numbers	1
	£	10,464
		<hr/>

WATERTON ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2015

10 Trustees' remuneration and expenses

One or more Trustees has been paid remuneration or has received other benefits from an employment with the Academy Trust. The Headteacher and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Chief Executive Officer and staff members under their contracts of employment, and not in respect of their services as Trustees. Other Trustees did not receive any payments, other than expenses, from the Academy Trust in respect of their role as Trustees.

The value of Trustees' remuneration and other benefits was as follows:

David Dickinson (Head Teacher and CEO)
Remuneration £74,420
Employer's pension contributions £10,464

Glynn Bishop (Head Teacher)
Remuneration £30,398
Employer's pension contributions £4,286
(Pro-Rata: £60,796, £8,572)

Trustees' and officers' insurance

In accordance with normal commercial practice, the Academy Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. The insurance provides cover up to £1,000,000 on any one claim and the cost for the period ended 31 August 2015 is included in the total insurance cost, but cannot be separately identified.

11 Tangible fixed assets

	Land and buildings	Computer equipment	Fixtures, fittings & equipment	Total
	£	£	£	£
Cost				
At 10 July 2014	-	-	-	-
Additions	-	34,265	-	34,265
Transferred on conversion	9,343,000	31,700	1,500	9,376,200
At 31 August 2015	9,343,000	65,965	1,500	9,410,465
Depreciation				
At 10 July 2014	-	-	-	-
Charge for the period	38,284	14,447	188	52,919
At 31 August 2015	38,284	14,447	188	52,919
Net book value				
At 31 August 2015	9,304,716	51,518	1,312	9,357,546

Leasehold land and buildings transferred on conversion for Walton Primary Academy and Normanton Common Primary Academy were valued at £6,151,000 by the EFA. The leasehold land and buildings transferred on conversion for Normanton Junior Academy were valued at £3,192,000 by Property and Asset Management, Wakefield Council. The valuations were conducted under a building reinstatement cost assessment.

WATERTON ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2015

12 Stocks

	£
School uniforms	6,388
	<u>6,388</u>

13 Debtors

	£
VAT recoverable	38,913
Prepayments and accrued income	294,919
	<u>333,832</u>

14 Creditors: amounts falling due within one year

	£
Trade creditors	109,030
Accruals	100,064
Deferred income	94,608
	<u>303,702</u>

15 Deferred income

	£
Deferred income is included within:	
Creditors due within one year	94,608
	<u>94,608</u>
Total deferred income at 10 July 2014	-
Amounts credited to the statement of financial activities	-
Amounts deferred in the period	94,608
	<u>94,608</u>
Total deferred income at 31 August 2015	94,608

WATERTON ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2015

16 Funds

	Balance at 10 July 2014 £	Incoming resources £	Resources expended £	Gains, losses & transfers £	Balance at 31 August 2015 £
Restricted general funds					
General Annual Grant	-	1,836,921	(1,775,778)	(24,984)	36,159
Start up grants	-	120,000	(50,000)	-	70,000
Other DfE / EFA grants	-	243,158	(243,158)	-	-
Other government grants	-	219,045	(219,045)	-	-
Other restricted funds	-	126,321	(126,321)	-	-
	-	2,545,445	(2,414,302)	(24,984)	106,159
Funds excluding pensions	-	(593,000)	(24,000)	(80,000)	(697,000)
	-	1,952,445	(2,438,302)	(104,984)	(590,841)
Restricted fixed asset funds					
DfE / EFA capital grants	-	9,281	(2,320)	-	6,961
Inherited fixed asset fund	-	9,376,200	(45,798)	-	9,330,402
Capital expenditure from GAG or other funds	-	-	(4,801)	24,984	20,183
	-	9,385,481	(52,919)	24,984	9,357,546
Total restricted funds	-	11,337,926	(2,491,221)	(80,000)	8,766,705
Unrestricted funds					
General funds	-	484,760	-	-	484,760
Total funds	-	11,822,686	(2,491,221)	(80,000)	9,251,465

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

The General Annual Grant is the funding received from the EFA for the purposes of providing educational services. The excess GAG can be used to purchase fixed assets for the assistance in providing the educational services.

The pension fund deficit is as a result of the actuarial valuation but does not result in an immediate cash flow impact on the Academy.

The EFA capital grants fund has resulted from assets being purchased from grants provided by the EFA which can only be used to purchase fixed assets.

The inherited fixed asset fund has resulted from the conversion of the school to an Academy and the assets being transferred to their ownership.

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

WATERTON ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2015

16 Funds

(Continued)

Analysis of academies by fund balance

Fund balances at 31 August 2015 were allocated as follows:

	Total £
Central Services	128,855
Normanton Common Primary Academy	211,360
Normanton Junior Academy	245,456
Walton Primary Academy	5,248
Funds excluding fixed asset fund and pensions reserve	590,919
Restricted fixed asset fund	9,357,546
Pension reserve	(697,000)
Total funds	9,251,465

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

	Teaching and support educational support staff costs £	Other Educational staff costs £	supplies £	Other costs excluding depreciation £	Total £
Central Services	20,127	46,818	-	104,096	171,041
Normanton Common Primary Academy	498,776	58,724	17,302	158,893	733,695
Normanton Junior Academy	72,758	7,516	-	448	80,722
Walton Primary Academy	1,003,917	67,957	52,684	328,286	1,452,844
Waterton Academy Trust	1,595,578	181,015	69,986	591,723	2,438,302

17 Analysis of net assets between funds

	Unrestricted funds £	Restricted funds £	Fixed asset funds £	Total funds £
Fund balances at 31 August 2015 are represented by:				
Tangible fixed assets	-	-	9,357,546	9,357,546
Current assets	894,621	-	-	894,621
Creditors falling due within one year	(409,861)	106,159	-	(303,702)
Defined benefit pension liability	-	(697,000)	-	(697,000)
	484,760	(590,841)	9,357,546	9,251,465

WATERTON ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2015

18 Pensions and similar obligations

The Academy Trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by West Yorkshire Pension Authority. Both are defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and that of the LGPS related to the period ended 31 August 2015.

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

Teachers' Pension Scheme

Introduction

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

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

The Teachers' Pensions Regulations require an annual account to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001, the account has been credited with a real rate of return, which is equivalent to assuming that the balance in the account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 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 (currently 14.1%))
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%

WATERTON ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2015

18 Pensions and similar obligations

(Continued)

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

The pension costs paid to the TPS in the period amounted to £113,145.

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

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

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 16.0% for employers and 5.5% to 12.5% for employees. The estimated value of employer contributions for the forthcoming year is £169,000.

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

Contributions made

	£
Employer's contributions	93,000
Employees' contributions	27,000
	<hr/>
Total contributions	120,000
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Principal actuarial assumptions

	%
Rate of increase in salaries	3.5
Rate of increase for pensions in payment	2.0
Discount rate for scheme liabilities	3.7
Inflation assumption (CPI)	2.0
Commutation of pensions to lump sums	75.0
	<hr/>

The sensitivity analysis for the principal assumptions used to measure scheme liabilities are set out below:

Assumption	Change in assumption	Impact on scheme liabilities
Discount rate	Increase / decrease by 0.1%	Increase / decrease by 2.8%
Rate of inflation	Increase / decrease by 0.1%	Increase / decrease by 0.0%
Rate of salary growth	Increase / decrease by 0.1%	Increase / decrease by 2.8%
Rate of mortality	Increase by 1 year	Increase 3.1%

WATERTON ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2015

18 Pensions and similar obligations

(Continued)

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

	Years
Retiring today	
- Males	22.6
- Females	25.5
Retiring in 20 years	
- Males	24.8
- Females	27.8

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

	Expected return %	Fair value £
Equities	75.9	1,125,597
Government bonds	10.4	154,232
Corporate bonds	4.6	68,218
Cash	1.5	22,245
Property	4.5	66,735
Other assets	3.1	45,973
Total market value of assets		1,483,000
Present value of scheme liabilities - funded		(2,180,000)
Net pension liability		(697,000)

The recommended assumptions for Equity and Property are based on Aon Hewitt's Capital Market Assumptions. These are their 'best estimates' of annualised returns. The assumptions are long term assumptions based on a 10 year projection period and are updated on a quarterly basis.

The actual return on scheme assets was (£29,000)

WATERTON ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2015

18 Pensions and similar obligations

(Continued)

Amounts recognised in the statement of financial activities

	£
Operating costs	
Current service cost (net of employee contributions)	127,000
Past service cost	-
	<hr/>
Total operating charge	127,000
	<hr/>
Finance costs/(income)	
Expected return on pension scheme assets	(51,000)
Interest on pension liabilities	41,000
	<hr/>
Net finance costs/(income)	(10,000)
	<hr/>
Total charge	117,000
	<hr/>

Actuarial gains and losses recognised in the statement of financial activities

	£
Actuarial (gains)/losses on assets: actual return less expected	-
Experience (gains)/losses on liabilities	80,000
(Gains)/losses arising from changes in assumptions	-
	<hr/>
Total (gains)/losses	80,000
	<hr/>
Cumulative losses to date	80,000
	<hr/>

Movements in the present value of defined benefit obligations

	£
Obligations acquired on conversion	(1,986,000)
Current service cost	(127,000)
Interest cost	(41,000)
Contributions by employees	(27,000)
Benefits paid	1,000
	<hr/>
At 31 August 2015	(2,180,000)
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WATERTON ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2015

18 Pensions and similar obligations (Continued)

Movements in the fair value of scheme assets

	£
Assets acquired on conversion	1,393,000
Expected return on assets	51,000
Actuarial gains/(losses)	(80,000)
Contributions by employers	93,000
Contributions by employees	27,000
Benefits paid	(1,000)
At 31 August 2015	1,483,000

History of experience gains and losses

	£
Present value of defined benefit obligations	(2,180,000)
Fair value of share of scheme assets	1,483,000
Surplus / (deficit)	(697,000)
Experience adjustment on scheme assets	(80,000)
Experience adjustment on scheme liabilities	-

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

	£
Net income	9,331,465
Capital grants and similar income	(9,281)
Net surplus transferred on conversion	(9,230,782)
Investment income	(217)
Defined benefit pension costs less contributions payable	34,000
Defined benefit pension finance costs/(income)	(10,000)
Depreciation of tangible fixed assets	52,919
Increase in stocks	(6,388)
Increase in debtors	(333,832)
Increase in creditors	303,702
Net cash inflow from operating activities	131,586

WATERTON ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 AUGUST 2015

20 Reconciliation of net cash flow to movement in net funds

	£
Increase/(decrease) in cash	554,401
Net funds at 10 July 2014	-
Net funds at 31 August 2015	554,401

21 Analysis of net funds

	At 10 July 2014	Transferred on conversion	Cash flows	Non-cash changes	At 31 August 2015
	£	£	£	£	£
Cash at bank and in hand	-	447,582	106,819	-	554,401

22 Commitments under operating leases

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

	£
Expiry date:	
- Within one year	2,098
- Between two and five years	12,011
	14,109

23 Related parties

Owing to the nature of the Academy Trust's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the Academy Trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy Trust's financial regulations and normal procurement procedures. The following related party transaction took place in the period of account.

A company in which a Trustee, Mr J T Smith, has an interest has provided supply teaching staff during the year, with a total cost of £770.

WATERTON ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 AUGUST 2015

24 Conversion to an academy

On 1 September 2014 Walton Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Waterton Academy Trust from the Wakefield Local Authority for £nil consideration. During the period Normanton Common Primary School and Normanton Junior Primary School also converted to academy trust status.

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

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the statement of financial activities.

Academy	Location	Date of conversion
Walton Primary Academy	The Grove Walton	1 September 2014
Normanton Common Primary Academy	Castleford Road, Wakefield	1 March 2015
Normanton Junior Academy	Church Lane, Normanton	1 August 2015

Funds surplus/(deficit) transferred:	Unrestricted funds £	Restricted funds £	Fixed asset funds £	Total £
Fixed assets funds	-	-	9,376,200	9,376,200
LA budget funds	447,582	-	-	447,582
LGPS pension funds	-	(593,000)	-	(593,000)
	<u>447,582</u>	<u>(593,000)</u>	<u>9,376,200</u>	<u>9,230,782</u>

Net assets transferred:	£
Leasehold land and buildings	9,376,200
Cash at bank and in hand	447,582
Pension deficit	(593,000)
	<u>9,230,782</u>

25 Members' liability

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