

Company Registration No. 07635098 (England and Wales)

THE WILLOW LEARNING TRUST
(A COMPANY LIMITED BY GUARANTEE)

TRUSTEES' REPORT AND AUDITED ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2019

THE WILLOW LEARNING TRUST

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THE WILLOW LEARNING TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Trustees

S Brown (Chair of Trustees)
T Magill (Vice Chair of Trustees)
M Holness
J Wright
S Hume* (Executive Headteacher and Accounting Officer)
E Kendall (resigned 18/09/18)
G Stonell*
S Cook*
I Paget (associate Trustee)
S Waring (associate Trustee)
D Balogun (appointed 01/09/18)
N Griffiths* (associate Trustee – appointed 01/09/18)
K Watkin (appointed 24/09/18, resigned 17/12/18)
R Burrows (appointed 26/09/19)

* members of the Finance & Shared Services Committee

Members

T Knight
J Wright
R Frogley
E Lake (resigned 25/9/18)
D Cheesman
J Driels (appointed 08/07/19)

Academies Operated

Glenthorne High School, Sutton
Aragon Primary School, Morden
Abbey Primary School, Morden

Trust Senior Leadership Team

- Executive Headteacher and Headteacher at Glenthorne High
- Headteacher at Aragon Primary
- Headteacher at Abbey Primary
- Deputy Headteacher at Glenthorne
- Deputy Headteacher at Aragon
- Deputy Headteacher at Abbey

S Hume
J Davey
L Tunstall
S Peacock
C Ryder
B Bedforth

Secretary

K Guest

Company registration number

07635098 (England and Wales)

Registered office

Glenthorne High School
Sutton Common Road
Sutton
Surrey
SM3 9PS
United Kingdom

Independent auditor

Baxter & Co
Lynwood House
Crofton Road
Orpington
Kent
BR6 8QE

THE WILLOW LEARNING TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Bankers

Lloyds Bank PLC
49-53 High Street
Sutton
Surrey
SM1 1DT

Solicitors

Winckworth Sherwood
Minerva House
5 Montague Close
London
SE1 9B

THE WILLOW LEARNING TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2019

The Trustees present their annual report together with the accounts and independent auditor's reports 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.

The accounts have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with the charitable company's Memorandum and Articles of Association, the Companies Act 2006, the Statement of Recommended Practice 2015, "Accounting and Reporting by Charities", and the Academies' Accounts Direction 2018/19 issued by the ESFA.

The principal activity of the company is the operation of state-funded Academies, Glenthorne High School, Aragon Primary School and Abbey Primary School, providing a state education for students of both genders aged 3 to 19. The trust had a roll of 2673 in the school census in January 2019.

Structure, governance and management

Constitution

The Academy Trust is a company limited by guarantee incorporated on 16 May 2011, and the predecessor school converted to academy status on 1 July 2011. The charitable company's memorandum and articles of association are its primary governing documents. On 7 July 2017, the company changed its name to The Willow Learning Trust and adopted new articles of association to allow it to operate as a Multi Academy Trust. On 1 August 2017, Aragon Primary School joined the trust and on 1 September 2018, Abbey Primary School joined the Trust.

The Trustees, who are also the directors for the purpose of company law, and who served during the year, are set out in the Reference and Administrative Details section on pages 1 and 2.

Members' liability

The Willow Learning Trust is registered under the Companies Act 2006 as a company limited by guarantee without a share capital. Each member of the company undertakes to contribute to the assets of the company in the event of the company being wound up while they are a member, or within one year after they cease to be a member. The liability of the members is limited to £10 each for the debts and liabilities contracted before they ceased to be a member. The Academy Trust is an exempt charity.

Trustees' Indemnities

No indemnities or guarantees have been provided to third parties by the charitable company in respect of any of its trustees.

Method of recruitment and appointment or election of Trustees

In accordance with the articles, the Trustees of the charitable company are appointed as follows:

- a) Up to nine Trustees appointed by the Members
- b) A minimum of two parent Trustees elected by parents may be elected in the absence of a Local Governing Body
- c) The Chief Executive Officer, should they agree to act as a Trustee
- d) Further Trustees may be co-opted by the Trustees

In respect of those appointed by the Members, (a) above, when a vacancy arises, the Members seek to make an appointment that would maximise the relevant skills and experience on the board as a whole whilst maintaining a balanced constitution.

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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 in charity and educational, legal and financial matters. All Trustees are provided with the information needed (including policies, minutes, budgets, etc) to undertake their role as Trustees.

Organisational structure

The Board of Trustees, the majority of whom are non-executive, comprises those persons appointed under the Articles of Association. The Board meets at least four times a year and has several committees, including a Finance & Shared Services Committee, Premises Committee, Admissions Committee, Personnel Committee, Curriculum and Standards Committee and Local Governing Bodies. All of these Committees are formally constituted with terms of reference and comprise appropriately qualified and experienced members. The Finance & Shared Services Committee also fulfils the functions of an Audit Committee.

Trustees delegate specific responsibilities to its Committees, the activities of which are reported to and discussed at full Trustee Board Meetings. Day to day management of the Trust is undertaken by the Executive Headteacher, supported by the senior leaders at Trust schools. The Executive Headteacher is the Accounting Officer and the Director of Finance is the Chief Financial Officer.

Arrangements for setting pay and remuneration of key management personnel

The Senior Leadership Teams (SLT) are the key management personnel of the trust. Trustees are also classed as senior management although they receive no pay or other remuneration in respect of their role as Trustees. Where staff trustees are in place, they receive remuneration for their role as members of staff and their pay is determined in the same way as applicable to all other staff in line with the Trust's Pay & Conditions Policy. Further details of remuneration paid to staff who are trustees is set out within the notes to the accounts.

The pay of the Executive Headteacher is set annually by the Trustees' Performance Review Panel with an external adviser, taking account of performance against objectives set the previous year. Pay of SLT members is agreed by the Personnel Committee, again taking into account performance against previously agreed objectives, the agreed pay structure for the SLT and any recommendations made by the Executive Headteacher.

Trade Union Facility Time

Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
0	0

Percentage of time spent on facility time

Percentage of time	Number of Employees
0%	0
1% - 50%	0
51% - 99%	0
100%	0

Percentage of pay bill spent on facility time

Total Cost of facility time	N/A
Total Pay bill	N/A
Percentage of the total pay bill spent on facility time	0%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours.	0%
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Related Parties and other Connected Charities and Organisations

The Academy Trust does not have a sponsor and is not related to any other charitable trust or other party.

Objectives and activities

Objects and aims

The principal object of the company is to advance, for the public benefit, education in the United Kingdom. It achieved this object principally through the operation of Glenthorne High School, Aragon Primary School and Abbey Primary School, the aim being to provide the highest possible standard of education and pastoral care, maximising the life-chances of its pupils and students.

Objectives, strategies and activities

The main objectives for the Willow Learning Trust during the year were:

- Further develop and implement the all-through curriculum design with Aragon and Abbey Primary Schools to harmonise curricula, avoiding repetition and gaps
- Review governance structures in the light of expansion to improve efficiency, communication and clarity
- Plan and implement shadow staffing structure by September 2020 to improve efficiency and raise standards
- Plan and consult on GHS admissions policy with prioritised admissions for Aragon and Abbey
- Plan and develop WLT website to communicate vision and priorities to stakeholders and the local community
- Introduce policies and practices to meet the requirements of the GDPR
- Improve transition from Abbey and Aragon by establishing transition working party and programme of observations and meetings to establish common values, focus on expectations of pupils at each school and support for pupils to develop resilience and appropriate skills
- Introduce Primary SCITT
- Make best and most efficient use of resources to ensure Trust's financial security and enable capital investment.
- Have a robust marketing strategy to improve knowledge of and interest in all the schools of the WLT
- Improve the achievement of SEN pupils, implementing recommendations from the SEN review

The main objectives for Abbey Primary School during the year were:

- To increase the proportion of pupils eligible for Pupil Premium achieving the expected standard in phonics by Y2 and achieving the expected standard and high standard at KS1 and KS2;
- To increase the proportion of pupils achieving the expected standard in reading and maths at KS1;
- To increase the proportion of pupils achieving a high standard in reading at both KS1 and KS2;
- To increase the proportion of pupils achieving the expected standard in writing at both KS1 and KS2.
- To continue to raise pupils' attendance and to reduce the number of persistent absentees;
- To work alongside the WLT to align the curriculum for the benefit of all pupils;
- To increase the impact that middle leaders have on improving the quality of teaching, learning and assessment, enhancing their capacity to lead the school.
- To increase the number of boys achieving a good level of development;

The main objectives for Aragon Primary School during the year were:

- To raise standards in reading.
- To raise standards in EYFS in mathematics, providing more opportunities to engage in SSM.
- To raise the standards for girls in maths, identifying the areas where there is least achievement.
- To ensure all SEN pupils make good progress, appointing a new inclusion manager and introducing fortnightly inclusion meetings.
- To ensure pupils benefit from high quality teaching, raising the proportion of outstanding teachers to 70%.
- To ensure the gap between pupils who are supported via PP and their classmates is closing, providing interventions which are monitored effectively for impact.

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FOR THE YEAR ENDED 31 AUGUST 2019

The main objectives for Glenthorne High School during the year were:

- Improve boys' achievement through effective teaching and learning
- Improve the quality of classroom talk, particularly in sixth form lessons
- Improve welfare and mental health provision, appointing a mental health lead and introducing welfare opportunities.
- Sustain excellent behaviour, ensuring PSPs are used pro-actively to prevent exclusion and disaffection.
- Further develop provisions for LAC/post-LAC ensuring relevant staff training is provided.
- Continue to develop vision and priorities for the arts.
- Continue to develop and encourage healthy eating and recycling in the Dining Hall and around the school
- Implement and review new sanctions procedure with the introduction of ACUs for both Y12 & Y13
- To improve liaison between staff and TAs for SEN pupils and allocate time to sit with subject leaders.
- Continue to develop A Level Mindset curriculum to encourage proactive study
- Further develop pupils' independence and organisational skills to improve the impact of homework.
- Review the curriculum design, ensuring that units of key knowledge and learning build conceptually and logically to new GCSE specifications.
- Improve provision for CEIAG and achieve Investor in Careers reaccreditation.
- Increase recruitment of external students by marketing and promoting Academy programmes and inviting interested students to workshops and school events
- Provide opportunities for 6th Form teachers to develop and improve their subject knowledge and understanding of A level specification through the 6th Form Teaching School initiative.

Public benefit

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

Strategic report

A significant development for 2018-19 included the work done to centralise finance functions to benefit from economies of scale (which was achieved in May 2019). Further development to the curriculum alignment also took place, with an all-through curriculum in Maths, English, Science and humanities. Work continues in music, MFL and the arts.

Achievements and performance at Abbey Primary School

The number of children achieving a good level of development in the EYFS rose significantly from 63% in 2018 to 77% in 2019, above the national average. KS1 results were positive with the percentage of children reading at greater depth at 33% compared with 20% last year. Results in writing also improved, with 68% of children reaching the expected standard and 18% writing at greater depth. KS2 results saw an improvement from last year, with a significant increase in the percentage of children achieving maths at greater depth (38% compared with 27% in 2018).

Abbey was awarded the Healthy School's Bronze Award. We are now working towards the Silver Award, which will focus on positive mental health. Abbey was also awarded the Silver Award for achievements in P.E., sport and fitness.

The dining hall and integral kitchen came into operation at the end of the autumn term 2018. This is a huge success and has had a very positive impact on the provision for our children. It has also given us the opportunity to let the space out for events.

Achievements and performance at Aragon Primary School

2018-19 saw an improvement in results and progress measures, in both key stages (as had 2017-18). KS1 had results which were higher than National Average in all subjects and very impressively were 12% ahead of National in RWM combined. KS2 were also above National in all subjects but it was their results for children at 'Greater Depth' which were most pleasing, particularly in maths which saw 52% of the cohort reaching that standard. Year 1's Phonics Screening Test results remained stable at 84% and the number of children reaching GLD (Good Level of Development) in EYFS rose from 71% to 77.5%, all above National.

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In English, Maths and Science, the Transition units were taught successfully and could be seen to have a positive impact. Work is continuing to align the curriculum in History, Geography and IT.

The introduction of a 'Whole Class Reading' model was warmly received by staff and delivered with enthusiasm. In observations of this subject in the Spring term and other subjects in the summer term; 100% were good/outstanding and progress measures on Classroom Monitor show all year groups making at least good progress in all subjects with no groups being identified as a concern.

We continue to have an independent school improvement advisor as well as having a Merton Education Partner and all of their reports are positive and indicate that Aragon is moving from 'good' towards 'outstanding' in all areas and that leadership is very strong.

We continued to expand our range of extra-curricular activities with more after-school clubs, a particular success being 'Act 1' Performing Arts. Our 'Rocksteady' music lessons are thriving with 50 children currently taking lessons. We have supported many 'awareness campaigns e.g. NSPCC, Jeans for Jeans, Autism, Downs Syndrome, Macmillan, Children in Need, Red Nose Day. We have celebrated: Foreign Language Day, Remembrance Day, Mother's Day, Father's Day, World Maths Day, World Book Day, Poetry Week, Internet Safety Week, Christmas Jumper Day, Science Week, Art Day, Performing Arts Day, Crazy Hair Day. We have had visitors too: Trish Cooke (author), Iroko Theatre, AFC Wimbledon, the police, firefighters and paramedics, Panto in a day, DEAR Days. We were awarded three 'Gold' awards this year: from Merton Schools Sports Partnership, the Anti-Bullying Alliance and Travel Plan.

Prudent financial management has allowed us to fund the complete refurbishment of EYFS. as a recent CIF bid was unsuccessful for a second time.

Achievements and performance at Glenthorne High School

GCSE results were excellent. 85% of all GCSE grades were at 4+, with 31% at 7+, 16.6% at 8+ and 7.3% at 9. 82% of pupils gained both English and Maths at 4+ and 61% of students achieved both English and Maths at 5+. 41% of students achieved the E-Bacc at a standard pass and 28% with a strong pass. The performance indicators A8 and P8 are currently estimated as 5.6 for A8 and 0.6 for P8.

Results at A level were outstanding with 100% of grades at A*-E (8% at A*, 28.1% at A*/A, and 56.9% at A*-B, 88% at A*-C, and 97% at A*-D). It was particularly pleasing to see the very high number of A*s, significantly higher than in previous years. Attainment was particularly strong in Maths, Further Maths, English, Biology, Chemistry, Psychology, Sociology, History, Geography, Dance, Art and Photography.

Pupils have once again taken part in a huge number of events and activities: Challenge Week saw pupils involved in a number of trips and activities designed to promote teamwork, problem solving, creative thinking and resilience; Glenthorne Celebrates; Dance and Gym Shows; World Book Day; and the whole school production of Billy Elliot, amongst many others. Thanks to the funding support we receive from the Humphrey Richardson Taylor Trust (HRTT), we now have an amazing strings teacher and a blossoming orchestra and the school can boast over 220 pupils taking instrumental lessons, 13 of whom are learning strings and playing in the orchestra.

The school celebrated a number of successes this year: "Unknown" Street Dance Crew won the national finals of the Great Big Dance-Off competition, delivering an exceptional performance showcasing the enthusiasm, creativity and hard work of the choreographers; over 350 teams and 4,000 students from all over the country competed throughout the year to reach the National Finals of the Mock Trial and Glenthorne's team were the runners up; a Year 10 pupil who is a member of the Library's student podcast team was selected to interview author Malorie Blackman and actor Paterson Joseph in front of over 2,800 people at the London Palladium for the annual "Penguin Presents" celebration..

Sporting successes included the Year 8 girls' netball team being crowned league and borough champions; a pupil from Year 8 became England Boxing National Schools Champion for 2019; a pupil from Y13 travelled to Kosovo with the Great Britain U18 Handball team, helping the team to come second overall in the International Handball federation Trophy.

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SCITT achievements and performance

The SCITT had another successful year with 96% of secondary trainees and 91% of primary trainees being judged good or better. 50% were judged excellent and 46% good at secondary and 55% were judged as excellent and 36% judged as good in primary. Employment and completion rates at secondary are slightly below national averages whilst the primary had completion and employment rates of 100%.

Recruitment for 2019/20 has been very challenging in secondary and we have a cohort of 41. Primary recruitment has been successful, and we have a cohort of 15 trainees for 2019/20 which is good growth. In addition, we have expanded our primary partnership to include two more schools.

The establishment and outcomes of the Primary route has been a great success for 2018/19. Although we have only recently had our Ofsted inspection (November 2017), we have been selected to be part of the pilot for the new inspection framework which will be introduced in 2020. The SCITT will receive no judgments or formal feedback but the process will serve as an excellent learning experience for our development and improvement planning going forward.

Key financial performance indicators

The key financial indicators for the year were as follows

- Staff costs (excluding the effect of FRS102 LGPS deficit valuation adjustment and supply costs) should not exceed 75% of revenue income (excluding transfers on conversion) received in the financial year. For 2018/19, staff costs were 77.6% of revenue income (76.9% in 2017/18).
- Revenue budgets should avoid any 'in-year' deficit. The financial year 2018/19 resulted in a revenue surplus of £212k before transfers to finance fixed asset purchases of £130k.

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.

Financial review

We receive our income from a number of different sources. The majority of our income comes from central government via the Education and Skills Funding Agency who provide us with grant, based largely on our student numbers to cover our staffing and other general running costs (General Annual Grant - GAG). The ESFA may provide us with additional grants which are earmarked for specific purposes (such as Pupil Premium which must be used to raise the attainment of disadvantaged pupils). These appear in the accounts as DfE/ESFA grants. Where we receive grant or other funding from the Local Authority (such as where we undertake responsibilities on their behalf in respect of our students) this appears in the accounts as Other government grants. Such income is collectively referred to as "Restricted Funds". Other income is received from parents (for example as contributions to trip or other costs) and from third parties (for example from our bank for interest on our account balances or from others who are charged for their use of our facilities). Such other income may be restricted or unrestricted, depending on whether it comes to us with conditions as to its use or whether it is available for spending at the discretion of the trustees.

We hold funds in two broad categories, funds which are available for spending and other funds which are not available for spending.

Spendable funds are in turn sub-categorised between those which are available for spending at the discretion of trustees ("Unrestricted Funds") and those which are subject to condition or restriction, ("Restricted Funds").

Funds not available for spending include the book value of fixed assets such as land, buildings and equipment. These have a value and are therefore included as assets in the accounts but, clearly, we cannot spend this value. In common with all academies and Local Authorities, our share of the Local Government Pension Scheme (LGPS) deficit must

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also be reflected in our accounts and as this is not a conventional liability, it does not need to be deducted from spendable funds. We meet our obligations in respect of the LGPS by paying over pension contributions due as calculated by the scheme's actuaries.

The following balances held were held at 31 August:

Fund	Category	2019 £'000	2018 £'000
GAG	Restricted General Funds	203	218
Other DfE/ESFA Grants	Restricted General Funds	4	13
Other government grants	Restricted General Funds	-	2
Teaching School	Restricted General Funds	21	21
Other Income	Restricted General Funds	234	171
Sub-total General Restricted Funds		462	425
Unspent Capital Grants	Restricted Fixed Asset Fund	90	469
Salix Loans	Restricted Fixed Asset Fund	(35)	(46)
Other Income	Unrestricted General Fund	317	272
Sub-Total Spendable Funds		834	1,120
Net Book Value of Fixed Assets	Restricted Fixed Asset Fund	56,448	48,386
Share of LGPS Deficit	Restricted Pension Reserve	(6,831)	(4,064)
Total All Funds		50,451	45,442

During the year under review, there was a surplus of £167k (2018: £131k) on general restricted funds, a surplus of £45k (2018: £26k) on unrestricted funds and after LGPS valuation adjustments, depreciation and capital income and expenditure, an overall surplus / (deficit) of £6,220k (2018: £(480)k).

Reserves policy

Trustees consider it prudent to maintain a level of useable reserves sufficient to cover unexpected and unplanned events so that the school's primary objective is preserved. Levels of reserves are monitored by the Finance Committee through monthly financial monitoring reports. Trustees have agreed to aim for a reserve of 3% of the school's annual budget, taking into account the cost of one month's salary bill, the annual budget, any large development project, uncertainty or reductions in funding, and anticipated funding and expenditure in the school's 3 year budget.

Investment policy and powers

There are no investments held beyond cash deposits retained with the major UK clearing banks. Speculative investments are not permitted.

Principal risks and uncertainties

The Trustees have assessed the major risks to which the Academy Trust is exposed, in particular those relating to academic performance/finances/child welfare/admissions. The Trustees have implemented a number of systems to assess risks that the Academy Trust faces, and have developed policies and procedures to mitigate those risks. Where significant financial risk still remains they have ensured they have adequate insurance cover. The Academy Trust has an effective system of internal financial controls and this is explained in more detail in the Governance Statement.

The principal financial risk faced by the company is that on-going pressure on funding results in a risk that deficits may be experienced. The budgeting and reporting process, including scrutiny by the Trustees of actual financial performance, mitigates the risk.

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As the nature of the financial instruments dealt with by the company is relatively simple (bank balances, debtors and "trade" creditors), Trustees consider the associated risk in this area to be minimal.

The risk resulting from the company's share of the LGPS deficit is managed by following the advice of the scheme's actuaries, specifically as regards the level of contributions payable, ensuring that annual budgets are drawn up to reflect the actuary's advice.

Our fundraising practices

The trust and individual academies within it organise fundraising events and appeals and co-ordinate the activities of our supporters both in the academies and in the wider community on behalf of the Trust.

The trust does not use professional fundraisers or involve commercial participators.

There have been no complaints about fundraising activity this year.

The Trust complies with the Fundraising Regulator's Code of Fundraising Practice.

All fundraising is undertaken by the Trust in a manner that seeks to ensure that it is not unreasonably intrusive or persistent. Contact is made through email, academy newsletters, our websites and via students. All fundraising material contains clear instructions on how a person can be removed from mailing lists.

Plans for future periods

The WLT vision is for every school in the Trust to be an outstanding school and to raise standards through close partnership and collaboration between the schools in the Trust on curriculum alignment, shared assessment systems and prioritised admissions for Trust schools.

- Continue to implement the Trust Development Plan to raise standards, monitoring the primary and secondary curricula and assessment systems to ensure that they are being aligned.
- Plan a robust marketing strategy to improve knowledge of and interest in all the schools within the Trust, especially Primary Schools, where primary-aged pupil numbers are dropping, to ensure that all places are filled.
- Review governance structures in the light of expansion of the Trust to improve efficiency, communication and clarity, meeting the DfE requirement for separation between governance tiers.
- Make best and most efficient use of resources to ensure the Trust's financial security and enable capital investment and secure school improvement.
- Continue close collaboration on WLT central administration and WLT responsibilities.
- Expand the WLT to maximise economies of scale and enhance collaboration and support.

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Funds held as Custodian Trustee

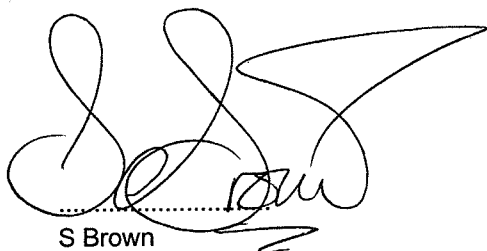
The Trust does not hold funds in the capacity of custodian trustee on behalf of any third parties.

Auditor

In so far as the Trustees are aware:

- there is no relevant audit information of which the Trust'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 Trustees' Report, incorporating a Strategic Report, was approved by order of the Board of Trustees as the company directors, on 03 December 2019 and signed on the Board's behalf by:

A handwritten signature in black ink, appearing to be 'S Brown', written over a dotted line.

S Brown
Chair of Trustees

THE WILLOW LEARNING TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2019

Scope of responsibility

As Trustees we acknowledge we have overall responsibility for ensuring that The Willow Learning 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 have delegated the day-to-day responsibility to the Headteacher and Executive Headteacher, 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 The Willow Learning Trust and the Secretary of State for Education. The Accounting Officer is 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 formally met 4 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
S Brown (Chair)	2	4
T Magill (Vice Chair)	4	4
M Holness	4	4
J Wright	3	4
S Hume	4	4
E Kendall	1	1
S Waring	4	4
I Paget	4	4
S Cook	3	4
G Stonell	1	4
K Watkin	1	1
N Griffiths	4	4
D Balogun	4	4

Governance Reviews

A review of the Willow Learning Trust governance structure was carried out in June 2018.

The Finance & Shared Services Committee, which also fulfils the role of an Audit Committee is a sub-committee of the Board of Trustees. Its primary purpose is to ensure the sound management of the Trust's finance and resources. In addition to regular monitoring of Trust and school budgets, during 2018/19 the committee oversaw the introduction of a new cleaning contract for Glenthorne, a new catering contract for Aragon, received regular reports from the Chief Financial Officer and Auditors and agreed Trust policies for Tendering and Whistleblowing. Attendance at meetings during the year was as follows:

Trustees	Meetings attended	Out of a possible
G Stonell (Chair)	5	5
S Hume	5	5
S Cook	3	5
N Griffiths	5	5

Review of Value for Money

As Accounting Officer the Chief Executive Officer has responsibility for ensuring that the 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.

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GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2019

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

- Rigorous tracking of pupil progress and attainment at all key stages to ensure interventions and support are provided where most needed in order to achieve the best outcome.
- Attainment in English and Maths is well above the national averages; pupils achieving English and Maths at grade 4 and above is 18% above this year's national average and the percentage achieving English and Maths at grade 5 and above is also 18% above the national average.
- The in-school attainment gaps between disadvantaged and non-disadvantaged pupils have reduced since last year and disadvantaged pupils achieving English and Maths at grade 4 and above is 73%: significantly higher than the national average for non-disadvantaged pupils.
- Regular reviews of both primary and secondary curriculum ensure they are broad and balanced and provide extra-curricular and extension activities to enable pupils at all key stages to achieve the highest levels of academic and personal achievement.
- Reviewing the senior leadership team structures in all Trust schools regularly to ensure capacity at each school and greater focus on key priorities.
- Working closely with other schools in Sutton and Merton and through the Secondary and Primary SCITT and Teaching School Alliance on issues such as teacher training, INSET and place planning.
- Ensuring the quality of teaching continues to be a priority for the Trust with all teachers encouraged to aspire and work towards consistently outstanding teaching. Teachers are given clear guidance and effective training on teaching priorities and strategies.
- Maintaining robust financial governance with Trustees regularly monitoring financial management through scrutiny of monthly monitoring reports as well as reports and recommendations from the Chief Financial Officer, Responsible Officer and auditor.
- Tendering carried out in line with the Trust's Tendering Policy with 2 quotes for expenditure over £1k and 3 quotes for expenditure over £5k.
- Regularly seeking opportunities to generate additional funding.
- Regularly monitoring the progress of building works through site meetings and reports with expenditure considered by Trustees to ensure value for money.
- Participating with other schools and Trusts to buy services through the Local Authority at competitive prices such as insurance and IT network arrangements. The principles of value for money underpin all purchasing decisions throughout the Trust.
- Continuing to centralise Trust services to provide opportunities for economics of scale.

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 The Willow Learning Trust for the year ended 31 August 2019 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 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 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 accounts. This process is regularly reviewed by the Board of Trustees.

THE WILLOW LEARNING TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2019

The risk and control framework

The 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 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.

Keith Fox of Keith Fox School Support has continued to act as Responsible Officer (RO) for the Trust this year. The RO's role includes giving advice on financial matters and performing a range of checks on the Trust's financial systems. On a twice-yearly basis, the RO reports to the Board of Trustees, through the Finance Committee, on the operation of the systems of control and on the discharge of the Board of Trustees financial responsibilities.

Checks carried out during visits included;

- Purchases
- Income
- Accounting Systems
- Payroll Systems

The RO has delivered his schedule of works as planned and there were no material control issues arising. The Finance Committee have considered regular RO reports at their meetings throughout the year as planned. Control issues arising from any audit/RO reviews are discussed and action agreed to rectify issues raised.

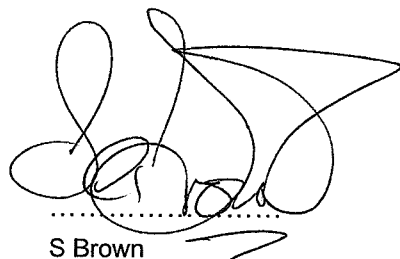
Review of effectiveness

As Accounting Officer, Mr Hume 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 RO;
- the work of the External Auditor;
- the financial management and governance self-assessment process;
- the work of the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework.

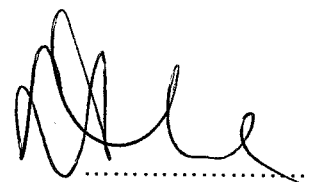
The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Finance Committee and a plan to ensure continuous improvement of the system is in place.

Approved by order of the Members of the Board of Trustees on 03 December 2019 and signed on its behalf by:



S Brown

Chair of Trustees



S Hume

Chief Executive Officer and Accounting Officer

THE WILLOW LEARNING TRUST

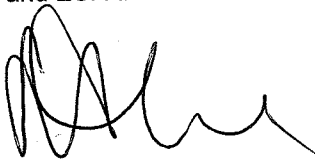
STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2019

As accounting officer of The Willow Learning Trust I have considered my responsibility to notify the Academy Trust Board of Trustees 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'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 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 Board of Trustees and ESFA.



S Hume
Accounting Officer

03 December 2019

THE WILLOW LEARNING TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2019

The Trustees (who are also the Directors of The Willow Learning Trust for the purposes of company law) are responsible for preparing the Trustees' Report and the Financial Statements in accordance with the Academies Accounts Direction 2018 to 2019 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 then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- 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 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 that grants received from ESFA/DfE have been applied for the purposes intended.

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

Approved by order of the members of the Board of Trustees on 03 December 2019 and signed on its behalf by:



S Brown
Chair of Trustees

THE WILLOW LEARNING TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE WILLOW LEARNING TRUST

FOR THE YEAR ENDED 31 AUGUST 2019

Opinion

We have audited the Financial Statements of The Willow Learning Trust for the year ended 31 August 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the Financial Statements:

- give a true and fair view of the state of the charitable company's affairs as 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 the 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 Trust 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 Trust'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

The Trustees are responsible for the other information, which 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.

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.

THE WILLOW LEARNING TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE WILLOW LEARNING TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report including the incorporated Strategic Report for the financial year for which the Financial Statements are prepared is consistent with the Financial Statements; and
- the Trustees' Report including the incorporated Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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, 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 Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees either intend to liquidate the charitable company, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the 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.

A further description of our responsibilities for the audit of the Financial Statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

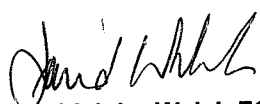
THE WILLOW LEARNING TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE WILLOW LEARNING TRUST (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Use of our report

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



David John Walsh FCCA (Senior Statutory Auditor)

For and on behalf of Baxter & Co

Statutory Auditor

Chartered Certified Accountants

Lynwood House

Crofton Road

Orpington

Kent

BR6 8QE

Dated: 9 December 2019

THE WILLOW LEARNING TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE WILLOW LEARNING TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY

FOR THE YEAR ENDED 31 AUGUST 2019

In accordance with the terms of our engagement letter dated 1 November 2012 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 The Willow Learning Trust 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 The Willow Learning Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the The Willow Learning Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than The Willow Learning Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of The Willow Learning Trust's Accounting Officer and the Reporting Accountant

The Accounting Officer is responsible, under the requirements of The Willow Learning Trust's funding agreement with the Secretary of State for Education dated 13 October 2011 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 period 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:

- Review of payments to staff;
- Review of payments to suppliers and other third parties;
- Review of grant and other income streams;
- Review of some key financial control procedures;
- Discussions with finance staff;
- Consideration of the record maintained by the Accounting Officer of the oversight they have exercised;
- Consideration of the programme of risk review and checking of financial controls implemented by the Academy Trust in order to comply with its obligations under 2.9.6 of the Academies Financial Handbook 2018, issued by the ESFA.

THE WILLOW LEARNING TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO THE WILLOW LEARNING TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 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.



Baxter & Co

Independent Reporting Accountants

Chartered Certified Accountants

Lynwood House

Crofton Road

Orpington

Kent

BR6 8QE

Dated: 9 December 2019

THE WILLOW LEARNING TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2019

	Notes	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total 2019 £'000	Total 2018 £'000
Income and endowments from:						
Donations and capital grants	3	-	-	647	647	631
Donations - transfer from local authority on conversion	30	41	(852)	7,802	6,991	-
Charitable activities:						
- Funding for educational operations	4	-	14,935	-	14,935	12,197
- Funding for teaching school	29	-	50	-	50	54
Other trading activities	5	46	-	-	46	52
Investments	6	2	-	-	2	5
Total		<u>89</u>	<u>14,133</u>	<u>8,449</u>	<u>22,671</u>	<u>12,939</u>
Expenditure on:						
Raising funds	7	-	13	-	13	13
Charitable activities:						
- Educational operations	9	44	15,459	885	16,388	13,362
- Teaching School	29	-	50	-	50	44
Total	7	<u>44</u>	<u>15,522</u>	<u>885</u>	<u>16,451</u>	<u>13,419</u>
Net income/(expenditure)		45	(1,389)	7,564	6,220	(480)
Transfers between funds	20	-	(130)	130	-	-
Other recognised gains/(losses)						
Actuarial (losses)/gains on defined benefit pension schemes	22	-	(1,211)	-	(1,211)	1,122
Net movement in funds		45	(2,730)	7,694	5,009	642
Reconciliation of funds						
Total funds brought forward		<u>272</u>	<u>(3,639)</u>	<u>48,809</u>	<u>45,442</u>	<u>44,800</u>
Total funds carried forward		<u>317</u>	<u>(6,369)</u>	<u>56,503</u>	<u>50,451</u>	<u>45,442</u>

THE WILLOW LEARNING TRUST

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2019

SUPPLEMENTARY NOTE: COMPARATIVE INFORMATION FOR THE YEAR ENDED 31 AUGUST 2018

	Notes	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total 2018 £'000
Income and endowments from:					
Donations and capital grants	3	-	-	631	631
Charitable activities:					
- Funding for educational operations	4	-	12,197	-	12,197
- Funding for teaching school	29	-	54	-	54
Other trading activities	5	49	3	-	52
Investments	6	5	-	-	5
Total		<u>54</u>	<u>12,254</u>	<u>631</u>	<u>12,939</u>
Expenditure on:					
Raising funds	7	-	13	-	13
Charitable activities:					
- Educational operations	9	28	12,610	724	13,362
- Teaching School	29	-	44	-	44
Total	7	<u>28</u>	<u>12,667</u>	<u>724</u>	<u>13,419</u>
Net income/(expenditure)		26	(413)	(93)	(480)
Transfers between funds	20	-	(317)	317	-
Other recognised gains/(losses)					
Actuarial gains on defined benefit pension schemes	22	-	1,122	-	1,122
Net movement in funds		26	392	224	642
Reconciliation of funds					
Total funds brought forward		<u>246</u>	<u>(4,031)</u>	<u>48,585</u>	<u>44,800</u>
Total funds carried forward		<u>272</u>	<u>(3,639)</u>	<u>48,809</u>	<u>45,442</u>

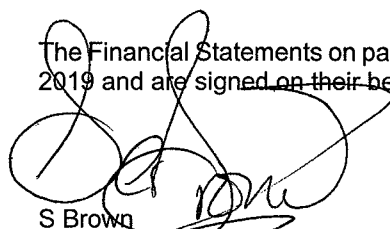
THE WILLOW LEARNING TRUST

BALANCE SHEET

AS AT 31 AUGUST 2019

		2019	2018
	Notes	£'000	£'000
Fixed assets			
Intangible assets	13	12	16
Tangible assets	14	56,436	48,370
		<u>56,448</u>	<u>48,386</u>
Current assets			
Stocks	15	6	6
Debtors	16	393	615
Cash at bank and in hand		1,976	1,632
		<u>2,375</u>	<u>2,253</u>
Current liabilities			
Creditors: amounts falling due within one year	17	(1,516)	(1,097)
Net current assets		<u>859</u>	<u>1,156</u>
Total assets less current liabilities		<u>57,307</u>	<u>49,542</u>
Creditors: amounts falling due after more than one year	18	(25)	(36)
Net assets before defined benefit pension scheme liability		<u>57,282</u>	<u>49,506</u>
Defined benefit pension scheme liability	22	(6,831)	(4,064)
Total net assets		<u>50,451</u>	<u>45,442</u>
Funds of the Academy Trust:			
Restricted funds	20		
- Fixed asset funds		56,503	48,809
- Restricted income funds		462	425
- Pension reserve		(6,831)	(4,064)
Total restricted funds		<u>50,134</u>	<u>45,170</u>
Unrestricted income funds	20	<u>317</u>	<u>272</u>
Total funds		<u>50,451</u>	<u>45,442</u>

The Financial Statements on pages 22 to 51 were approved by the Trustees and authorised for issue on 03 December 2019 and are signed on their behalf by:


S Brown
Chair of Trustees

Company Number 07635098

THE WILLOW LEARNING TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2019

	Notes	2019 £'000	2018 £'000
Cash flows from operating activities			
Net cash provided by operating activities	23	810	12
Cash funds transferred on conversion		41	-
		<u>851</u>	<u>12</u>
Cash flows from investing activities			
Dividends, interest and rents from investments		2	5
Capital grants from DfE Group		198	625
Capital funding received from sponsors and others		449	6
Purchase of intangible fixed assets		-	(20)
Purchase of tangible fixed assets		(1,145)	(447)
Net cash (used in)/provided by investing activities		<u>(496)</u>	<u>169</u>
Cash flows from financing activities			
Repayment of long term bank loan		(11)	(10)
Net cash used in financing activities		<u>(11)</u>	<u>(10)</u>
Net increase in cash and cash equivalents in the reporting period		<u>344</u>	<u>171</u>
Cash and cash equivalents at beginning of the year		<u>1,632</u>	<u>1,461</u>
Cash and cash equivalents at end of the year		<u><u>1,976</u></u>	<u><u>1,632</u></u>

THE WILLOW LEARNING TRUST

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.

1.1 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 Financial Statements 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.

The Willow Learning Trust meets the definition of a public benefit entity under FRS 102.

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 charitable company to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the 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.

1.3 Conversion to an academy trust

The conversion from a state maintained school to an Academy Trust involved the transfer of identifiable assets and liabilities and the operation of the school for £nil consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The assets and liabilities transferred on conversion from Abbey Primary School to the academy trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Donations – transfer from local authority on conversion in the Statement of Financial Activities and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds. Further details of the transaction are set out in note 30.

1.4 Income

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

Grants

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

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

THE WILLOW LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

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'.

Donated fixed assets

Donated fixed assets are measured at fair value unless it is impractical to measure this reliably, in which case the cost of the item to the donor is used. The gain is recognised as income from donations and a corresponding amount is included in the appropriate fixed asset category and depreciated over the useful economic life in accordance with the Academy Trust's accounting policies.

1.5 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement, and the amount of the obligation can be measured reliably.

Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges are allocated on the portion of the asset's use.

All resources expended are 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.

THE WILLOW LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

Charitable activities

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

1.6 Intangible fixed assets and amortisation

Intangible assets costing £5,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment.

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

- Purchased computer software - 5 years

1.7 Tangible fixed assets and depreciation

Assets costing £5,000 or more per item (or less if they form part of a larger purchase or project where the total cost exceeds £25,000) 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. Where there are specific conditions attached to the funding that require the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Where tangible fixed assets have been acquired / funded by other income, the fixed asset fund is also credited. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities.

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

Freehold land is not depreciated

Freehold buildings	2% (Straight Line)
Leasehold land and buildings	2% (Straight Line)
Plant and machinery	10% (Straight Line)
Computer equipment	33.33% (Straight Line)
Motor vehicles	20% (Straight Line)

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of Financial Activities.

1.8 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.

1.9 Leased assets

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

THE WILLOW LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

1.10 Financial instruments

The Academy Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Academy Trust and their measurement basis are as follows.

Financial assets

Trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments.

Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities

Trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition.

Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument.

1.11 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.

1.12 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.

1.13 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 quadrennial valuations using a prospective unit credit method. The 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 are recognised in the period to which they relate.

THE WILLOW LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

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.

1.14 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.

1.15 Agency arrangements

Where the Academy Trust acts as agent in collecting and / or distributing funds from the ESFA or others, subsequent disbursements are excluded from the Statement of Financial Activities as the Trust does not have control over charitable application of the funds. The funds received and paid, and any balances held are disclosed in note 28.

2 Critical accounting estimates and areas of judgement

Accounting estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The Academy Trust makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 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.

THE WILLOW LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

2 Critical accounting estimates and areas of judgement

Critical areas of judgement

In preparing these Financial Statements, the Trustees have not needed to exercise any subjective judgements that would be critical to the Academy Trust's Financial Statements.

3 Donations and capital grants

	Unrestricted funds £'000	Restricted funds £'000	Total 2019 £'000	Total 2018 £'000
Capital grants	-	647	647	631

4 Funding for the Academy Trust's educational operations

	Unrestricted funds £'000	Restricted funds £'000	Total 2019 £'000	Total 2018 £'000
DfE / ESFA grants				
General annual grant (GAG)	-	12,012	12,012	10,011
Other DfE group grants	-	828	828	452
	-	12,840	12,840	10,463
Other government grants				
Local authority grants	-	812	812	493
Other funding				
Trip income	-	319	319	221
Catering income	-	457	457	488
Other incoming resources	-	507	507	532
	-	1,283	1,283	1,241
Total funding	-	14,935	14,935	12,197

5 Other trading activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2019 £'000	Total 2018 £'000
Lettings	46	-	46	49
Other income	-	-	-	3
	46	-	46	52

THE WILLOW LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

6 Investment income

	Unrestricted funds £'000	Restricted funds £'000	Total 2019 £'000	Total 2018 £'000
Short term deposits	2	-	2	5

7 Expenditure

	Staff costs £'000	Non Pay Expenditure Premises £'000	Other £'000	Total 2019 £'000	Total 2018 £'000
Expenditure on raising funds					
- Direct costs	8	-	5	13	13
Academy's educational operations					
- Direct costs	9,998	705	1,021	11,724	9,643
- Allocated support costs	2,392	1,176	1,096	4,664	3,719
Teaching School					
- Direct costs	-	-	17	17	9
- Allocated support costs	32	-	1	33	35
	<u>12,430</u>	<u>1,881</u>	<u>2,140</u>	<u>16,451</u>	<u>13,419</u>

Net income/(expenditure) for the year includes:

	2019 £'000	2018 £'000
Fees payable to auditor for:		
- Audit	10	9
- Other services	31	27
Operating lease rentals	7	3
Depreciation of tangible fixed assets	881	720
Amortisation of intangible fixed assets	4	4
Net interest on defined benefit pension liability	121	114

8 Central services

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

- human resources;
- financial services;
- legal services;
- educational support services
- insurance

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

- flat percentage of income (5% of GAG)

THE WILLOW LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

8 Central services

The amounts charged during the year were as follows:

	2019 £'000	2018 £'000
Glenthorne High School	400	391
Aragon Primary School	123	120
Abbey Primary School	95	-
	<u>618</u>	<u>511</u>

9 Charitable activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2019 £'000	Total 2018 £'000
Direct costs				
Educational operations	36	11,688	11,724	9,643
Teaching School	-	17	17	9
Support costs				
Educational operations	8	4,656	4,664	3,719
Teaching School	-	33	33	35
	<u>44</u>	<u>16,394</u>	<u>16,438</u>	<u>13,406</u>

	Teaching school £'000	Educational operations £'000	Total 2019 £'000	Total 2018 £'000
Analysis of costs				
Direct costs				
Teaching and educational support staff costs	-	9,998	9,998	8,051
Staff development	-	46	46	37
Depreciation and amortisation	-	705	705	579
Technology costs	-	68	68	131
Educational supplies and services	16	562	578	508
Examination fees	-	161	161	137
Educational consultancy	1	179	180	198
Other direct costs	-	5	5	11
	<u>17</u>	<u>11,724</u>	<u>11,741</u>	<u>9,652</u>

THE WILLOW LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

9 Charitable activities

Support costs

Support staff costs	32	1,809	1,841	1,513
Defined benefit pension scheme - staff costs (FRS102 adjustment)	-	583	583	430
Depreciation and amortisation	-	180	180	145
Technology costs	-	33	33	6
Maintenance of premises and equipment	-	222	222	104
Cleaning	-	304	304	259
Energy costs	-	217	217	146
Rent, rates and other occupancy costs	-	152	152	102
Insurance	-	101	101	114
Security and transport	-	7	7	7
Catering	-	457	457	453
Defined benefit pension scheme - finance costs (FRS102 adjustment)	-	121	121	114
Other support costs	1	397	398	299
Governance costs	-	81	81	62
	<u>33</u>	<u>4,664</u>	<u>4,697</u>	<u>3,754</u>

10 Staff

Staff costs

Staff costs during the year were:

	2019 £'000	2018 £'000
Wages and salaries	9,145	7,414
Social security costs	823	680
Pension costs	1,704	1,372
Defined benefit pension scheme - staff costs (FRS102 adjustment)	583	430
Amounts paid to employees	12,255	9,896
Agency staff costs	173	105
Staff restructuring costs	2	-
Total staff expenditure	<u>12,430</u>	<u>10,001</u>

Staff restructuring costs comprise:

Severance payments	<u>2</u>	<u>-</u>
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THE WILLOW LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

10 Staff

Staff numbers

The average number of persons employed by the Academy Trust during the year was as follows:

	2019 Number	2018 Number
Teachers	149	116
Administration and support	143	128
Management	15	13
	<u>307</u>	<u>257</u>

The number of persons employed, expressed as a full time equivalent, was as follows:

	2019 Number	2018 Number
Teachers	135	109
Administration and support	130	103
Management	15	12
	<u>280</u>	<u>224</u>

Higher paid staff

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

	2019 Number	2018 Number
£60,000 - £70,000	5	6
£70,001 - £80,000	1	1
£80,001 - £90,000	1	-
£90,001 - £100,000	1	1
£140,001 - £150,000	1	1
	<u>1</u>	<u>1</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 £667,106 (2018: £470,823).

THE WILLOW LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

11 Trustees' remuneration and expenses

One or more of the 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 Headteacher and staff members under their contracts of employment, and not in respect of their services as Trustees.

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

S Hume (Headteacher):

- Remuneration £140,000 - £145,000 (2018: £140,000 - £145,000)
- Employer's pension contributions £20,000 - £25,000 (2018: £20,000 - £25,000)

During the year, expenses totalling £19 (2018: £nil) were re-imbursed to 1 Trustee (2018: £nil).

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

12 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 £10,000,000 on any one claim. The cost of this insurance is included in the total insurance cost.

13 Intangible fixed assets

	Computer software £'000
Cost	
At 1 September 2018 and at 31 August 2019	20
Amortisation	
At 1 September 2018	4
Charge for year	4
At 31 August 2019	8
Carrying amount	
At 31 August 2019	12
At 31 August 2018	16

THE WILLOW LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

14 Tangible fixed assets

	Freehold land and buildings £'000	Leasehold land and buildings £'000	Plant and machinery £'000	Computer equipment £'000	Motor vehicles £'000	Total £'000
Cost						
At 1 September 2018	28,898	21,575	511	219	25	51,228
Transfer in on conversion	-	7,777	17	8	-	7,802
Additions	559	449	130	7	-	1,145
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 August 2019	29,457	29,801	658	234	25	60,175
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Depreciation						
At 1 September 2018	2,320	212	119	182	25	2,858
Charge for the year	455	354	53	19	-	881
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 August 2019	2,775	566	172	201	25	3,739
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net book value						
At 31 August 2019	26,682	29,235	486	33	-	56,436
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 August 2018	26,578	21,363	392	37	-	48,370
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Freehold land and buildings relate to Glenthorne High School, and the leasehold land and buildings relate to Aragon Primary School and Abbey Primary School. Freehold land is included above at a net book value of £6,320k and leasehold land is included above at a net book value of £16,494k.

15 Stocks

	2019 £'000	2018 £'000
Uniform stock for resale	6	6
	<u> </u>	<u> </u>

16 Debtors

	2019 £'000	2018 £'000
Trade debtors	31	4
VAT recoverable	81	206
Other debtors	1	2
Prepayments and accrued income	280	403
	<u> </u>	<u> </u>
	393	615
	<u> </u>	<u> </u>

THE WILLOW LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

17	Creditors: amounts falling due within one year	2019	2018
		£'000	£'000
	Loans	10	10
	Trade creditors	214	158
	Other taxation and social security	228	194
	Other creditors	221	174
	Accruals and deferred income	843	561
		<u>1,516</u>	<u>1,097</u>
18	Creditors: amounts falling due after more than one year	2019	2018
		£'000	£'000
	Loans	<u>25</u>	<u>36</u>
	Analysis of loans		
	Wholly repayable within five years	35	46
	Less: included in current liabilities	<u>(10)</u>	<u>(10)</u>
	Amounts included above	<u>25</u>	<u>36</u>
	Loan maturity		
	Debt due in one year or less	10	10
	Due in more than one year but not more than two years	10	10
	Due in more than two years but not more than five years	15	24
	Due in more than five years	<u>-</u>	<u>2</u>
		<u>35</u>	<u>46</u>

During the year ended 31 August 2016 the Academy Trust entered into an interest free loan with 'Salix Finance', repayable in equal half yearly instalments over an 8 year period.

During the year ended 31 August 2017 the Academy Trust inherited a further interest free loan with 'Salix finance', repayable in equal half yearly instalments over a 5 year period.

THE WILLOW LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

19	Deferred income	2019 £'000	2018 £'000
	Deferred income is included within:		
	Creditors due within one year	631	437
		<u>631</u>	<u>437</u>
	Deferred income at 1 September 2018	437	238
	Released from previous years	(437)	(238)
	Resources deferred in the year	631	437
		<u>631</u>	<u>437</u>
	Deferred income at 31 August 2019	631	437

Deferred income at 31 August 2019 comprised lettings income invoiced in advance £nil (2018: £21k), trip income received in advance £27k (2018: £35k), UIFSM funding received in advance £61k (2018: £27k) and funds of £543k (2018: £354k) held on behalf of the ESFA and DfE in an agency capacity as explained more fully in note 28.

THE WILLOW LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

20 Funds

	Balance at 1 September 2018 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2019 £'000
Restricted general funds					
General Annual Grant (GAG)	218	12,012	(11,897)	(130)	203
Other DfE / ESFA grants	12	331	(339)	-	4
Pupil premium	1	497	(498)	-	-
Other government grants	2	812	(814)	-	-
Teaching School	21	50	(50)	-	21
Other restricted funds	171	1,283	(1,220)	-	234
Pension reserve	(4,064)	(852)	(704)	(1,211)	(6,831)
	<u>(3,639)</u>	<u>14,133</u>	<u>(15,522)</u>	<u>(1,341)</u>	<u>(6,369)</u>
Restricted fixed asset funds					
Transfer on conversion	42,079	7,802	(679)	-	49,202
DfE group capital grants	5,405	198	(143)	-	5,460
Capital expenditure from GAG and other funds	1,325	449	(63)	130	1,841
	<u>48,809</u>	<u>8,449</u>	<u>(885)</u>	<u>130</u>	<u>56,503</u>
Total restricted funds	<u>45,170</u>	<u>22,582</u>	<u>(16,407)</u>	<u>(1,211)</u>	<u>50,134</u>
Unrestricted funds					
General funds	<u>272</u>	<u>89</u>	<u>(44)</u>	<u>-</u>	<u>317</u>
Total funds	<u>45,442</u>	<u>22,671</u>	<u>(16,451)</u>	<u>(1,211)</u>	<u>50,451</u>

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

The Restricted General Funds are used to fund the general operating costs of the Academy.

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.

The Restricted LGPS Fund represents the Academy's share of the LGPS Pension Fund deficit.

The Restricted Fixed Asset Fund represents investment in fixed assets, net of related depreciation. Unspent capital grants are also held in this fund, net of any related loans and their use is restricted to the capital projects for which the grant was paid.

Unrestricted Funds represent balances held at period end that can be applied at the discretion of the Governors, to support any of the Academy's charitable purposes.

THE WILLOW LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

20 Funds

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

	Balance at 1 September 2017 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2018 £'000
Restricted general funds					
General Annual Grant (GAG)	39	10,011	(9,528)	(304)	218
Other DfE / ESFA grants	20	78	(86)	-	12
Pupil premium	29	374	(402)	-	1
Other government grants	1	493	(492)	-	2
Teaching School	11	54	(44)	-	21
Other restricted funds	511	1,244	(1,571)	(13)	171
Pension reserve	(4,642)	-	(544)	1,122	(4,064)
	<u>(4,031)</u>	<u>12,254</u>	<u>(12,667)</u>	<u>805</u>	<u>(3,639)</u>
Restricted fixed asset funds					
Transfer on conversion	42,595	-	(524)	8	42,079
DfE group capital grants	4,910	631	(139)	3	5,405
Capital expenditure from GAG and other funds	1,080	-	(61)	306	1,325
	<u>48,585</u>	<u>631</u>	<u>(724)</u>	<u>317</u>	<u>48,809</u>
Total restricted funds	<u>44,554</u>	<u>12,885</u>	<u>(13,391)</u>	<u>1,122</u>	<u>45,170</u>
Unrestricted funds					
General funds	<u>246</u>	<u>54</u>	<u>(28)</u>	<u>-</u>	<u>272</u>
Total funds	<u>44,800</u>	<u>12,939</u>	<u>(13,419)</u>	<u>1,122</u>	<u>45,442</u>

THE WILLOW LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

20 Funds

Total funds analysis by academy

	2019 £'000	2018 £'000
Fund balances at 31 August 2019 were allocated as follows:		
Glenthorne High School	395	447
Aragon Primary School	356	245
Abbey Primary School	18	-
Central services	10	5
Total before fixed assets fund and pension reserve	779	697
Restricted fixed asset fund	56,503	48,809
Pension reserve	(6,831)	(4,064)
Total funds	50,451	45,442

Total cost analysis by academy

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

	Teaching and educational support staff £'000	Other support staff costs £'000	Educational supplies £'000	Other costs excluding depreciation £'000	Total 2019 £'000	Total 2018 £'000
Glenthorne High School	6,344	1,323	417	1,693	9,777	9,331
Aragon Primary School	1,973	366	89	362	2,790	2,855
Abbey Primary School	1,532	420	71	361	2,384	-
Central services	148	321	-	146	615	509
	9,997	2,430	577	2,562	15,566	12,695

21 Analysis of net assets between funds

	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total Funds £'000
Fund balances at 31 August 2019 are represented by:				
Intangible fixed assets	-	-	12	12
Tangible fixed assets	-	-	56,436	56,436
Current assets	317	1,965	93	2,375
Creditors falling due within one year	-	(1,503)	(13)	(1,516)
Creditors falling due after one year	-	-	(25)	(25)
Defined benefit pension liability	-	(6,831)	-	(6,831)
Total net assets	317	(6,369)	56,503	50,451

THE WILLOW LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

21 Analysis of net assets between funds

	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total Funds £'000
Fund balances at 31 August 2018 are represented by:				
Intangible fixed assets	-	-	16	16
Tangible fixed assets	-	-	48,370	48,370
Current assets	293	1,491	469	2,253
Creditors falling due within one year	(21)	(1,066)	(10)	(1,097)
Creditors falling due after one year	-	-	(36)	(36)
Defined benefit pension liability	-	(4,064)	-	(4,064)
Total net assets	272	(3,639)	48,809	45,442

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 London Borough of Sutton and London Borough of Merton. Both are multi-employer defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2016, and that of the LGPS related to the period ended 31 March 2016.

Contributions amounting to £221k (2018: £174k) were payable to the schemes at 31 August 2019 and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for 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 2016 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 5 March 2019.

THE WILLOW LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

22 Pension and similar obligations

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% employer administration charge);
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million;
- an employer cost cap of 10.9% of pensionable pay; and
- the assumed real rate of return is 2.4% in excess of prices. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return is 4.45%.

Scheme Changes

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, have rejected the Government's application for permission to appeal the Court of Appeal's ruling. The case will now be referred to an Employment Tribunal for a decision regarding the remedy which will need to be offered to those members of the two schemes who were subject of the age discrimination.

HM Treasury are clear that the ruling has implications for the other public service schemes, including the Teachers' Pension Scheme. Those implications are currently being considered and any impact on scheme costs is expected to be looked at within the next scheme valuation, which is currently scheduled to be based on April 2020 data and implemented in April 2023.

The employer's pension costs paid to the TPS in the period amounted to £1,036k (2018: £858k).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 14.8% to 27.5% for employers and 5.5% to 12.5% for employees.

As described in note 30 the LGPS obligation relates to the employees of the Academy Trust, being the employees transferred as part of the conversion from the maintained school and new employees who joined the scheme in the period. The obligation in respect of employees who transferred on conversion represents their cumulative service at both the predecessor school and the Academy Trust at the balance sheet date.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of 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.

THE WILLOW LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

22 Pension and similar obligations

Total contributions made	2019 £'000	2018 £'000
Employer's contributions	633	497
Employees' contributions	166	129
Total contributions	<u>799</u>	<u>626</u>

Principal actuarial assumptions	2019 %	2018 %
Rate of increase in salaries	3.70 to 3.75	3.80
Rate of increase for pensions in payment/inflation	2.20 to 2.25	2.30
Discount rate for scheme liabilities	1.85 to 1.90	2.65 to 2.70
RPI increases	3.15 to 3.20	3.30
CPI increases	<u>2.20 to 2.25</u>	<u>2.30</u>

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

	2019 Years	2018 Years
Retiring today		
- Males	23.40	24.50
- Females	24.80	26.10
Retiring in 20 years		
- Males	25.10	26.80
- Females	<u>26.60 to 26.70</u>	<u>28.50</u>

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

	2019 £'000	2018 £'000
Discount rate + 0.1%	13,577	9,448
Discount rate - 0.1%	14,287	9,933
Mortality assumption + 1 year	14,450	9,999
Mortality assumption - 1 year	13,424	9,385
Salary rate + 0.1%	13,966	9,719
Salary rate - 0.1%	13,889	9,655
Pensions rate + 0.1%	14,246	9,901
Pensions rate - 0.1%	<u>13,616</u>	<u>9,479</u>

THE WILLOW LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

22 Pension and similar obligations

Defined benefit pension scheme net liability

Scheme assets	7,096	5,565
Scheme obligations	(13,927)	(9,629)
Net liability	(6,831)	(4,064)

The Academy Trust's share of the assets in the scheme

	2019 Fair value £'000	2018 Fair value £'000
Equities	4,293	3,744
Other bonds	483	427
Gilts	1,291	728
Cash	22	81
Property	741	417
Other assets	266	168
Total market value of assets	7,096	5,565

The actual return on scheme assets was £423,000 (2018: £169,000).

Amount recognised in the Statement of Financial Activities

	2019 £'000	2018 £'000
Current service cost	1,068	927
Past service cost	148	-
Interest income	(169)	(137)
Interest cost	290	251
Total operating charge	1,337	1,041

Changes in the present value of defined benefit obligations

	2019 £'000
At 1 September 2018	9,629
Transferred in on existing academies joining the Academy Trust	1,311
Current service cost	1,064
Interest cost	290
Employee contributions	166
Actuarial loss/(gain)	1,465
Benefits paid	(146)
Past service cost	148
At 31 August 2019	13,927

THE WILLOW LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

22 Pension and similar obligations

Changes in the fair value of the Academy Trust's share of scheme assets

	2019 £'000
At 1 September 2018	5,565
Transferred in on existing academies joining the Academy Trust	459
Interest income	165
Actuarial (gain)/loss	254
Employer contributions	633
Employee contributions	166
Benefits paid	(146)
At 31 August 2019	7,096

23 Reconciliation of net income/(expenditure) to net cash flow from operating activities

	2019 £'000	2018 £'000
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	6,220	(480)
Adjusted for:		
Net surplus on conversion to academy	(6,991)	-
Capital grants from DfE and other capital income	(647)	(631)
Investment income receivable	(2)	(5)
Defined benefit pension costs less contributions payable	583	430
Defined benefit pension scheme finance cost	121	114
Depreciation of tangible fixed assets	881	720
Amortisation of intangible fixed assets	4	4
Decrease in stocks	-	1
Decrease/(increase) in debtors	222	(261)
Increase in creditors	419	120
Net cash provided by operating activities	810	12

THE WILLOW LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

24 Capital commitments

	2019 £'000	2018 £'000
Expenditure contracted for but not provided in the Financial Statements	-	550

At 31 August 2018 the Academy Trust had two capital projects in progress that were due to be completed after the year end. The details of these projects are as follows:

- A Changing room expansion project due to be completed by Easter 2019. Expected costs total £439k of which £377k is funded from CIF bid. £25k of expenditure was incurred by year end leaving anticipated costs to completion of £414k.

- A project to replace inadequate fire doors due for completion by January 2019. Expected costs total £214k of which £183k is funded from CIF bid. £78k of expenditure was incurred by year end leaving anticipated costs to completion of £136k.

Both projects were completed during the year ended 31 August 2019.

25 Commitments under operating leases

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

	2019 £'000	2018 £'000
Amounts due within one year	11	3
Amounts due in two and five years	36	-
	<u>47</u>	<u>3</u>

26 Related party transactions

Owing to the nature of the Academy Trust's operations and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which 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.

As part of our SCITT, Teaching School and Sport England activities we have transactions with a number of local schools. Included within these is Cheam Academies Network to which payments of £3,200 were made and income of £100 was received in the period. A balance of £800 is included in creditors as at 31 August 2019. The Academy Trust is related by virtue of Trustee N Griffiths being a Member of Cheam Academies Network.

C Stonell, a relative of G Stonell, a Trustee, is employed by the Academy Trust. C Stonell's appointment was made in open competition and G Stonell was not involved in the decision making process regarding appointment. C Stonell is paid within the normal pay scale for their role and receives no special treatment as a result of their relationship to a Trustee.

THE WILLOW LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

27 Members' liability

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

28 Agency arrangements

The Academy Trust distributes 16-19 bursary funds to students as an agent for the ESFA. In the accounting period ending 31 August 2019, £20,803 was carried forward from last year (2018: £10,024) which was added to the grant received this year of £28,517 (2018: £28,814), from which £16,011 was disbursed (2018: £18,035) from the fund. The unspent balance at 31 August 2019 was £33,309 (2018: £20,803) and is included within creditors: amounts falling due within one year.

The Academy Trust also distributes SCITT funds to member academies as an agent for the Department for Education (DfE). In the accounting period ending 31 August 2019 there were amounts received in the year of £1,508,948 (2018: £1,320,218) from which £1,332,261 (2018: £987,226) was disbursed from the fund. The unspent balance at 31 August 2019 was £509,609 (2018: £332,922) and is included within creditors: amounts falling due within one year.

The Academy Trust also distributes sports funds to member academies as an agent for Sport England. In the accounting period ending 31 August 2019 there were amounts received in the year of £21,440 (2018: £nil) from which £21,440 (2018: £nil) was disbursed from the fund. The unspent balance at 31 August 2019 was £nil (2018: £nil).

THE WILLOW LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

29 Teaching School trading account	2019		2018	
	£'000	£'000	£'000	£'000
Direct income				
Teaching school core grant		50		46
Other income		-		8
Total income		50		54
Direct costs				
Educational supplies and services	16		3	
Staff development	-		2	
Educational consultancy	1		4	
Total income	17		9	
Other costs				
Support staff costs	32		34	
Other support costs	1		1	
	33		35	
Total operating costs		(50)		(44)
Surplus from teaching school		-		10
Teaching School balances at 1 September 2018		21		11
Teaching School balances at 31 August 2019		21		21

30 Conversion to an academy

On 1st of September 2018 the Abbey Primary School converted to Academy Trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to The Willow Learning Trust from the Sutton Local Authority for £nil consideration.

The transfer has been accounted for as a combination that is in substance a gift. The assets and liabilities transferred were valued at their fair values and recognised in the balance sheet under the appropriate headings with a corresponding net amount recognised as a net gain in the statement of financial activities as donations – transfer from local authority on conversion.

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
Abbey Primary School	Sutton	1 September 2018

THE WILLOW LEARNING TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

30 Conversion to an academy

	2019 £'000
Net assets transferred:	
Leasehold land and buildings	7,777
Other tangible fixed assets	25
Cash	41
Pension scheme deficit	(852)
	<u>6,991</u>

	Unrestricted Funds £'000	Restricted funds:		Total 2019 £'000
Funds surplus/(deficit) transferred:		General £'000	Fixed asset £'000	
Fixed assets funds	-	-	7,802	7,802
LA budget funds	41	-	-	41
LGPS pension funds	-	(852)	-	(852)
	<u>41</u>	<u>(852)</u>	<u>7,802</u>	<u>6,991</u>