

Company Registration No. 07523436 (England and Wales)



**WINDSOR ACADEMY TRUST
(A COMPANY LIMITED BY GUARANTEE)**

**ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2019**

WINDSOR ACADEMY TRUST

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WINDSOR ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Members

Dr C White
Mr E Hunt
Mr A Middleton
Sir M Griffiths

Trustees

Mr A J Middleton (Chair)
Mr N A Ashman (Director)
Ms A R Haigh (Director)
Mr H J Monk (Director)
Mr K W Sorrell (Director) (Resigned 6 November 2019)
Mr I Bevan (Director) (Resigned 24 September 2018)
Mrs J M P Dalby (Director) (Resigned 2 November 2018)
Mr E P Hunt (Director)
Mrs V L Glazzard (Director) (Resigned 7 November 2018)
Mrs K Williets (Director) (Appointed 28 November 2018)
Mr J A Houlder (Director) (Appointed 31 January 2019)

Senior management team

- Chief Executive	Mr K Sorrell
- Deputy CEO and Education Director	Ms D Haywood
- Chief Operating Officer	Mr R Dunn
- Director of Primary Education	Mr M Meckin (appointed 30th April 2019)

Company secretary

Mrs S A Chidwick

Company registration number

07523436 (England and Wales)

Principal address

Windsor Business Centre
Trinity Point
Halesowen
West Midlands
B63 3HY

Academies operated

Windsor High School & Sixth Form
Goldsmiths Primary Academy

Rivers Primary Academy
Manor Way Primary Academy
Tenterfields Primary Academy
Kingswinford Academy
Colley Lane Primary Academy
Great Wyrley Academy
Cheslyn Hay Academy

Location

Halesowen
Walsall
Walsall
Halesowen
Halesowen
Kingswinford
Halesowen
South Staffordshire
South Staffordshire

Headteacher

Mr S Lanckham
Mrs Z Lowe (resigned 31 August 2019)
Mrs L Wright
Mrs L Buffery
Mr D Simpson (interim)
Mr T Macdonald
Mrs H Hale
Mr I Moreton
Ms N Crookshank

WINDSOR ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Independent auditor

CK Audit
No 4 Castle Court 2
Castlegate Way
Dudley
West Midlands
DY1 4RH

Bankers

Lloyds Bank
22a Great Hampton Street
Birmingham
West Midlands
B18 6AH

Solicitors

Veale Wasbrough Vizards
Orchard Court
Orchard Lane
Bristol
BS1 5WS

WINDSOR ACADEMY TRUST

TRUSTEES' REPORT

FOR THE YEAR ENDED 31 AUGUST 2019

The Trustees present their annual report together with the accounts and auditor's report of the charitable company for the year 1 September 2018 to 31 August 2019. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

Windsor Academy Trust ("academy trust") operates five Primary Academies and four Secondary Academies. Its nine academies had a roll of 6,296 pupils in the school census in October 2018.

Structure, governance and management

Constitution

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

The trustees of the academy trust are also the directors of the charitable company for the purposes of company law. Details of the trustees who served during the year, and to the date these accounts are approved, are included in the Reference and Administrative Details on page 1.

Members' liability

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

Trustees' indemnities

The academy trust, through its insurance provision, indemnifies Trustees' against claims made arising from professional negligence or errors and omissions occurring whilst on academy trust business. The insurance cover provides cover of £2,000,000.

Method of recruitment and appointment or election of trustees

The number of Trustees must not be less than three with no maximum level. The academy trust shall have the following Trustees;

- a. Up to 10 Trustees appointed by Members
- b. The Chief Executive Officer
- c. A minimum of 2 Parent Directors unless there are Local Advisory Bodies (LABs) which include at least 2 Parent member positions.
- d. Any additional Trustees appointed by the Secretary of State as he sees fit.
- e. The academy trust may also have any up to three Co-opted Trustees.

Policies and procedures adopted for the induction and training of trustees

All new Trustees are given a briefing by the Chief Executive Officer. A full clerking and Governor training package is purchased and available through Services for Schools.

Organisational structure

Regular meetings of the Board of Trustees take place throughout the year on a termly basis or more frequently as required. The Board receive reports from academy LABs. They also receive update reports for other Trust wide committees for Finance and Audit, Personnel, Pay and Education Performance and Standards. The Finance and Audit, Personnel and Education Performance and Standards committees meet on a termly basis or more frequently as required and the Pay Committee meets once a year or more frequently as required.

The Accounting Officer of the academy trust is the Chief Executive Officer. The Chief Financial Officer is the Chief Operating Officer.

The Trustees are responsible for setting general policy, adopting an annual plan and budget, monitoring the academy trust by the use of budgets and making major decisions about the direction of the academy trust, capital expenditure and senior staff appointments.

WINDSOR ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Each academy has a leadership team in place for the day to day management of the schools within the academy trust. As a group the leadership teams are responsible for the authorisation of spending within agreed budgets and the appointment of staff. The leadership team always contains a Trustee/LAB member. Some spending control is devolved to members of the leadership team, with limits above which the Head Teacher must also authorise.

Arrangements for setting pay and remuneration of key management personnel

The Personnel Committee are responsible for the setting of key leadership posts. The key leadership personnel include the academy trust Executive Team.

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the relevant period	8
Full-time equivalent employee number	6.86

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	6
1%-50%	2
51%-99%	-
100%	-

Percentage of pay bill spent on facility time

Total cost of facility time	2,179
Total pay bill	16,762,515
Percentage of the total pay bill spent on facility time	-

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	29%
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Related parties and other connected charities and organisations

There are no related parties which either control or significantly influence decisions and operations of the academy trust.

Objectives and activities

Objects and aims

The principal object and activity of the academy trust is the operation of academy schools to provide education for pupils of different abilities between the ages of 2-18. The academy trust aims to provide a varied curriculum across a broad range of subjects, working closely with parents to maximise student achievement in all areas of school life.

Objectives, strategies and activities

The academy trust's ("WAT" / "trusts") main strategy is encompassed in its mission statement which is "Pride in Excellence", having the following "Values" and "Aims".

WINDSOR ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Values:

- Respect
- Responsibility
- Collaboration
- Cooperation

Aims:

- 1. Unlocking Personal Potential:** To raise aspirations and unlock all children's personal potential; keeping them safe, enabling social mobility and creating happy and successful learners.
- 2. Unlocking Academic Potential:** To maximise progress and attainment so all children can enter into a career or university of their choice, through the WAT curriculum, excellent Teaching and Learning, and continued Academy improvement.
- 3. Empowering People:** To attract, identify, develop and retain talent internally and externally so that there are excellent people working collaboratively, who are valued, supported and encouraged to innovate.
- 4. MAT Growth and Partnerships:** To grow local learning communities and partnerships that provide opportunities for more children, within and beyond WAT.
- 5. Sustainable Finance and Infrastructure:** To have strong and sustainable finances a highly effective infrastructure that is scalable, driven by efficient operating systems.
- 6. Highly Effective Governance:** To have governance that has impact, is socially just and is ethically sound at all levels.

WINDSOR ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Strategic report

Achievements and performance

1. Unlocking Personal Potential

Student Leadership: Student leadership is vibrant in the academy trust. WAT aim to 'develop tomorrow's leaders today'. Children undertake leadership roles and responsibilities across a range of levels from leadership of themselves to leadership at a trust wide level.

Student Senate: Student leadership is led by the WAT Student Senators: 100 children from across all academies in the WAT family. Student leaders play a critical role across the Trust in unlocking students' academic potential through the ASPIRE behaviours for learning and personal potential through the WAT Pledge

WAT Pledge: The WAT Pledge is our promise to secondary students and primary pupils that they will have engaged in a set of experiences that develop cultural capital, develop character and unlock personal potential. The Primary Pledge consists on 11 experiences before the age of 11 and the Secondary Pledge consists of 12 experiences. Examples of experiences include; sleeping under the stars, visiting the sea-side, visiting a university, going to the theatre and many more.

As well as offering a huge range of extra-curricular opportunities each academy has a student 'pledge'. These are significant extra enrichment experiences that each child will have during their school life and were agreed and developed by pupils and students through their Student Senate.

Enrichment: WAT staff give many hours to extra-curricular activities. WAT places a high value on sport, the arts, clubs and house activities, as we strive to ensure that we maximise children's 'personal potential' as well as their academic potential. We hold a wide range of trust-wide events and activities which bring the children and young people from across the WAT family together; including, the annual WAT Olympics, the WAT Choir and Dance Companies and mastery classes. The annual staff conference provides an annual platform for the WAT choir, dance and arts groups to perform at the International Convention Centre, Birmingham, and has been the springboard for children and young people performing in a range of national arenas.

Enterprise: Through the WAT Enterprise Journey we seek to build an enterprising spirit and support young people to discover and achieve their dreams. The WAT Enterprise journey is built into their curriculum and enrichment programme in both primary and secondary academies and includes a number of organised activities both within academies and across the Trust including external speakers and businesses. These vibrant events provide a specific focus that reflects a general culture of enterprise evident in all of our academies.

WAT Character Framework: WAT has worked in close partnership with the University of Birmingham's 'Jubilee Centre for Character and Virtues', a pioneering interdisciplinary research centre focussing on character, virtues and values in the interest of human flourishing. It promotes a moral concept of character in order to explore the importance of virtue for public and professional life. The WAT Aspire Character framework has been aligned with the Five Foundations of Character and Resilience, WAT Plinths and the core character virtues of 'moral, civic, performance and intellectual' developed by the 'Jubilee Centre for Character and Virtues.'

WINDSOR ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

2. Unlocking Academic Potential

Student Headline Performance Outcomes – Summer 2019

Outcomes for the headline performance measures are set out below with national comparisons.

Secondary Academies headline performance measures year 11 (GCSE):

Academy	Progress 8	Attainment 8	% 9-5 in English and Maths	% 9-4 in English and Maths
Windsor High School and Sixth Form	0.23	4.83	42	72
The Kingswinford Academy	0.10	4.94	53	73
Great Wyrley Academy	-0.23	3.83	23	48
Cheslyn Hay Academy	-0.24	4.42	36	56
WAT Aggregate (for schools 3 years plus)	0.18	4.87	46	72
National 2018	-0.02	4.65	43	64
National Provisional 2019	-0.03	4.65	43	64

NB: Great Wyrley joined the academy trust in September 2018 and Cheslyn Hay Academy in January 2019.

Progress Score for each bucket (element)

Academy	English	Maths	Ebacc	Open
Windsor High School and Sixth Form	0.20	0.26	0.22	0.24
The Kingswinford Academy	0.51	-0.06	0.07	-0.09
Great Wyrley Academy	-0.355	-0.107	-0.247	-0.136
Cheslyn Hay Academy	-0.38	-0.24	-0.43	-0.02
WAT Aggregate (Academies 3+ Years)	0.32	0.13	0.16	0.11
National 2018	-0.04	-0.02	-0.03	-0.04
National Provisional 2019	-0.04	-0.02	-0.03	-0.04

WINDSOR ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

WAT has an aggregate P8 score of 0.18 for secondary academies that have been with WAT for over three academic years, which is considerably above national. The A8 score is 4.87 (national 4.65), % 9-5 in English and Maths at 46% (national 43%) and % 9-4 in English and Maths at 72% (national 64%). These aggregate outcomes indicate that WAT secondary aggregate data is above national in all headline performance indicators. WAT secondary aggregate progress data is above national in all 4 buckets (English, Maths, Ebacc and Open), with English being the strongest at 0.32 and the Open bucket being the weakest both at 0.11.

Great Wyrley Academy made significant improvement after its first academic year in WAT, with Progress 8 improving from -0.60 in 2018 to -0.23. Cheslyn Hay Academy also improved after just two terms with WAT with progress 8 improving from -0.43 in 2018 to -0.24 in 2019.

Post 16 Outcomes 2019: Windsor High School and Sixth Form:

A-Levels	Average Grade	C
	Progress (VA)	0.20
	A*-B	41%
	A*-C	69%
	A*-E	95%
Vocational	Average Grade	Distinction
	Progress (VA)	0.55
	Pass Rate	78%

Post 16 Outcomes 2019: Great Wyrley Academy:

A-Levels	Average Grade	C
	Progress (VA)	-0.43
	A*-B	28.8
	A*-C	67.5
	A*-E	98.8
Vocational	Average Grade	D-
	Progress (VA)	0.22
	Pass Rate	100%

Post 16 Outcomes 2019: Cheslyn Hay Academy:

A-Levels	Average Grade	C
	Progress (VA)	-0.09
	A*-B	41%
	A*-C	73%
	A*-E	95%
Vocational	Average Grade	Distinction
	Progress (VA)	0.20
	Pass Rate	100%

WINDSOR ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Primary Academies headline performance measures year 6:
2018-2019

Reading

	National	WAT	Colley Lane	Goldsmith	Manor Way	Rivers	Tenterfields
% pupils EXS+	73%	63%	73%	33%	70%	72%	70%
% pupils GDS	27%	24%	24%	17%	33%	24%	27%
Progress	0.0	-3.6	-2.0	-5.8	-3.0	0.3	-1.0

Writing

	National	WAT	Colley Lane	Goldsmith	Manor Way	Rivers	Tenterfields
% pupils EXS+	78%	77%	78%	70%	83%	79%	77%
% pupils GDS	20%	20%	22%	17%	27%	21%	13%
Progress	0.0	-0.3	0.2	-0.2	-0.5	1.0	-0.2

Maths

	National	WAT	Colley Lane	Goldsmith	Manor Way	Rivers	Tenterfields
% pupils EXS+	79%	67%	79%	44%	77%	72%	57%
% pupils GDS	27%	20%	31%	9%	13%	10%	23%
Progress	0.0	-1.8	0.0	-5.1	-3.4	-0.6	-3.2

Combined Reading, Writing and Maths

	National	WAT	Colley Lane	Goldsmith	Manor Way	Rivers	Tenterfields
% pupils EXS+	65%	57%	69%	26%	67%	66%	57%
% pupils GDS	11%	11%	15%	9%	7%	7%	10%

Reading - In four out of five academies attainment was similar to the national average and demonstrated an improvement in attainment when compared since 2017-18. The overall WAT average for attainment and progress is below average. The poor performance of Goldsmith Primary Academy had a significant impact on the overall WAT performance. The positive impact of the WAT approach to teaching reading is being seen in most schools and now needs to be embedded systematically at Goldsmith.

Writing - Writing is the strongest area of performance which demonstrates that the 5 Rs approach to teaching writing is having a positive impact. The WAT attainment and progress average is broadly in line with the national average.

Mathematics - Colley Lane Primary Academy has successfully embedded the WAT approaches to teaching mathematics and were similar to the national average for progress and attainment. Approaches to teaching and developing mental recall and reasoning now need to be embedded successfully across all schools. The overall WAT average is below national for attainment and progress. The poor performance of Goldsmith has had a significant impact on the overall WAT averages.

Combined Reading, Writing and Mathematics - The general picture across WAT academies is that attainment is rising. In spite of Goldsmith's poor performance, the WAT average rose by 6% for the proportion of pupils achieving the expected standard. This has closed some of the gap to national. The WAT average for the combined higher standard was similar to the national average and an improvement on last year.

WINDSOR ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

3. Empowering People

WAT is a medium sized employer in the West Midlands and has grown to become an employer of choice in the schools sector in the region, with a strong commitment to treating all staff professionally, fairly and equitably. In 2018/19, WAT continued to invest substantially in the growth and professional development of all of its employees and through a comprehensive support staff investment project fully aligned the contractual terms and conditions across all 637 employee contracts.

A comprehensive programme of continuous professional development and learning for employees and staff from schools across the West Midlands. Our Professional learning offer ranges from Initial Teacher Education to School Leadership and headship development as well as comprehensive support staff professional learning. WAT is a licenced by the Department for Education as provider for the National Professional Qualifications which are offered to our own staff and other schools, academies and MAT leaders across the Midlands region. The Annual WAT Conference continues to be a high point for all WAT staff and a wide range of invited stakeholders and partners, held at the International Convention Centre, Birmingham, in December 2018, participants were inspired by the CEOs message and the keynote speakers; Professor Steve Peters, Sir David Carter and Andy Buck, highly engaging practitioner led workshops and marketplace activities, and presentation of WAT staff awards. WAT is a schools direct provider where we work closely with the University of Birmingham on Initial Teacher Education.

4. MAT Growth and Partnerships

An independent MAT review was undertaken of WAT in June 2019 by Sir David Carter and the Ambition Institute team. The findings of the report were extremely positive reinforcing that WAT; is held in the high regard by a wide range of stakeholders, is engaging extensively in system level MAT-to-MAT support and has the appropriate capacity to develop and grow.

WAT is working closely with the Department for Education (DfE) on securing land for the opening of the free schools in Walsall and Sandwell. Good progress has been made on identifying land in Sandwell, with a plan to open the school in September 2020. Ongoing work is taking place to find a suitable site for the free school in the Blakenall area of Walsall.

WAT is currently engaging with a local secondary school about joining the academy trust, there is an intention from both parties that this will take place in 2020.

The following list provides a flavour of the comprehensive nature of WAT's wider partnership work:

- West Midlands Regional Hub for the Chartered College of Teaching
- CEO and Deputy CEO asked by the Regional Schools Commissioner to join the Board of Trustees for the University of Chester MAT and Shrewsbury Academies Trust respectively.
- CEO undertaking MAT reviews as part of Ambition Institutes MAT Review Programme and facilitating Ambition Institute NPQEL Executive Leadership Programme
- CEO supporting Hertfordshire Local Authority in MAT / School Governance and Leadership
- Mentor MAT on the MAT Development Programme
- Case study MAT for iris Connect, GL assessment, Assembly, Google Education
- Actively supporting MATs locally, regionally and nationally

5. Sustainable Finance and Infrastructure

WAT continues to improve the overall condition and compliance of the estate through the combination of a planned maintenance programme and a wide range of capital investment projects. Most notable capital buildings and investment projects have included:

Secondary School Estate:

Windsor High School and Sixth Form: The completion of a 3 year programme (circa. £3.5M investment) to; install a new heating and building management system, replace flat roofs and install new windows across the school site. This capital works programme has addressed major condition risks and issues, creates the right climate for learning to take place, improves the aesthetic appearance and significantly improves the energy efficiency of traditional school buildings. A further investment of £250k in to the refurbishment of the main school canteen and a new build extension has taken place to enhance the catering experience for students and staff. An extensive in-house programme of small works projects has taken place in the school holidays to improve the suitability and appearance of the overall school environment to ensure it is fit for purpose.

WINDSOR ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Kingswinford Academy: A programme of work has taken place over the past 2 years: including; the opening of a new £1m purpose built refectory, an extensive programme of refurbishment and decoration of classrooms and circulation areas, new main entrance canopy and signage, school hall refurbishment, asbestos removal in roof voids and ICT infrastructure investment.

Great Wyrley Academy: An 'Environment Improvement Grant' of £80,000 was approved by the DfE for Great Wyrley Academy, this has been committed to signage, fencing, classroom and communal area refurbishment as well as structural works. Over summer 2019 an extensive programme of work was undertaken including; re-organising the school teaching areas, relocating the library and other specialist support areas to create a more stimulating and engaging environment for learning. This presented an opportunity for a section of Great Wyrley Academy to be converted into a base for professional development and training, as well as providing a new set of offices for finance staff working across the northern cluster.

Cheslyn Hay Academy: Cheslyn Hay school buildings are 40 years old and they are generally in good condition. Prior to conversion Cheslyn Hay had works undertaken in the 2018 summer holidays by the Council to upgrade the electrical system to ensure that it is compliant. WAT has funded the installation of air conditioning units to improve the learning environment.

Primary School Estate:

Tenterfields Primary Academy: The completion of an 18 month programme (circa. £800k investment) has taken place to; remove asbestos in plant rooms, install a new energy efficient heating and building management system, replace flat roofs, and, refurbish and remodel general classrooms.

Manor Way Primary Academy: A 3 year programme (circa. £550k investment) has been undertaken to replace roof works, resurface the driveway and car park, enhance the EYFS and nursery area.

Rivers Primary Academy: This year works have commenced on the demolition and construction of a new school building at Rivers Primary Academy, which is funded through the Priority School Building Programme (PSBP2.) Capital funding has been allocated to support the provision of new furniture, general and ICT equipment for the school building and substantial enhancements to the outdoor learning environment.

Goldsmith Primary Academy: A successful bid submission to the DfE School Nursery Capital Fund resulted in the award of a £1.1M grant to build a new school nursery at Goldsmith Primary Academy. Capital works have been undertaken to install a new heating system and replace pitched and flat roofs across the school site. Remodelling and refurbishment of general classrooms, the school hall, canteen and staffroom have improved the suitability of the environment for pupils and staff. In addition, a phased programme of works has started on the external play areas and car park. An estate master plan is being developed to improve the internal and external links between the school buildings and new nursery block.

Colley Lane Academy: A PFI school with capital works and facilities management and maintenance delivered by the PFI contractor (Newmount/Mitie.) Following public consultation, Little Colliers private nursery was amalgamated within the school nursery provision.

WAT implemented a new integrated financial management system through PS Financials in 2018/19 that fully meets the existing needs and future requirements of the Trust. WAT will move to a Cloud PS Financials solution in FY19/20 and will pilot the roll-out of the automated purchasing functionality throughout the year.

WAT has implemented a trust-wide Google Classroom Initiative and has established a MAT educational partnership with Google. The Trust invested in the deployment of a class-set of Google Chromebooks for each academy and the Google Cloud Based solution is used by Trustees, executive, school leaders, directors, lead practitioners and students/pupils for anytime and anywhere access to governance and management information and teaching resources.

WINDSOR ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

6. Highly Effective Governance

During the course of the year there have been meetings with the Chairs of the Local Advisory Body (LAB) by way of providing both update and feedback. This is part of a plan to ensure greater connectivity between the working of each LAB and the work of the Board. These meetings have been convened by the Trustee with responsibility for Local Advisory Body governance and supported by the CEO.

An experienced and highly qualified Trustee was recruited to the Board bringing Directorial experience as well as finance and HR experience. In addition a solicitor was added to the Board and became the designated Board Member for Safeguarding.

Public Benefit

The Trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission throughout the objectives, strategies and activities detailed within this report.

Key Performance Indicators

The main financial performance indicator is the level of free reserves held by the trust at the balance sheet date. The trust held balances at 31 August 2019 of £1.679m (2017/2018: £1.422m) comprising a restricted fund of £0.351m and an unrestricted fund of £1.328m.

Staffing costs as a percentage of General Annual Grant (GAG) is a key performance indicator. For the year ended 31 August 2019 this was 97.61% (2017/2018: 98.99%) for the trust in total. This is expected to be higher than the average due to the increased number of staff employed for support areas as opposed to contract provision. In addition the impact of high levels of Pupil Premium funding of which a high percentage of spend is on staff costs also raises the measure as this funding stream is not classed as GAG funding. In future years this measure is likely to increase as a result of support functions, e.g. catering provision being brought in-house along with the upward pressure on pay costs through nationally and locally agreed pay awards and increased employer's pension contributions.

As funding is based on pupil numbers, this is also a key performance indicator. Total pupil numbers for 2018/19 funding was 6,296 (2017/2018 – 4,442).

During the year Ofsted inspections took place at Manor Way Primary Academy (Good), Kingswinford Academy (Good) and Goldsmith Primary Academy (Requires Improvement).

Going concern

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

WINDSOR ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Financial review

The academy trust generated an operating surplus of £21.727m for the year to 31 August 2019 (2017/18 £1.607m operating deficit excluding the effects of acquisitions of existing academies and newly converted academies). The significant increase in operating surplus is in the main attributable to the effects of Great Wyrley Academy and Cheslyn Hay Academy joining the academy trust, which due to the accounting treatment has meant that income in the year includes the full buildings value of the schools that were transferred to the academy trust from South Staffordshire Council under a long lease. The academies are also recognised in fixed assets.

Most of the academy trust's income (excluding income from transfers of academies) is obtained from the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the ESFA during the year ended 31 August 2019 amounted to £30.791m and the associated expenditure is shown as restricted funds in the Statement of Financial Activities.

The academy trust also received a total of £1.74m in capital funding for fixed assets from the ESFA. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2015), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned.

At 31 August 2019 the net book value of fixed assets was £62.753m and movements in tangible fixed assets are shown in note 13 to the financial statements. The assets were used exclusively for providing education and the associated support services to the students of the academy trust, and for the inhabitants of the surrounding area, the provision of recreation and leisure facilities.

The pension deficit recorded in the Statement of Financial Activities is as a result of the application of FRS102 to the contributions made by the academy trust to the Local Government Pension Scheme. Under FRS102 the academy trust is required to account for retirement benefits when it is committed to give them, even if the actual giving will be many years into the future. Whilst FRS102 is seen as a better reflection of the obligations of the employer to fund pension promises to employees, it does not reflect the actual accounting arrangements of the pension fund. It requires the academy trust to disclose the total value of all pension payments that have accumulated (including deferred pensions) at 31 August each year. This value is made up of:

- The total cost of the pensions that are being paid out to former employees who have retired; and
- The total sum of the pension entitlements earned to date for our current employees - even though it may be many years before the people concerned actually retire and begin drawing their pension.
- The standard also requires the academy trust to show all investments (assets) of the Pension Fund at their market value, as they happen to be at year-end. In reality, the value of such investments fluctuates in value on a day-to-day basis, but this is ignored for the purpose of the accounting standard.
- The difference between the asset and liability valuations results in either a deficit or a surplus being recorded in the Statement of Financial Activities and Balance Sheet.

A better reflection of a pension fund's actual position comes from the more detailed assessment made by an actuary. This assesses and examines the on-going financial position of the Pension Fund. The actuarial valuation can differ considerably from the FRS102 valuation. It is the actuarial valuation that is used to review contribution rates to the Fund from the academy trust, to ensure that existing assets and future contributions will be sufficient to meet future pension payments spreading any surplus or deficit over a number of years.

WINDSOR ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Reserves policy

The academy trust held fund balances at 31 August 2018 of £50.931m comprising £49.603m of restricted funds and £1.328m of unrestricted general funds. The academy trust's free reserves (unrestricted reserves, restricted general reserves, excluding pension liability and long term liabilities) are £2.586m which represents approximately 4 weeks of expenditure. Reserves are maintained at a level so as to provide adequate working capital throughout the period. Excess reserves are invested in line with the academy trust's funding agreement thereby ensuring that there is sufficient buffer to absorb unexpected expenditure.

Investment policy

The academy trust's investment powers are governed by the Articles of Association, which permits the Charitable Company to deposit or invest any funds not immediately required for the furtherance of its Objects. These funds must only be invested after obtaining advice from a financial expert as the Governing Body considers necessary, and having regard to the suitability of investments and the need for diversification.

The policy is to invest temporary surplus amounts in bank deposit accounts which can be accessed at short notice (typically within 32 days).

Principal risks and uncertainties

Financial - The Trust has considerable reliance on continued Government funding through the ESFA. In the last year 94.62% (2017/18: 95.14%) of incoming resources was ultimately Government funded and whilst this level is expected to continue, there is no assurance that Government policy or practice will remain the same or that public funding will continue at the same levels. The Comprehensive Spending Review 2019 (CSR 2019) is due to be completed autumn 2019 and is expected to have an impact on the trust's financial position.

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

Reputational - the continuing success of the trust is dependent on the success of each of its Academies, which are reliant on continuing to attract applicants in sufficient numbers by maintaining the highest educational standards. To mitigate this risk Trustees and LAB members ensure that student success and achievement are closely monitored and reviewed.

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

Fraud and mismanagement of funds - The academy trust appoints Internal Auditors to carry out checks on financial systems and records as required by the financial procedures manual. All academy finance based staff attend regular trust wide meetings to keep them up to date with financial practice and requirements.

Salaries - Around 80% of the academy trust's expenditure is staff related (salaries, National Insurance and Pension). During 2017/18 the Government removed the 1% cap in public sector pay increases and announced a pay award for teachers to be partly funded by the Teacher Pay Grant. The removal of the public sector pay cap is expected to increase pay inflation over the coming years, which may not be met by corresponding increases in funding which will be subject to the CSR 2019.

WINDSOR ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Pension - Around 80% of the academy trust's expenditure is staff related (salaries, National Insurance and Pension). Teachers have access to the Teacher's Pension Scheme (TPS) and support staff have access to the West Midland's Pension Scheme, a Local Government Pension Scheme. These are defined benefit schemes. In line with other defined benefit pension schemes employer pension contributions (and deficit recovery payments for the West Midland's Pension Fund - WMPF) have increased as Pension Fund Trustees seek to ensure that the schemes meet statutory requirements. This is as a result of people living longer (increased mortality) and investment returns declining. The Government has for 2018/19 and 2019/20 provided revenue grant to cover the additional cost of the TPS employer contributions which increased from September 2019. The WMPF will shortly be announcing the outcome of the 2019 scheme valuation at 31 March 2019. In line with other defined benefit pension scheme there is a significant risk that a larger contribution will be required by the employer, without any corresponding grant support from the Government.

Trustees are aware of any major risks to which the academy trust is exposed, in particular those relating to the specific teaching, provision of facilities and other operational areas of each of the schools and its finances. Systems have been implemented, including operational procedures and internal financial controls in order to minimise risk. Where significant financial risk still remains they have ensured that adequate insurance cover is in place.

Fundraising

The academy trust does not use any external fundraisers. All fundraising activities undertaken during the year was monitored by the Trustees.

Plans for future periods

The Deputy CEO and Director of Primary have led an extensive review and analysis of the ASPIRE (primary) and threshold (secondary) curriculum and are implementing a cross Trust strategy for the new curriculum. This new curriculum is will build upon the strong principles of the existing curriculum and will ensure a consistent approach to the implementation and provide demonstrable evidence of the impact. Through this year, WAT has held collaborative INSET days to allow all teachers to input in to the curriculum review and the development of curriculum intent statements, long and medium term plans, threshold concepts, knowledge organisers and curriculum activities and resources. The Trust has appointed Senior Leaders of Education from across the WAT family to lead, oversee and coordinate the curriculum development in each subject area. These SLE's will work collaboratively with subject teachers drawing upon the wide range of skills, knowledge and experiences to bring greater breadth, depth and meaning to the new ASPIRE and Threshold curriculum. Through wide engagement in the design and development process this will help embed the curriculum consistently in all academies and will ensure its successful implementation in 2019/20 and 2020/21 academic years.

WAT will open a new school building at Rivers Primary Academy and will start the design and development of a new build nursery at Goldsmith Primary Academy. The Trust has two secondary free schools approved in Sandwell and Walsall, with planned opening dates of September 2022. WAT is in detailed discussions with a secondary academy and a plan for the school to join in the academic year 2019/20.

WAT is committed to growing and developing its own staff and has expanded the continuous professional learning opportunities to other Trusts within the school system. WAT will continue to expand and strengthen its MAT-MAT support and further grow the professional development opportunities offered to a wide range of Trust and school staff.

WAT will continue to extend and expand the functional training and professional development pathways for support staff at a technical, management and leadership level. The Trust is strengthening its finance and operations capacity and operating model to deliver services across geographical clusters.

In the 2019/20 academic year, WAT will work with an independent School Resource Management Adviser (SRMA) to explore ways in which the Trust can continue to make best use of its available resources to provide the best possible education for its pupils/students.

WINDSOR ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Employee consultation and disabled employees

The academy trust is an inclusive organisation. The academy trust is aware of its obligations under the Equality Act 2010 and complies with non-discrimination provisions. Where relevant other policies include reference to the importance of avoiding discrimination and other prohibited conduct. The academy trust aims to – eliminate discrimination and other conduct that is prohibited by the Equality Act 2010; advance equality of opportunity between people who share a protected characteristic and people who do not share it and to foster good relations across all characteristics – between people who share a protected characteristic and people who do not share it. The academy trust consults with trade unions and staff on HR policies and procedures and any other major issues that affect them. During the year there was a major consultation process on the support staff pay alignment project.

Auditor

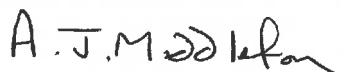
In so far as the trustees are aware:

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

A resolution proposing that CK Audit be reappointed as auditor of the charitable company will be put to the members.

The trustees' report, incorporating a strategic report, was approved by order of the board of trustees, as the company directors, on 12 December 2019 and signed on its behalf by:

Mr A J Middleton
Chair



WINDSOR ACADEMY TRUST

GOVERNANCE STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2019

Scope of responsibility

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

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

Governance

The Board of Directors (Trustees) governs the Trust through the main Board and 3 sub-Committees, Performance and Standards, Finance and Audit and Personnel, and has direct links through to the Local Advisory Body (LAB). The coverage of its work is to:

- ensure there is clarity of vision, ethos and strategic direction
- hold the executive leaders to account for the educational performance of the organisation and its pupils; and the performance management of staff
- oversee the financial performance of the organisation and makes sure its money is well spent
- ensure that other key players with a stake in the organisation get their voices heard

The Trustees use a wide range of performance metrics to hold the Executive and Leadership to account for the overall academic, financial and operational performance of the Trust. Trustees have access to and use a Data Dashboard that provides real-time metrics for monitoring and benchmarking pupil/student performance, school standards and the financial health of the Trust.

A MAT Diagnostic has been undertaken by Ambition Institute, led by Sir David Carter, and involved the review of the governance of the Trust and the level of specialist knowledge in Trustees. The findings of this report were extremely positive, and included a number of recommendations for further strengthening the Trust that Trustees are giving consideration to. These centred around the recruitment of new Trustees with the skills, background and time to meet the increasingly challenging demands of this role as well as continue to build upon the links between the Board and LABs. The Trustees will continue to build upon the outcomes of this independent review to inform the growth and development of the Trust and will be looking at further ways of improving the corporate competence of the Board.

The information on governance included here supplements that described in the Trustees' Report and in the Statement of Trustees' Responsibilities. The board of trustees has formally met 7 times during the year. Attendance during the year at meetings of the board of trustees was as follows:

Trustees	Meetings attended	Out of possible
Mr A J Middleton (Chair)	7	7
Mr N A Ashman (Director)	7	7
Ms A R Haigh (Director)	7	7
Mr H J Monk (Director)	6	7
Mr K W Sorrell (Director) (Resigned 6 November 2019)	6	7
Mr I Bevan (Director) (Resigned 24 September 2018)	0	0
Mrs J M P Dalby (Director) (Resigned 2 November 2018)	1	1
Mr E P Hunt (Director)	6	7
Mrs V L Glazzard (Director) (Resigned 7 November 2018)	1	1
Mrs K Williets (Director) (Appointed 28 November 2018)	3	4
Mr J A Houlder (Director) (Appointed 31 January 2019)	3	4

WINDSOR ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

The Finance & Audit Committee is a sub-committee of the board of directors. Its purpose is to have responsibility for the oversight of the Trust's finances, for setting specified financial policies and processes, and for making specified financial returns. The Committee formally met on 4 occasions during the year.

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
Mr A J Middleton (Chair)	2	3
Mr N A Ashman (Director)	5	5
Mr K W Sorrell (Director) (Resigned 6 November 2019)	5	5
Mr E P Hunt (Director)	5	5
Mrs V L Glazzard (Director) (Resigned 7 November 2018)	0	1
Mr J A Houlder (Director) (Appointed 31 January 2019)	0	2

Review of value for money

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

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

1. All academies within the Trust are responsible for financial management and ensuring value for money. As part of this all academies are responsible for managing their own budgets and must submit monthly management accounts to the trust. Monthly finance manager meetings were held where academy monthly management accounts are reviewed, current issues and risks with mitigating actions identified, and best practice shared. The Trust also holds termly review meetings between the Academy and Executive team to scrutinise the current financial position and plan for future periods.
2. The trust continues to benefit from the insurance policies negotiated with Zurich insurance in March 2019 providing all insurance cover at a lower rate than the Risk Protection Arrangement.
3. The negotiation of central contracts and purchasing arrangements, as well as standardisation and consolidation of contracts and operations, to achieve value for money and discounts on service and products. During the year the trust has secured new central contracts and discounts with various suppliers across a range of goods and services, including subscriptions and memberships, agency staff ICT services and software, and standardised testing.
4. The trust has reviewed various operations centrally and across academies to identify operational efficiencies that have been achieved through restructuring, staff turnover and the re-allocation and re-prioritisation of work.

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 Windsor Academy Trust for the period 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

WINDSOR ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

Capacity to handle risk

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees has in place a formal on-going process for identifying, evaluating and managing the academy trust's significant risks and issues that has been in place for the period 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the board of trustees.

The risk and control framework

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

- comprehensive budgeting and monitoring systems with an annual budget and monthly management accounts which are reviewed and agreed by the governing body;
- production of a 3-year budget plan presented to the Finance and Audit Committee at Academy Level and Central Trust.
- regular reviews by the Finance and Audit Committee and Personnel 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.

The board of trustees has considered the need for a specific internal audit function and has appointed CK Audit, as the Trusts' internal Auditor for the year to 31 August 2019. The auditor's role carried out a review of the Trust's financial systems, policies and procedures following the implementation of a new finance system in September 2018 and the move to a new academy cluster based operating model for finance staff. The internal auditor reported at the meeting of the Finance & Audit Committee the outcome of the review. The report was subsequently presented to the board of trustees. There were no findings that were categorised as a negative opinion with limited assurance. The outcome of the review concluded with 4 substantial, 14 satisfactory levels and no areas of limited assurance across 18 tested areas. The trust is now working towards completing the recommendations within a timely manner.

Review of effectiveness

As Accounting Officer, the Chief Executive Officer has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

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

WINDSOR ACADEMY TRUST

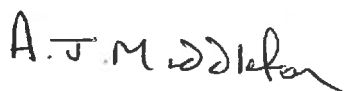
GOVERNANCE STATEMENT (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the Finance & Audit Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the board of trustees on 12 December 2019 and signed on its behalf by:

Mr A J Middleton
Chair



WINDSOR ACADEMY TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

FOR THE YEAR ENDED 31 AUGUST 2019

As accounting officer of Windsor Academy 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.



Mr K W Sorrell
Accounting Officer

12 December 2019

WINDSOR ACADEMY TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

FOR THE YEAR ENDED 31 AUGUST 2019

The trustees (who are also the directors of Windsor Academy Trust for the purposes of company law) are responsible for preparing the trustees' report and the accounts in accordance with the Academies Accounts Direction 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 accounts for each financial year. Under company law, the trustees must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its incoming resources and application of resources, including its income and expenditure, for that period.

In preparing these accounts, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 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 accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of trustees on 12 December 2019 and signed on its behalf by:

Mr A J Middleton
Chair



WINDSOR ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WINDSOR ACADEMY TRUST

FOR THE YEAR ENDED 31 AUGUST 2019

Opinion

We have audited the accounts of Windsor Academy 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 accounts, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice), the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the accounts:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 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 accounts' section of our report. We are independent of the academy trust in accordance with the ethical requirements that are relevant to our audit of the accounts in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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 accounts is not appropriate; or
- the trustees have not disclosed in the accounts 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 accounts 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 accounts and our auditor's report thereon. Our opinion on the accounts does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

WINDSOR ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WINDSOR ACADEMY 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 accounts are prepared is consistent with the accounts; 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 accounts are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

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

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

Auditor's responsibilities for the audit of the accounts

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

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

WINDSOR ACADEMY TRUST

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WINDSOR ACADEMY 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.



Wendy Davies (Senior Statutory Auditor)
for and on behalf of CK Audit

12 December 2019

Chartered Accountants
Statutory Auditor

No 4 Castle Court 2
Castlegate Way
Dudley
West Midlands
DY1 4RH

WINDSOR ACADEMY TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2019

In accordance with the terms of our engagement letter dated 4 July 2018 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 Windsor Academy 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 Windsor Academy Trust and ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to the Windsor Academy Trust and ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Windsor Academy Trust and ESFA, for our work, for this report, or for the conclusion we have formed.

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

The accounting officer is responsible, under the requirements of Windsor Academy Trust's funding agreement with the Secretary of State for Education dated 4 September 2012 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:

- A review of management reporting documents;
- A review of directors' minutes;
- A review of income to assess whether grants have been applied in accordance with the terms and conditions attached to them; and
- A review of policies and procedures to assess whether they are sufficiently robust to ensure that expenditure has been applied for the purposes intended by Parliament.

WINDSOR ACADEMY TRUST

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO WINDSOR ACADEMY 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.

CK Audit
Reporting Accountant
CK Audit

Dated: *12 December 2019*

WINDSOR ACADEMY TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2019

	Notes	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total 2019 £	Total 2018 £
Income and endowments from:						
Donations and capital grants	3	49,954	-	1,740,457	1,790,411	1,120,866
Donations - transfer from local authority on conversion	28	-	(1,478,593)	24,965,000	23,486,407	-
Charitable activities:						
- Funding for educational operations	4	461,427	32,844,591	-	33,306,018	24,486,820
Other trading activities	5	603,365	-	-	603,365	395,739
Investments	6	19,550	-	-	19,550	9,789
Total		1,134,296	31,365,998	26,705,457	59,205,751	26,013,214
Expenditure on:						
Raising funds	7	-	65,455	-	65,455	49,247
Charitable activities:						
- Educational operations	9	697,005	34,117,017	2,598,938	37,412,960	27,570,832
Total	7	697,005	34,182,472	2,598,938	37,478,415	27,620,079
Net income/(expenditure)		437,291	(2,816,474)	24,106,519	21,727,336	(1,606,865)
Other recognised gains/(losses)						
Actuarial (losses)/gains on defined benefit pension schemes	21	-	(2,533,000)	-	(2,533,000)	2,404,000
Net movement in funds		437,291	(5,349,474)	24,106,519	19,194,336	797,135
Reconciliation of funds						
Total funds brought forward		890,654	(9,600,192)	40,445,799	31,736,261	30,939,126
Total funds carried forward		1,327,945	(14,949,666)	64,552,318	50,930,597	31,736,261

WINDSOR ACADEMY TRUST

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

FOR THE YEAR ENDED 31 AUGUST 2019

Comparative year information		Unrestricted	Restricted funds:		Total
Year ended 31 August 2018		Funds	General	Fixed asset	2018
	Notes	£	£	£	£
Income and endowments from:					
Donations and capital grants	3	24,797	-	1,096,069	1,120,866
Charitable activities:					
- Funding for educational operations	4	509,816	23,977,004	-	24,486,820
Other trading activities	5	395,739	-	-	395,739
Investments	6	9,789	-	-	9,789
Total		940,141	23,977,004	1,096,069	26,013,214
Expenditure on:					
Raising funds	7	-	49,247	-	49,247
Charitable activities:					
- Educational operations	9	546,618	25,009,163	2,015,051	27,570,832
Total	7	546,618	25,058,410	2,015,051	27,620,079
Net income/(expenditure)		393,523	(1,081,406)	(918,982)	(1,606,865)
Transfers between funds	19	-	(74,489)	74,489	-
Other recognised gains/(losses)					
Actuarial gains on defined benefit pension schemes	21	-	2,404,000	-	2,404,000
Net movement in funds		393,523	1,248,105	(844,493)	797,135
Reconciliation of funds					
Total funds brought forward		497,131	(10,848,297)	41,290,292	30,939,126
Total funds carried forward		890,654	(9,600,192)	40,445,799	31,736,261

WINDSOR ACADEMY TRUST

BALANCE SHEET

AS AT 31 AUGUST 2019

	Notes	2019		2018	
		£	£	£	£
Fixed assets					
Tangible assets	13		62,752,890		39,134,667
Current assets					
Stocks	14	22,082		23,660	
Debtors	15	1,564,884		1,174,074	
Cash at bank and in hand		3,366,292		2,291,731	
Cash held on deposit		3,340,283		2,708,944	
			<u>8,293,541</u>		<u>6,198,409</u>
Current liabilities					
Creditors: amounts falling due within one year	16	(3,907,737)		(2,638,218)	
Net current assets			<u>4,385,804</u>		<u>3,560,191</u>
Total assets less current liabilities			<u>67,138,694</u>		<u>42,694,858</u>
Creditors: amounts falling due after more than one year	17		(907,097)		(918,597)
Net assets excluding pension liability			<u>66,231,597</u>		<u>41,776,261</u>
Defined benefit pension scheme liability	21		(15,301,000)		(10,040,000)
Net assets			<u><u>50,930,597</u></u>		<u><u>31,736,261</u></u>
Funds of the academy trust:					
Restricted funds	19				
- Fixed asset funds			64,552,318		40,445,799
- Restricted income funds			351,334		439,808
- Pension reserve			(15,301,000)		(10,040,000)
Total restricted funds			<u>49,602,652</u>		<u>30,845,607</u>
Unrestricted income funds	19		<u>1,327,945</u>		<u>890,654</u>
Total funds			<u><u>50,930,597</u></u>		<u><u>31,736,261</u></u>

The accounts on pages 23 to 56 were approved by the trustees and authorised for issue on 12 December 2019 and signed on their behalf by:

Mr A J Middleton
Chair



Company Number 07523436

WINDSOR ACADEMY TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2019

	Notes	2019 £	£	2018 £	£
Cash flows from operating activities					
Net cash provided by operating activities	22		890,436		2,182,230
Cash flows from investing activities					
Dividends, interest and rents from investments		19,550		9,789	
Capital grants from DfE Group		1,740,457		1,096,069	
Purchase of tangible fixed assets		(924,477)		(1,393,171)	
Net cash provided by/(used in) investing activities			835,530		(287,313)
Cash flows from financing activities					
Finance costs		(20,066)		(5,576)	
Net cash used in financing activities			(20,066)		(5,576)
Net increase in cash and cash equivalents in the reporting period			1,705,900		1,889,341
Cash and cash equivalents at beginning of the year			5,000,675		3,111,334
Cash and cash equivalents at end of the year			6,706,575		5,000,675
Relating to:					
Bank and cash balances			3,366,292		2,291,731
Short term deposits			3,340,283		2,708,944

WINDSOR ACADEMY 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 accounts of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Windsor Academy 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 accounts and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern. Thus they continue to adopt the going concern basis of accounting in preparing the accounts.

1.3 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 Great Wyrley High School and Cheslyn Hay Sport and Community High 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 26.

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.

WINDSOR ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

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.

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.

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.

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 Tangible fixed assets and depreciation

Assets costing £5,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. 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. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the statement of financial activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

WINDSOR ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

(Continued)

Depreciation is provided on all tangible fixed assets other than freehold 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 and buildings	0.8% - 6.7%
Short Term Leasehold	Over the term of the lease
Leasehold land and buildings	Over the term of the lease
Computer equipment	20%
Fixtures, fittings & equipment	10%
Plant & Machinery	15%

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.

1.7 Liabilities

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

1.8 Leased assets

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

1.9 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.

1.10 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.

WINDSOR ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies (Continued)

1.11 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.

1.12 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 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.

1.13 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.

1.14 Agency Arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from the ESFA. Payments received from the ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid any balances held are disclosed in note 29.

WINDSOR ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

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.

Tangible fixed assets

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as current condition, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as the remaining life of the asset and projected disposal values.

Pension scheme deficit

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 27, 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.

3 Donations and capital grants

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Capital grants	-	1,740,457	1,740,457	1,096,069
Other donations	49,954	-	49,954	24,797
	<u>49,954</u>	<u>1,740,457</u>	<u>1,790,411</u>	<u>1,120,866</u>

WINDSOR ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

4 Funding for the academy trust's educational operations

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
DfE / ESFA grants				
General annual grant (GAG)	-	27,461,776	27,461,776	19,467,186
Other DfE group grants	-	3,329,712	3,329,712	2,553,872
	-	30,791,488	30,791,488	22,021,058
Other government grants				
Local authority grants	-	1,181,502	1,181,502	1,222,441
Special educational projects	-	86,314	86,314	47,647
	-	1,267,816	1,267,816	1,270,088
Other funding				
Other incoming resources	461,427	785,287	1,246,714	1,195,674
Total funding	461,427	32,844,591	33,306,018	24,486,820

5 Other trading activities

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Hire of facilities	217,621	-	217,621	36,344
School uniform sales income	52,511	-	52,511	61,860
Other income	333,233	-	333,233	297,535
	603,365	-	603,365	395,739

6 Investment income

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Short term deposits	19,550	-	19,550	9,789

WINDSOR ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

7 Expenditure

	Staff costs	Non Pay Expenditure		Total	Total
	£	Premises	Other	2019	2018
	£	£	£	£	£
Expenditure on raising funds					
- Direct costs	-	-	65,455	65,455	49,247
Academy's educational operations					
- Direct costs	22,459,775	-	1,930,096	24,389,871	15,905,718
- Allocated support costs	5,382,365	4,982,683	2,658,041	13,023,089	11,665,114
	<u>27,842,140</u>	<u>4,982,683</u>	<u>4,653,592</u>	<u>37,478,415</u>	<u>27,620,079</u>

Net income/(expenditure) for the year includes:	2019	2018
	£	£
Fees payable to auditor for:		
- Audit	24,000	16,500
- Other services	10,000	3,750
Operating lease rentals - rent	77,309	77,405
Operating lease rentals - other	153,314	150,147
Depreciation of tangible fixed assets	2,266,689	2,015,051
Loss on disposal of fixed assets	4,568	-
Bank and loan interest payable	20,066	5,576
Net interest on defined benefit pension liability	287,000	281,000

8 Central services

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

- Governance & Leadership
- School Improvement Services
- Inspection review and planning support
- Training
- Estate Management Services
- Human resources
- Financial services
- ICT Support services
- Legal services
- Educational support services

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

Flat 4.9% of SBS (School Budget Share) and ESG (Educational Services Grant) elements of GAG funding, and recharged salary costs of the School Improvement Team as and when necessary.

WINDSOR ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

8 Central services

(Continued)

The amounts charged during the year were as follows:

	2019	2018
	£	£
Windsor High School & Sixth Form	453,678	393,516
Goldsmiths Primary Academy	169,216	95,040
Rivers Primary Academy	102,674	60,636
Manor Way Primary Academy	52,312	42,240
Tenterfields Primary Academy	61,579	44,976
Kingswinford Academy	297,416	222,324
Colley Lane Primary Academy	138,905	113,700
Great Wyrley Academy	199,876	-
Cheslyn Hay Academy	231,692	-
	<u>1,707,348</u>	<u>972,432</u>

9 Charitable activities

	Unrestricted funds £	Restricted funds £	Total 2019 £	Total 2018 £
Direct costs				
Educational operations	697,005	23,692,866	24,389,871	15,905,718
Support costs				
Educational operations	-	13,023,089	13,023,089	11,665,114
	<u>697,005</u>	<u>36,715,955</u>	<u>37,412,960</u>	<u>27,570,832</u>

	2019 £	2018 £
Analysis of support costs		
Support staff costs	5,382,365	5,804,408
Depreciation	2,271,257	2,015,051
Technology costs	390,861	246,807
Premises costs	2,711,426	1,684,005
Other support costs	2,210,381	1,871,552
Governance costs	56,799	43,291
	<u>13,023,089</u>	<u>11,665,114</u>

WINDSOR ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

10 Staff

Staff costs

Staff costs during the year were:

	2019 £	2018 £
Wages and salaries	20,344,152	14,777,192
Social security costs	1,877,112	1,308,315
Pension costs	4,732,687	3,465,293
Amounts paid to employees	26,953,951	19,550,800
Agency staff costs	846,133	561,198
Staff restructuring costs	42,056	-
Amounts paid to staff	27,842,140	20,111,998
Staff development and other staff costs	160,081	106,309
Total staff expenditure	28,002,221	20,218,307

Staff restructuring costs comprise:

Redundancy payments	42,056	-
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Non statutory/non-contractual staff severance payments

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £10,000 (2018: £8,365). The payment made was for one individual.

Staff numbers

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

	2019 Number	2018 Number (re-stated)	2018 Number (original)
Teachers	348	247	279
Administration and support	437	357	503
Management	47	28	30
	832	632	812

The 2018 numbers previously included staff roles rather than individuals. The comparatives have been restated to reflect the employee numbers rather than roles.

WINDSOR ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

10 Staff

(Continued)

Higher paid staff

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

	2019 Number	2018 Number
£60,001 - £70,000	8	3
£70,001 - £80,000	3	4
£80,001 - £90,000	1	-
£90,001 - £100,000	1	2
£100,001 - £110,000	2	1
£120,001 - £130,000	1	1
£150,001 - £160,000	1	1

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) received by key management personnel for their services to the academy trust was £604,892 (2018 £559,769).

11 Trustees' remuneration and expenses

The headteacher and other staff directors only receive remuneration in respect of services they provide undertaking the roles of headteacher and staff, and not in respect of their services as directors/governors. Other governors did not receive any payments, other than expenses, from the academy trust in respect of their role as governors.

The value of remuneration was as follows:

K Sorrell (Chief Executive)

Remuneration £155,000 - £160,000 (2018: £155,000 - £160,000)

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

During the year ended 31 August 2019, travel and subsistence expenses totalling £17 (2018: £0) were reimbursed to 1 member (2018: 0 members)

Other related party transactions involving the directors 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 £2,000,000 on any one claim. The trustees and officers indemnity insurance is included in the same insurance policy as other insurance and it is not possible to quantify the Trustees and officers indemnity element from the overall cost of insurance.

WINDSOR ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

13 Tangible fixed assets	Freehold Land and buildings	Short Term Leasehold	Leasehold land and buildings	Computer equipment	Fixtures, fittings & equipment	Plant & Machinery	Total
	£	£	£	£	£	£	£
Cost							
At 1 September 2018	29,171,244	197,250	14,379,867	613,166	552,404	135,069	45,049,000
Transfer on conversion	12,365,000	-	12,445,000	85,000	70,000	-	24,965,000
Additions	193,778	-	394,544	252,090	84,065	-	924,477
Disposals	-	-	-	-	-	(7,028)	(7,028)
At 31 August 2019	41,730,022	197,250	27,219,411	950,256	706,469	128,041	70,931,449
Depreciation							
At 1 September 2018	2,862,601	110,979	2,207,779	347,337	274,970	110,668	5,914,334
On disposals	-	-	-	-	-	(2,460)	(2,460)
Charge for the year	745,324	19,725	1,272,420	152,547	67,965	8,704	2,266,685
At 31 August 2019	3,607,925	130,704	3,480,199	499,884	342,935	116,912	8,178,559
Net book value							
At 31 August 2019	38,122,097	66,546	23,739,212	450,372	363,534	11,129	62,752,890
At 31 August 2018	26,308,644	86,271	12,172,088	265,829	277,434	24,401	39,134,667

WINDSOR ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

13 Tangible fixed assets (Continued)

Included within land and buildings above is land of £8,093,931 (2018 £5,288,931) that is not depreciated).

14 Stocks

	2019	2018
	£	£

Stocks of uniform, catering and stationery	22,082	23,660
--	--------	--------

15 Debtors

	2019	2018
	£	£

Trade debtors	378,260	53,919
Other debtors	108,690	293,368
Prepayments and accrued income	1,077,934	826,787
	<u>1,564,884</u>	<u>1,174,074</u>

16 Creditors: amounts falling due within one year

	2019	2018
	£	£

Trade creditors	1,304,325	396,682
Other taxation and social security	493,441	333,555
Other creditors	694,038	350,153
Accruals and deferred income	1,415,933	1,557,828
	<u>3,907,737</u>	<u>2,638,218</u>

WINDSOR ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

17 Creditors: amounts falling due after more than one year	2019 £	2018 £
Other creditors	907,097	918,597

Other creditors include the following loans:

SALIX loans totalling £101,500 repayable over 4 to 7 years, of which £85,863 (2018: £96,690) is due after more than one year. SALIX loans are interest free.

CIF loans totalling £92,788 (2018: £100,100) repayable over 5 years at an interest rate of 1.75%, of which £79,153 (2018: £87,100) is due after more than one year.

Equal pay loans resulting from academy conversion to Dudley MBC of £714,236 (2018: £743,995), repayable over 25 years at interest rates of between 2.4% and 4%, of which £685,666 (2018: £714,236) is due after more than one year.

Budget deficit loan acquired on academy conversion to Dudley MBC of £17,999 (2018: £33,427) repayable over 3 years, of which £2,571 is due after more than one year. The loan is interest free.

Redundancy loans on academy conversion due to South Staffordshire Council total £106,077 (2018: £0) and are repayable over 3 years, of which £53,844 (2018: £0) is due after more than one year. The loan is interest free.

18 Deferred income	2019 £	2018 £
Deferred income is included within:		
Creditors due within one year	408,427	371,453
Deferred income at 1 September 2018	371,453	184,742
Released from previous years	(371,453)	(184,742)
Resources deferred in the year	408,427	371,453
Deferred income at 31 August 2019	408,427	371,453

WINDSOR ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

19 Funds

	Balance at 1 September 2018 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2019 £
Restricted general funds					
General Annual Grant (GAG)	419,295	27,461,776	(27,576,551)	-	304,520
Other DfE / ESFA grants	20,513	3,329,712	(3,303,411)	-	46,814
Other government grants	-	1,267,816	(1,267,816)	-	-
Other restricted funds	-	551,694	(551,694)	-	-
Pension reserve	(10,040,000)	(1,245,000)	(1,483,000)	(2,533,000)	(15,301,000)
	<u>(9,600,192)</u>	<u>31,365,998</u>	<u>(34,182,472)</u>	<u>(2,533,000)</u>	<u>(14,949,666)</u>
Restricted fixed asset funds					
Inherited on conversion	25,025,024	24,965,000	(1,736,004)	-	48,254,020
DfE group capital grants	4,249,630	1,740,457	(482,488)	-	5,507,599
Capital expenditure from GAG	954,866	-	(197,734)	-	757,132
Transferred from existing academies	10,216,279	-	(182,712)	-	10,033,567
	<u>40,445,799</u>	<u>26,705,457</u>	<u>(2,598,938)</u>	<u>-</u>	<u>64,552,318</u>
Total restricted funds	<u>30,845,607</u>	<u>58,071,455</u>	<u>(36,781,410)</u>	<u>(2,533,000)</u>	<u>49,602,652</u>
Unrestricted funds					
General funds	<u>890,654</u>	<u>1,134,296</u>	<u>(697,005)</u>	<u>-</u>	<u>1,327,945</u>
Total funds	<u>31,736,261</u>	<u>59,205,751</u>	<u>(37,478,415)</u>	<u>(2,533,000)</u>	<u>50,930,597</u>

WINDSOR ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

19 Funds

(Continued)

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

Restricted general funds

This fund includes the General Annual Grant funding and other restricted income and expenditure relating to the running of the school. Funds are to be used in line with the specific terms of the funding agreements in place. These funds include:

General Annual Grant (GAG) - Under the funding agreement the Secretary of State, the Academy Trust was not subject to a limit to the amount of GAG that it could carry forward as at 31 August 2019.

DFE/LA and other grants - This fund includes other restricted grants that are received from government institutions and includes grants for SEN, Pupil Premium and other local authority grants.

Other restricted funds - Includes restricted donations and contributions to the Academy Trust's school fund, which is used primarily for the provision of educational and extra curricular trips.

Pension reserve - This represents the liability on the LGPS defined benefit scheme.

Restricted Fixed Asset Fund

The restricted fixed asset fund represents the brought forward balance of the inherited fixed assets introduced from the LA upon conversion of the academies less accumulated depreciation up to 31 August 2019 together with restricted GAG funds expensed on fixed assets during the year.

DfE group capital grants - Represents capital grants that have been expended on capitalised assets during the year and will gradually reduce as depreciation on these assets is incurred.

The restricted fixed asset fund is currently different to the fixed assets capitalised due to capital funding that has not yet been spent.

Unrestricted funds

Unrestricted funds are available to be spent on any purpose within the Academy Trust's charitable objects without restriction.

WINDSOR ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

19 Funds (Continued)

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

	Balance at 1 September 2017 £	Income £	Expenditure £	Gains, losses and transfers £	Balance at 31 August 2018 £
Restricted general funds					
General Annual Grant (GAG)	207,609	19,467,186	(19,181,011)	(74,489)	419,295
Other DfE / ESFA grants	36,502	2,553,872	(2,569,861)	-	20,513
Other government grants	-	1,270,088	(1,270,088)	-	-
Other restricted funds	122,592	685,858	(808,450)	-	-
Pension reserve	(11,215,000)	-	(1,229,000)	2,404,000	(10,040,000)
	<u>(10,848,297)</u>	<u>23,977,004</u>	<u>(25,058,410)</u>	<u>2,329,511</u>	<u>(9,600,192)</u>
Restricted fixed asset funds					
Transfer on conversion	26,592,071	-	(1,567,047)	-	25,025,024
DfE group capital grants	3,336,623	1,096,069	(183,062)	-	4,249,630
Capital expenditure from GAG	962,537	-	(82,160)	74,489	954,866
Transferred from existing academies	10,399,061	-	(182,782)	-	10,216,279
	<u>41,290,292</u>	<u>1,096,069</u>	<u>(2,015,051)</u>	<u>74,489</u>	<u>40,445,799</u>
Total restricted funds	<u>30,441,995</u>	<u>25,073,073</u>	<u>(27,073,461)</u>	<u>2,404,000</u>	<u>30,845,607</u>
Unrestricted funds					
General funds	<u>497,131</u>	<u>940,141</u>	<u>(546,618)</u>	<u>-</u>	<u>890,654</u>
Total funds	<u>30,939,126</u>	<u>26,013,214</u>	<u>(27,620,079)</u>	<u>2,404,000</u>	<u>31,736,261</u>

WINDSOR ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

19 Funds	(Continued)	
Total funds analysis by academy	2019	2018 (Re-stated)
Fund balances at 31 August 2019 were allocated as follows:	£	£
Windsor High School & Sixth Form	761,593	802,270
Goldsmiths Primary Academy	338,027	232,892
Rivers Primary Academy	387,698	194,978
Manor Way Primary Academy	(79,256)	(63,633)
Tenterfields Primary Academy	24,355	56,590
Kingswinford Academy	87,388	(45,222)
Colley Lane Primary Academy	112,185	91,138
Great Wyrley Academy	253,714	-
Cheslyn Hay Academy	(339,536)	-
WAT Head Office	133,111	61,447
Total before fixed assets fund and pension reserve	<u>1,679,278</u>	<u>1,330,462</u>
Restricted fixed asset fund	64,552,318	40,445,799
Pension reserve	(15,301,000)	(10,040,000)
Total funds	<u><u>50,930,596</u></u>	<u><u>31,736,261</u></u>

Manor Way Primary Academy shows negative funds primarily because of the liability on the equal pay loan inherited by the academy trust on conversion. The terms of the loan inherited require repayments on a 4% reducing balance methodology with annual interest of 2.5%. The academy trust will consider repayments from years in future years to reduce this liability. A reduction to income of £31,819 in 2018/19 will be received in 2019/20 and therefore improve the funds position.

Cheslyn Hay Academy shows negative funds because the school inherited liabilities from South Staffordshire Local Authority as disclosed in note 28. The academy should restore to positive funds within the next 3 years as the deficit on conversion with the Local Authority will be repaid through abatement of GAG with the ESFA whilst the academy is projecting to make a positive surplus in each year.

WINDSOR ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

19 Funds

(Continued)

Total cost analysis by academy

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

	Teaching and educational support staff	Other support staff costs	Educational supplies	Other costs excluding depreciation	Total 2019	Total 2018
	£	£	£	£	£	£
Windsor High School & Sixth Form	5,403,192	1,674,919	861,877	1,429,222	9,369,210	9,590,902
Goldsmiths Primary Academy	1,452,157	364,936	253,214	416,669	2,486,976	2,525,450
Rivers Primary Academy	949,558	296,676	188,008	259,729	1,693,971	1,569,798
Manor Way Primary Academy	663,707	129,495	150,055	133,527	1,076,784	951,643
Tenterfields Primary Academy	764,547	160,608	176,002	191,033	1,292,190	1,198,272
Kingswinford Academy	3,085,106	715,145	502,346	675,601	4,978,198	4,907,083
Colley Lane Primary Academy	2,068,878	244,567	705,792	601,978	3,621,215	3,804,191
Great Wyrley Academy	2,198,256	713,428	500,005	503,620	3,915,309	-
Cheslyn Hay Academy	3,144,865	982,906	451,289	646,769	5,225,829	-
WAT Head Office	309,524	1,047,460	74,662	178,115	1,609,761	2,070,067
	<u>20,039,790</u>	<u>6,330,140</u>	<u>3,863,250</u>	<u>5,036,263</u>	<u>35,269,443</u>	<u>26,617,406</u>

20 Analysis of net assets between funds

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total Funds £
Fund balances at 31 August 2019 are represented by:				
Tangible fixed assets	-	-	62,752,890	62,752,890
Current assets	1,499,092	4,952,323	1,842,126	8,293,541
Creditors falling due within one year	(171,147)	(3,693,892)	(42,698)	(3,907,737)
Creditors falling due after one year	-	(907,097)	-	(907,097)
Defined benefit pension liability	-	(15,301,000)	-	(15,301,000)
Total net assets	<u>1,327,945</u>	<u>(14,949,666)</u>	<u>64,552,318</u>	<u>50,930,597</u>

WINDSOR ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

20 Analysis of net assets between funds (Continued)

	Unrestricted Funds £	Restricted funds: General Fixed asset £ £		Total Funds £
Fund balances at 31 August 2018 are represented by:				
Tangible fixed assets	-	-	39,134,667	39,134,667
Current assets	890,654	3,996,623	1,311,132	6,198,409
Creditors falling due within one year	-	(2,638,218)	-	(2,638,218)
Creditors falling due after one year	-	(918,597)	-	(918,597)
Defined benefit pension liability	-	(10,040,000)	-	(10,040,000)
Total net assets	890,654	(9,600,192)	40,445,799	31,736,261

21 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 West Midlands Pension Fund. 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 2012, and that of the LGPS related to the period ended 31 March 2016.

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

Teachers' Pension Scheme

Introduction

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

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

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 (as amended) 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 (as amended). The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

WINDSOR ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

21 Pension and similar obligations

(Continued)

- Employer contribution rates set at 23.68% of pensionable pay, including a 0.08% employer administration charge.
- Total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million.
- The assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return is 4.45%.

The Public Service Pensions Act 2013 provides for the establishment of an employer cost cap mechanism to ensure that the costs of the pension schemes remain sustainable in the future. On 31 January 2019 the Chief Secretary to the Treasury announced that there would be a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargent case and until there is certainty about the value of pensions to employees from April 2015 onwards.

The employer's pension costs paid to the TPS in the period amounted to £2,250,846 (2018: £1,513,759).

A copy of the valuation report and supporting documentation is on the Teachers' Pension website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

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

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 20% for employers and 5.5 to 12.5% for employees.

As described in note 28 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 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 academy trust has entered into an agreement to make contributions in addition to normal funding levels due to the pension scheme being in deficit. It is anticipated that the additional contributions will be paid over the next 20 years. The expected additional contributions have been agreed for the year to March 2020 and will be:

Tenterfields Primary School	£23,280
Windsor High School & Sixth Form	£50,300
Kingswinford Academy	£18,400
Manor Way Primary Academy	£13,900
Rivers Primary Academy	£19,800
Goldsmiths Primary Academy	£34,500
Colley Lane Primary Academy	£90,000

WINDSOR ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

21 Pension and similar obligations	(Continued)	
Total contributions made	2019	2018
	£	£
Employer's contributions	1,108,000	877,000
Employees' contributions	337,000	267,000
Total contributions	1,445,000	1,144,000
Principal actuarial assumptions	2019	2018
	%	%
West Midlands		
Rate of increase in salaries	3.65	3.8
Rate of increase for pensions in payment/inflation	2.15	2.3
Discount rate for scheme liabilities	1.90	2.65
Inflation assumption (CPI)	2.15	2.3
Staffordshire		
Rate of increase in salaries	2.7	N/A
Rate of increase for pensions in payment/inflation	2.3	N/A
Discount rate for scheme liabilities	1.9	N/A
Inflation assumption (CPI)	2.3	N/A

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

	2019	2018
	Years	Years
West Midlands		
Retiring today		
- Males	20.9	21.9
- Females	23.2	24.4
Retiring in 20 years		
- Males	22.6	24.1
- Females	25.1	26.7
Staffordshire		
Retiring today		
- Males	21.1	N/A
- Females	22.2	N/A
Retiring in 20 years		
- Males	23.5	N/A
- Females	24.8	N/A

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

WINDSOR ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

21 Pension and similar obligations (Continued)

The academy trust's share of the assets in the scheme	2019 Fair value £	2018 Fair value £
Equities	8,062,000	5,990,000
Debt	3,553,000	2,352,000
Cash	438,000	355,000
Property	1,067,000	768,000
Total market value of assets	13,120,000	9,465,000

The actual return on scheme assets was £804,000 (2018: £105,000).

Amount recognised in the Statement of Financial Activities	2019 £	2018 £
Current service cost	1,974,000	1,821,000
Past service cost	348,000	-
Interest income	(307,000)	(230,000)
Interest cost	594,000	511,000
Benefit changes, curtailments and settlements gains or losses	(18,000)	4,000
Total operating charge	2,591,000	2,106,000

Changes in the present value of defined benefit obligations	2019 £
At 1 September 2018	19,505,000
Transferred in on existing academies joining the academy trust	2,960,000
Current service cost	1,974,000
Interest cost	594,000
Employee contributions	337,000
Actuarial loss/(gain)	3,030,000
Benefits paid	(238,000)
Past service cost	348,000
Effect of non-routine settlements and administration expenses	(89,000)
At 31 August 2019	28,421,000

WINDSOR ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

21	Pension and similar obligations	(Continued)	
	Changes in the fair value of the academy trust's share of scheme assets		2019
			£
	At 1 September 2018		9,465,000
	Transferred in on existing academies joining the academy trust		1,715,000
	Interest income		307,000
	Actuarial (gain)/loss		497,000
	Employer contributions		1,108,000
	Employee contributions		337,000
	Benefits paid		(238,000)
	Effect of non-routine settlements		(71,000)
	At 31 August 2019		<u>13,120,000</u>
22	Reconciliation of net income/(expenditure) to net cash flow from operating activities		
		2019	2018
		£	£
	Net income/(expenditure) for the reporting period (as per the statement of financial activities)	21,727,336	(1,606,865)
	Adjusted for:		
	Net surplus on conversion to academy	(23,486,407)	-
	Capital grants from DfE and other capital income	(1,740,457)	(1,096,069)
	Investment income receivable	(19,550)	(9,789)
	Finance costs payable	20,066	5,576
	Defined benefit pension costs less contributions payable	1,196,000	948,000
	Defined benefit pension scheme finance cost	287,000	281,000
	Depreciation of tangible fixed assets	2,266,689	2,015,053
	Loss on disposal of fixed assets	4,568	-
	Decrease/(increase) in stocks	1,578	(3,688)
	(Increase)/decrease in debtors	(390,810)	669,860
	Increase in creditors	1,258,019	979,152
	Stocks, debtors and creditors transferred on conversion	(233,593)	-
	Net cash provided by operating activities	<u>890,439</u>	<u>2,182,230</u>

WINDSOR ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

23 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 £	2018 £
Amounts due within one year	196,324	171,291
Amounts due in two and five years	254,368	227,829
	<u>450,692</u>	<u>399,120</u>

24 Capital commitments

	2019 £	2018 £
Expenditure contracted for but not provided in the accounts	170,879	-
	<u>170,879</u>	<u>-</u>

25 Related party transactions

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and in accordance with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions. The following related party transactions took place in the financial period.

Salary paid to Mrs H White (connected person to Trustee) of £9,486 (2018: £9,144).

Sir Michael Griffiths is a 25% shareholder of SMG Education and a member of the Academy. During the year, SMG Education invoiced the Trust £3,155 (2018: £0) for the provision of performance management activities for the CEO and deputy CEO. At the year end, there was no balance outstanding to SMG Education.

In entering into these transactions, the academy trust has complied with the requirements of the Academies Financial Handbook 2018.

26 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.

27 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 the trust received £39,857 and disbursed £43,556 from the fund. There is no amount included in other creditors relating to undistributed funds that is repayable to the ESFA as the level of underspend is within the permitted levels and can be carried forward and utilised for expenditure in the 2019/20 academic year.

WINDSOR ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2019

28 Conversion to an academy

On 1st September 2018 the Great Wyrley High School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to Windsor Academy Trust from the South Staffordshire Local Authority for £nil consideration. On 1st December 2018, Cheslyn Hay Sport and Community High School also converted to academy trust status on the same basis.

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	
Great Wyrley Academy	South Staffordshire	1 September 2018	
Cheslyn Hay Academy	South Staffordshire	1 December 2018	

	Great Wyrley Academy	Cheslyn Hay Academy	2019 £
Net assets transferred:			
Freehold land and buildings	-	12,365,000	12,365,000
Leasehold land and buildings	12,445,000	-	12,445,000
Other tangible fixed assets	45,000	110,000	155,000
Pension scheme deficit	(425,000)	(820,000)	(1,245,000)
Debtors	-	130,298	130,298
Creditors	(15,569)	(90,508)	(106,077)
Deficit on conversion	-	(257,814)	(257,814)
	<u>12,049,431</u>	<u>11,436,976</u>	<u>23,486,407</u>

	Unrestricted Funds £	Restricted funds: General £	Fixed asset £	Total 2019 £
Funds surplus/(deficit) transferred:				
Fixed assets funds	-	-	24,965,000	24,965,000
LA budget funds	-	(233,593)	-	(233,593)
LGPS pension funds	-	(1,245,000)	-	(1,245,000)
	<u>-</u>	<u>(1,478,593)</u>	<u>24,965,000</u>	<u>23,486,407</u>