

WISE Academies
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

for the year ended 31 August 2020

Company Registration No. 07521946 (England and Wales)

WISE Academies

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WISE Academies

REFERENCE AND ADMINISTRATIVE DETAILS

Members

M E W Stephenson *^
J G Wood C.B.E. *
R Bradshaw
D R Sandbach

Trustees

M E W Stephenson (Chair) *^
J G Wood C.B.E. *
N Vokes #
R Symonds #
Z Carr O.B.E. (CEO and Accounting Officer)
P Smith #
C Collins ^
D Pearson *^
R Ward #

* members of the Finance and General Purpose
Committee

members of Audit Committee

^ members serving on one or more Regional
Hub Board Committee

Company Secretary

Gary Robinson

Senior Management Team:

Chief Executive Officer and Accounting Officer	Z Carr
Headteacher/ Regional Hub Director	N Fountain
Headteacher/ Regional Hub Director	P Martindale
Headteacher	N Fullard
Headteacher	L Saunders
Headteacher	E Potts
Executive Headteacher	C Hodgson
Headteacher	R Walton
Headteacher	S Drake
Executive Headteacher	D Ward
Headteacher	G Mellefont

Finance Director

K Gardner (until January 2020)
F Hardie (from April 2020)

Director of Operations

G Robinson

WISE Academies

REFERENCE AND ADMINISTRATIVE DETAILS

Principal and Registered Office	Borodin Avenue Sunderland SR5 4NX
Company Registration Number	07521946 (England and Wales)
Independent Auditor	RSM UK Audit LLP 1 St James Gate Newcastle upon Tyne NE1 4AD
Bankers	Lloyds Bank Plc 102 Grey Street Newcastle upon Tyne NE1 6AG
Solicitors	Ward Hadaway Sandgate House 102 Quayside Newcastle upon Tyne NE1 3DX
Internal Auditor	Azets Wynyard Park House Stockton-on-Tees Billingham TS22 5TB

WISE Academies

TRUSTEES' REPORT

The trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2020. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The trust for the period to 31st August 2020 operated with 12 first school/ primary school academies in the North East area of England:

- Town End Academy and Bexhill Academy which have been part of the Trust since March 2011;
- Welbeck Academy which joined the Trust in September 2012;
- Hasting Hill Academy which joined in December 2012;
- Adderlane Academy which joined in December 2016;
- Prudhoe West Academy which joined in July 2017; and
- Shaftoe Trust Academy which was sponsored in February 2018.
- North View Academy (a specialist SEN primary) which was transferred from a Single Academy Trust (SAT) in September 2018.
- Haltwhistle Primary Academy (formerly Haltwhistle First Academy and Haltwhistle Middle Academy which were transferred from a Multi-Academy Trust (MAT) in September 2018).
- Croft way Academy, Malvin's Close Academy and Morpeth Rd Academy which were transferred from a Multi-Academy Trust (MAT) in September 2018.

The academies within the Trust have a combined pupil capacity of 4,025 and a roll of 3,193 in the school census on October 2020. This includes 2,899 pupils in the age range 4-13 and 294 children aged 3 accessing nursery provision (full time and part time) with an additional 66 children accessing 2 year old provision (full time and part time).

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 WISE Academies are also the directors of the charitable company for the purposes of company law. The charitable company is known as WISE Academies.

Details of the Trustees who served throughout the year 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.

WISE Academies

TRUSTEES' REPORT (continued)

Trustees' indemnities

Trustees benefit from indemnity insurance under the Department of Education's risk protection arrangement (RPA) which by virtue of any rule of law would otherwise attach to them in respect of any negligence, default or breach of trust or breach of duty of which they may be guilty in relation to the Trust, provided that any such insurance shall not extend to any claim arising from any act or omission which the Trustees knew to be a breach of trust or breach of duty or not and provided also that any such insurance shall not extend to the costs of any unsuccessful defence to a criminal prosecution brought against the Trustees in their capacity as Trustees of the Trust. The indemnity is unlimited.

Method of recruitment and appointment or election of trustees

The Trust's Governing Body (the Trustees) was last re-constituted in January 2015. The effect of this re-constitution was to ensure that the Board is no larger than necessary to secure the range of skills necessary to promote effective governance of the Trust. The Board of Trustees comprises the CEO, up to nine Trustees appointed by Members and up to three Co-opted Trustees. The Articles of Association require there to be a minimum of three Trustees to be responsible for the statutory and constitutional affairs of the academy and its management.

At the time of producing last year's Trustees' Report it was indicated that there were changes planned to the governance structure at Member and Trustee level to ensure that the constitution was compatible with requirements to enable Church of England schools to join the Trust in the future. During the year, however, it was decided by the Board of Trustees not to proceed with this change at present and the minor changes that were outlined in the previous report were not implemented.

The constitution and membership of the Board of Trustees and at Company Member level remain stable and fit for purpose for effective governance of the Trust. There have been no changes to membership during this reporting period, thus providing continuity in governance arrangements.

Policies and procedures adopted for the induction and training of trustees

Training and induction provided for any new Trustees will depend on existing experience. Where necessary induction will provide training on charity and educational, legal and financial matters. All Trustees are provided with copies of policies, procedures, accounts, budgets, plans and other documents that they need to undertake their role.

The Trust's governance structure also includes a number of committees which includes Local Governing Bodies. Induction training is provided to new local governors to provide context to the role and understanding of how local governance functions within a multi-layered Trust governance structure.

Those responsible for governance of the academies have been asked to identify ongoing training and development needs. Training needs identified through this mechanism will be addressed through the formulation of a training schedule which will reinforce the strategic governance role and strengthen accountability.

Organisational structure

The company is set up as a multi academy model, and the Board of Trustees is scheduled to meet six times per year *(see note below) to discuss its strategic objectives with the Chief Executive Officer, who is the Accounting Officer of the Multi Academy Trust. To reflect the growth of the Trust and increased geographical spread of the MAT's operation, two Regional Hub Directors were introduced to the organisational structure from 1st September 2018 and these Regional Hub leaders participate in Trustees' meetings to strengthen accountability and communication.

WISE Academies

TRUSTEES' REPORT (continued)

In this multi academy model, the Chief Executive Officer leads and develops the strategic vision of all schools in the chain. Each individual academy has a Headteacher or Executive Headteacher/ Head of School who is responsible for the day to day management of the school supported by a senior management team comprising of teaching and non-teaching staff.

There is only one legal entity accountable for all schools within the chain, the Multi Academy Trust (MAT). The Multi-Academy Trust has one set of Articles which governs all the Academies. During the year an additional tier of governance known as Regional Boards became embedded as part of the governance structure having first being trialled to assess the effectiveness of the additional scrutiny that this could provide. Articles of Association have been updated to reflect this change to the overall structure. The Trust has always retained Local Governing Bodies, which are committees of the Board of Trustees and whose role is defined through the scheme of delegation. Local Governing Bodies are preserved alongside the Regional Boards to provide individual school focus and accountability.

* NOTE - due to the outbreak of coronavirus and the UK lockdown it did not prove possible to meet on six occasions as per the original schedule. The planned cycle of Trust Board meetings was heavily disrupted during this period but was mitigated by action taken by Trustees to ensure business continuity despite these exceptional circumstances. The actions taken were threefold: -

- It was possible for Trustees to participate in Trust governance business via video conferencing as provided for within Article 126 (this included meetings of the two main committees).
- The Board also used written resolutions in accordance with Article 123 to transact business.
- The Board of Trustees resolved to authorise the Chair of Trustees (or in her absence the Vice-chair) to exercise any governance function which may properly be deemed urgent and where a delay in taking a decision on the matter would be detrimental to the Trust, academies, staff or pupils. The Chair has only exercised powers of urgency on a small number of occasions and, in line with the resolution that was passed by the Board, provided a summary of these actions at the next available meeting.

The measures used by the Board of Trustees proved to be a helpful strategy where governance approval has been required throughout the pandemic. It enabled the Trust to be as agile as possible in responding to a fast-moving and constantly changing situation. If Trustees had not taken this decisive action at the commencement of the outbreak, it may have hampered management's ability to be responsive to the emerging situation.

Arrangements for setting pay and remuneration of key management personnel

The Trustees consider that they, together with the Chief Executive Officer, Finance Director, Company Secretary and Headteachers comprise the key management personnel of the Trust in charge of directing and controlling, running and operating the Trust on a day to day basis (see note 9e to the accounts). The Trustees give of their time freely and no Trustee, other than the CEO, received remuneration in the year. Only the CEO claimed travelling expenses during the period. WISE Academies did not engage in any related party transactions with key management personnel or their families during the reporting year.

The pay and remuneration of the senior management team is reviewed annually by the Finance and General Purposes Committee within a range of national leadership pay scales and any increments awarded are evaluated against individuals' performance management targets. A number of criteria are used in setting pay:

- nature of the role and responsibilities
 - the sector average salary for comparable positions
 - trends in pay
-

WISE Academies

TRUSTEES' REPORT (continued)

Trade union facility time

The Trust did not have any employees who were a relevant union official during the period.

In a change to previous practice it was agreed during the year to subscribe for 2019/20 to the pooled Trade Union Facility Time offered by the three Local Authorities where the Trust operates.

Related Parties and other Connected Charities and Organisations

The idea of partnership is important to WISE Academies. We use this approach in a way which is creative and which will allow our young people to achieve their full potential. Within the Trust our approach is the sharing of good practice for the mutual benefit of all.

A key component of the partnership working approach is provided through the Town End Teaching School Alliance which has a range of strategic partners including Local Authorities, other academies and maintained schools together with local universities.

A strategic partnership exists between WISE Academies and Newcastle City Council for the furtherance of appropriate provision for children with communication and language difficulties through the ARC provision, an additionally funded specialist provision, based at Welbeck Academy.

The land/buildings of Shaftoe Trust Academy are owned by a charitable organisation, Shaftoe Charities. WISE Academies has therefore worked with the Trustees of Shaftoe Charities in relation to the sponsorship of Shaftoe Trust Academy and has entered into an agreement with the charity for the lease of the site. Shaftoe Charities also make a number of donations at their discretion which benefit Shaftoe Trust Academy.

WISE Academies are conscious of the need for any person who is responsible for governance within the organisation, or, who are employees of the organisation, to declare any relevant business or pecuniary interests and this is particularly the case with related party relationships. The following declarations were made by Trustees and Company Members:

- J Wood C.B.E. – Director of Tolent Construction Ltd, Coolmore Land Limited, Tolent Solutions Ltd, Tolent Living Ltd, Coolmore Estates Ltd, Tolent PLC, Tolent Corporation Ltd, Tolent Homes Ltd, Ravensworth Properties Ltd, T. Holdings Ltd, Tolent PLC
- N Vokes – Chief Executive of Sunderland North Community Business Centre (SNCBC), Director of Community Opportunities
- R Symonds – Head of Finance Operations - Grainger Plc (Residential Landlord)
- M Stephenson – None (formerly Associate Dean, University of Sunderland)
- P Smith – Occasional work for Avenue Builders
- Z Carr O.B.E. – Spouse has own business as sole electrical trader (not used by the Trust)
- C Collins – Vice-chair at Hetton Nursery; Consultancy – Christine Collins Consultancy
- D Pearson - Managing Partner of Elliott Associates/Managing Director of Elliott Projects Ltd, Tyne & Wear RDA Ltd, Towneley House Management Company Ltd
- R Ward – Other establishments governed are St Hild's College (Durham) and Wynyard CE Primary School
- R Sandbach - Trustee of The Beacon School, Sunderland
- R Bradshaw - None

WISE Academies

TRUSTEES' REPORT (continued)

Four of the academies within the group (Welbeck, Hasting Hill, Adderlane and Shaftoe Trust Academies) are sponsored academies. Six of the academies in the Trust joined on 1st September 2018 as a result of being re-brokered from other Academy Trusts (Blyth Quays, North View and Bright Tribe). Like all academies in the group, these settings benefit from the sharing of expertise which helps our academies to move forward to deliver a quality education to our pupils. This principle is supported by the provision of central services where professionals are appropriately deployed to advance the rapid progress that is made in each setting.

Engagement with employees (including disabled persons)

The academy trust encourages the involvement of its employees in its management through regular meetings and for receiving their views on important matter of policy.

The academy trust will employ disabled persons when they are suitable for a particular vacancy and every effort is made to ensure that they are given full and fair consideration when such vacancies arise.

The academy trust is committed to ensuring equality of opportunities for all who learn and work in its academies.

Engagement with stakeholders

Business relationships with suppliers

Our procurement strategy prioritises value for money and to achieve this, we need to develop and maintain strong relationships with our suppliers. We value all of our suppliers, including local providers of goods and services together with larger, national organisations and we apply comparative pricing exercises for our requirements in excess of £2,000. Regular weekly payment runs ensure that suppliers are paid within our standard 30 days' terms.

ESFA

The Trustees ensure that the Trust remains compliant in respect of EFSA governance and reporting requirements. Annual updates of the Academies Financial Handbook and Governance Handbook are reviewed together with the Accounting Officer letters as and when issued with any required actions being followed up with the management team of the Trust.

Ofsted

The Trust is led by a visionary executive leadership team headed by a CEO who is a trained Ofsted inspector, with other key personnel in the early phases of accessing Ofsted training. As a result of the expertise available within the Trust, we are well placed to respond to the latest Ofsted requirements. This has proved particularly effective when changes in inspection criteria take place, as a Trust-wide approach is deployed to implement measures in readiness for the changes.

Whenever any academy is subject to an Ofsted inspection, Trust leaders work alongside academy leaders and meet with the inspection team. This extends to those responsible for governance with Trustees accompanying local governors at feedback following academy inspections.

WISE Academies

TRUSTEES' REPORT (continued)

Local communities

All WISE Academies' settings are at the heart of their communities and parental/carer engagement is achieved through a number of mechanisms. Key to this is the provision of a welcoming, caring and supportive learning environment which will nurture the development of each child in our care. In settings which support deprived communities, we employ dedicated Child and Family Liaison Teams to build strong relationships and support children and families through a variety of activities and programmes.

All academies regularly offer updates to parents and carers including events relating to the curriculum which helps parents understand how children are learning and helps them to gain confidence in supporting their own children's education. Academies operate friends' groups and regularly involve parents and carers in fund-raising events, fayres, trips and other school celebrations and activities.

There is a multi-tiered governance structure within WISE Academies and this includes each academy retaining its own Local Governing Body. There is representation of parents on every Local Governing Body which provides important parental perspective.

The Trust places great importance upon community engagement and wherever possible takes local views into account, including Local Authority elected representatives, Town Councils and other community organisations and we have a strong commitment to work in partnership with other schools and academies in the areas we operate through collaboration, sharing of expertise and provision of services, e.g., Governor Support and through the work of the Teaching School.

OBJECTIVES AND ACTIVITIES

Objects and aims

The principal activity and objective of the academies is the advancement of education in the United Kingdom by establishing and maintaining high performing first/primary/middle schools, offering a broad and balanced curriculum that meets the needs of its communities by providing a high quality and flexible learning environment.

In accordance with the Memorandum and Articles of Association, the company has adopted a scheme of governance approved by the Secretary of State for Education. Each academy will be governed by the Trust. The company shall have regard to (but for the avoidance of doubt shall not be bound by) any guidance as to the governance of academies that the Secretary of State may publish.

Objectives, strategies and activities

The main objectives of the academies during the year ended 31 August 2020 are summarised below:

- to provide an excellent standard of education for all pupils through a broad and balanced curriculum.
- to ensure that the Spiritual, Moral, Social, Cultural education underpins activity, so pupils develop as well rounded, responsible individuals
- to deliver robust financial management, which informs the strategic development of the Trust
- to ensure governance is highly effective and fit for purpose
- to develop a highly skilled workforce who support the growth of the Trust
- to determine Trust consistent operating systems for teaching & learning
- to improve the Trust estate to ensure it is of consistently high quality and fit for 21st century
- to grow through the establishment of regional hubs

WISE Academies

TRUSTEES' REPORT (continued)

- to support the wider school-to-school led system beyond the Trust
- to ensure the Trust has a regional and national reputation for excellence

Public benefit

The Trustees have paid due regard to guidance on public benefit issued by the Charity Commission in setting objects and aims and planning what activities the Company should undertake. All charitable activities are undertaken to further the advancement of education to all students in its care and partnership organisations in the wider community.

STRATEGIC REPORT

Achievements and Performance

Introduction

The Covid -19 pandemic has resulted in the need for normal reporting of Trust achievements and performance to be suspended, since all statutory assessments were cancelled due to the vast majority of pupils being absent from school from 23rd March 2020 until the end of the school year. Reporting will focus on how the Trust has performed up to the point of school closure and then on how the Trust performed to safeguard its pupils and staff during the pandemic, as well as respond to the requirement to provide a remote learning offer for pupils who were at home.

Ofsted Inspections

At the beginning of the 2019 academic year a new Ofsted framework was released which very much placed the school curriculum, and particularly reading, at the very centre of school inspections. In anticipation of this change, the Trust had worked hard to be ready for the new framework by undertaking a considerable amount of work on reviewing the curriculum offer and the teaching of reading.

Ofsted visited Adderlane Academy in October 2019. This school had joined the Trust in 2016 when it was judged to be 'Inadequate' by Ofsted. Adderlane was judged to be 'Good' in all areas in this inspection which showed the considerable improvement that had taken place in this academy since joining the Trust. The inspection report stated: 'Leaders are determined that pupils will succeed... Pupils' personal, social and emotional development is a strength of the school...The headteacher is well supported by multi-academy trust partners.'

A further Ofsted visit took place at Town End Academy in February 2020. The school was judged to be 'Good' in all areas apart from personal development where it was judged to be 'Outstanding'. Many areas that had been Trust priorities were acknowledged in the inspection report: 'Leaders ensure the curriculum is purposeful and ambitious. It is full of well-chosen opportunities for pupils. Subject leaders are knowledgeable...Reading is high on everyone's agenda... The headteacher leaves no stone unturned when it comes to pupils' personal development. Pupils enjoy incredible outdoor experiences. They develop resilience and curiosity about the world around them. Teachers meet pupils' emotional and mental health needs exceptionally well.'

COVID- 19 Pandemic

From the beginning of the Covid - 19 outbreak, the Trust played its part in providing an essential service to enable critical workers to remain at work and to protect vulnerable pupils. Trust academies remained open to vulnerable pupils and those of critical workers throughout the school closure period until the end of the academic year, including normal school holiday periods, to offer childcare to the full age range of pupils from 2 to 11 year olds.

WISE Academies

TRUSTEES' REPORT (continued)

Pupils

Ensuring the safety of vulnerable pupils during the Covid pandemic was our highest priority. The Trust worked with Social Care to encourage all vulnerable pupils to access childcare in school, however, not all vulnerable families took up this offer of support. The Trust developed expectations in relation to the protection of vulnerable pupils and put in place a detailed tracking system so that each contact with a vulnerable family and child was recorded. Vulnerable pupils were contacted regularly by academy staff. Supervision linked to these pupils took place once a fortnight with Hub Leaders. Safeguarding policies were updated to reflect the unprecedented situation. Academy Designated Safeguarding Leads (DSLs) worked closely with social workers and other agencies to ensure that vulnerable pupils were appropriately safeguarded if they were not being seen in school. Child protection and core group meetings were attended virtually by academy safeguarding leads.

Our academies worked with their respective Local Authorities to conduct risk assessments around pupils who had an Education, Health and Care Plan (EHCP), to determine whether the child would be able to have their needs met at home, and be safer there than attending the educational setting.

When schools closed to most pupils, work for pupils of all ages was posted on all academy websites for the weeks which school was closed. Printed work packs were provided for those parents who request them, who did not have a digital device at home. Laptops and tablets were accessed from the Department of Education for disadvantaged children who had a social worker. Teachers contacted all pupils on a fortnightly basis to check in on learning tasks and welfare.

All pupils who were eligible for a free school meal, who were either in school or at home, were provided for.

Staff

The safety of staff was also a key priority for the Trust during the pandemic. The Trust Health and Safety Manager ensured that staff were kept up to date with information provided by Public Health England, the Department for Education and the Health and Safety Executive. All Government guidance was promptly read and actioned. Detailed site specific risk assessments were put in place to ensure that work environments were fully compliant with all advice.

All staff were regularly issued with guidance on how to keep themselves as safe as possible during the pandemic. In line with Government guidance staff were encouraged to work from home wherever possible. Staff in schools who were delivering childcare were working on a rota system. Numbers of staff in school each day were kept to a minimum, however the need for safeguarding leads, first aiders, fire wardens were key considerations when planning staffing rotas.

The Trust HR Central Team and academy leaders were in regular contact with staff who were on long term sick/self-isolating to check on their well-being.

Risk Assessment

During the pandemic a specific Covid -19 risk register was developed, maintained and scrutinised by the Trust Audit Committee. Business Continuity was a further key priority. IT infra-structures stood up well to the challenges of home-working. A seamless transition was made to working from home which did not result in any disruption to the normal operation of the Trust. Internal audit continued as normal. IT business continuity and HR procedures were scrutinised and found to be robust.

Remote Learning Offer

Within the year of reporting, the Trust has significantly developed its remote learning offer to ensure that in the event of any further lockdown or partial lockdown of its academies, it can provide access to remote learning for all pupils, regardless of their personal circumstances. To support this, the Trust has purchased additional hardware and internet access and has devised a facility of offering loan equipment to pupils wherever it is needed in the Trust.

WISE Academies

TRUSTEES' REPORT (continued)

The Trust has gathered information from every family about the devices that exist within the home so that those pupils who need to loan a device can be identified. Where further lockdowns take place the Trust has the capability to act swiftly to provide pupils with the resources they require to access remote learning from home. The Trust has been using Google suite for some time. Staff have been trained to use Google Classroom to deliver home learning and deliver feedback to pupils.

The Trust is extremely happy to report that all staff and pupils remained safe and well within the reporting period.

Going Concern

The Board of Trustees have considered current performance and reserves, future developments, pupil numbers and impact of Covid 19 on the Trust as documented within the Strategic Report. After making appropriate enquiries, the Board of Trustees has a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, it continues to adopt the going concern in preparing the financial statements. Further details regarding the adoption of the going concern basis can be found in the Statement of Accounting Policies.

Promoting the success of the company

Annually, the Trust undertakes an in depth review of the Trust Improvement Plan which details objectives and actions required towards the provision of an excellent standard of education, the safeguarding, well-being and behaviours of pupils, the development of teaching and learning operating systems, school to school support, governance and financial management, development of the workforce, estate management and the development and maintenance of regional and national reputation. The Trust Improvement Plan sets standards which determine requirements and behaviours in respect of the activities of it Trustees and workforce.

Financial Review

Most of the Trust's income is obtained from the Department for Education (DfE) via the Education and Skills Funding Agency (ESFA), in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE/ESFA during the period 1 September 2019 to 31 August 2020 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities. Total income for the year ended 31 August 2020 was £21,298k (2019: £38,591k which included the transfer in of existing academies of £16,493k in 2018/19 and full year of activities of these academies).

The Trust also receives grants for fixed assets from the DfE/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. During the year, £87k was received in respect of Devolved Capital Formula Grants, the Trust also received SCA grants of £1,315k. A further £23k has been received from Northumberland County Council in relation to the School Nurseries Capital Fund (SNCF) grant in relation to the new additional nursery provision for 2 year old children in Morpeth Road Academy.

All of the expenditure shown in the Statement of Financial Activities is in furtherance of the Trust's objectives. The Trust invested £731k (GAG surpluses totalling £148k; £58k from restricted funds; £23k from LA SNCF and £502k from Devolved Capital and SCA Funds) to further improve the assets of the Trust. The main projects completed during the year included a new kitchen at Shaftoe (£69k) together with the replacement of gates to improve safeguarding, (£18k); fencing and external improvements at Bexhill (£65k); external improvements to the Hasting Hill building to make the site weatherproof, (£60k) together

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TRUSTEES' REPORT (continued)

with the refurbishment of the Key Stage 1 classroom and learning areas (£23k); new roofing section at Welbeck (£33k); replacement of the defective hall floor at Croftway (£22k); various window replacement works across the sites (£11k); several upgrades to handwashing facilities across all schools in response to Covid risk assessments (£21k); fixture and fittings improvements across the estate (£68k) and IT upgrades across the Trust amounting to £154k.

WISE Academies continues to work in partnership with Northumberland County Council to deliver the remodelling and refurbishment of the Haltwhistle Middle Academy site to provide fit-for-purpose facilities for primary school age children in Haltwhistle and the surrounding area. Building works were stalled due to the Covid pandemic lockdown in the first half of 2020 and the completion date of September 2020 has been rescheduled to Spring 2021. The joint investment in the site will be £2.65 million with WISE Academies contributing £153k to the project. Children are currently being housed in the First School site which will be relinquished to the local authority on completion of the project.

At 31 August 2020 the net book value of tangible fixed assets was £31,250k and movements in tangible fixed assets are shown in note 14 to the Financial Statements. In regards to the Haltwhistle academies both school buildings had transferred to WISE Academies in 2018 as part of the transfer agreement under leasehold. The buildings were valued in 2019 by external valuers for reflection within the financial statements and include £1,720k for the Middle School, on the basis that this building will continue to be used by the Trust, following the refurbishment of the existing facilities. A valuation of £109k for the Lower School, reflecting the short-term year use of the building by WISE Academies. They were made on the basis of Depreciated Replacement Cost (DRC), a standard approach for this type of property not traded on the open market and is in line with UK GAAP FRS 102. The assets were used exclusively for providing education and the associated support services to the students of the Trust.

Key Performance Indicators

	2020	2019
Total staff costs / GAG income	127.0%	111.5%
Total staff costs / Total Revenue income	87.4%	78.0%
Working Capital / Total Reserves	30.5%	18.9%
Liquidity Ratio	5.0	3.5

Financial Risk Management Objectives

The Trust continues to develop its Risk Management Strategy and has a Risk Register which includes the potential financial risks. As part of developing the register, key risks to which the Trust may be exposed were identified and reviewed, together with the operating, financial and compliance controls that have been implemented to mitigate those risks.

At the year end, the Trust had no significant liabilities arising from trade creditors or debtors where there would be a significant effect on liquidity.

The Trust recognises that the defined benefit scheme deficit (Local Government Pension Scheme), which is set out in note 29 to the financial statements, represents a significant potential liability at £17,157k. However, the Trust considers that, as each individual Academy and hence Trust is able to meet its known annual contribution commitments for the foreseeable future, the risk from this liability is minimised. Also, 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.

Reserves policy

The Reserves Policy has been prepared with reference to the following documents: Charities and Reserves (CC19) from the Charities Commission; Academies' Financial Handbook and ESFA Accounts Direction

WISE Academies

TRUSTEES' REPORT (continued)

and considers the key factors around the management of public funds; consideration of our principal risks and uncertainties; ensuring resources are available to drive school improvement whilst safeguarding value for money and supporting a growth strategy.

Budgets are set for each academy with a view to being balanced each year whilst supporting the aims and goals of each individual setting at sustainable levels. Academies can request funding from prior years' reserves to support specific capital works or school improvement projects; any depletion of reserves below recommend levels are required to be built back within a 5 year target plan.

Prior year reserves at each academy should be maintained around levels equivalent to two month's revenue expenditure to support the key considerations as outlined above. Within the Trust, five academies have not achieved this level of reserves largely due to having low, zero or deficit reserves on transfer: Adderlane Academy (reserves £83k); Prudhoe West Academy (reserves £168k); Shaftoe Trust Academy (reserves £39k) and Croftway Academy (reserves £202k) fall short of two month's revenue by £27k, £54k, £76k and £122k respectively. All have more than 1.25 months' revenue in reserve and budgets will continue to be set in future years with the view of retaining a level of in-year surplus to reduce the shortfall and bring total reserves in line with policy. Haltwhistle Primary Academy (formerly Haltwhistle First Academy and Haltwhistle Middle Academy), is in an overall deficit position of £33k, a position which has worsened due to the Trust continuing to incur site costs for both academy sites whilst the building works of the middle school were extended due to the pandemic lockdown earlier in 2020. The Trust is considering required action to bring this position back to a surplus balance including petitioning DfE for exceptional funding and reviewing future budget positions to achieve balanced budgets which will include a level of in-year surplus to reduce the deficit position.

At a Trust level, two months' revenue expenditure is approximately £3,396k which is covered by unrestricted and restricted general reserves (excluding the pension reserve) of £4,095k.

The Trust's total reserves at the Balance Sheet date of 31 August 2020 were £20,323k (2019: £27,073k), this includes restricted general funds (excluding pension) of £1,429k (2019: £1,435k), restricted fixed asset funds of £33,385k (2019: £33,198k), with the level of free reserves at the year end 31 August 2019 being £2,666k (2019: £2,435k).

Other aims are discussed in the Plans for Future Periods section further in this report.

Investment policy

It is the policy of the Trust to invest surplus funds through money market accounts. Interest rates are reviewed prior to each investment. This policy maximises investment return whilst minimising risks to the principal sum.

Principal Risks and Uncertainties

The Trust is subject to a number of risks and uncertainties in common with other academies and has in place, procedures to identify, record and mitigate all risks including financial risks.

The Trust developed a specific Covid-19 risk register during the period of the national lockdown in response to the pandemic which was kept under review by both management and the Audit Committee. This ran alongside the full risk register which has also been reviewed by Trustees during the year. The risk register identifies and aligns risks with our Business Plan, ensuring key risks are clearly identified and our Audit Committee has completed detailed assessments of those risks.

WISE Academies

TRUSTEES' REPORT (continued)

A key strategic risk remains that of the challenge to maintain performance in line with increasing expectations within areas of considerable deprivation and heightened risk factors due to low entrance levels of our children. The impact of the national lockdown has increased this risk due to the learning time missed during spring/summer of 2020 and which continues to be disrupted due to staff and pupils having to self-isolate in line with national guidance. The Trust has employed a number of dedicated staff to support the 'catch up' of children using the specific funding allocated by the government and plans have been developed in each academy to demonstrate the use of these funds. Additional funding has also been allocated from reserves to target Y6 groups in three of our most disadvantaged schools to focus on specific catch up strategies for these children. The Trust has developed a remote/blended learning strategy tailored to the needs of each school and its pupils to ensure any future home learning requirements can be attained. IT hardware and data cards have been purchased to loan to pupils without access to the internet at home in addition to the DfE Chromebook allocations based on numbers of disadvantaged children having to self-isolate when a bubble needs to lockdown.

The increased costs suffered by our academies particularly during the pandemic heighten the risk of the financial viability of the Trust; monthly budget statement reports are produced at both academy level and Trust level and this year, have been developed to include the additional monitoring of the Covid Catch up Fund, but also the levels of exceptional costs which are incurred largely due to having to backfill absent staff who are having to self-isolate. Without any government relief, these additional costs will be funded from reserves.

The risk to staff contracting and possibly spreading coronavirus has been a key risk reviewed during the year and continues to be monitored on an ongoing basis which in itself, increases the risk of the loss of key personnel. Clear site specific risk assessments have been developed in each setting together with individual risk assessments for staff as required with updates to government/ Public Health England regulations and advice deployed from our central support team to schools. Step by step guidance has been issued to our schools in the event of actions required should a confirmed case of Covid-19 be reported. Staff are required to hold virtual meetings as much as possible to minimise contact within school premises and hand washing facilities have been reviewed and additional facilities have been added in many of our schools. The Trust has strengthened business continuity with a specific IT plan, ensuring fundamental information is accessible to key personnel and having standby third party support in place should our in-house personnel be absent simultaneously.

A key risk that has been monitored throughout the period and continues to be reviewed is the risk of the Haltwhistle Primary Academy rebuild project bearing additional time slippages due to the impact of the national lockdown and any further potential local restrictions. The project was due originally to be substantially complete by Autumn 2020 and is currently on track for Spring 2021. The Trust has incurred additional site charges not anticipated due to the project delays and the community may be disheartened with the prolonged temporary learning environment across the site. There is regular dialogue between the Trust, its partner, Northumberland County Council and the project managers to ensure the community, staff and parents are kept abreast of progress.

Fundraising

The Academies within Wise periodically carry out fundraising activities in order to raise funds for school resources or projects. The Trust ensures that all academies are compliant with their legal duties ensuring that they are:

- acting in the best interests of the charity
- managing the charity's resources responsibly, which includes protecting and safeguarding its reputation

WISE Academies

TRUSTEES' REPORT (continued)

- acting with reasonable care and skill
- protecting vulnerable people

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

Streamlined Energy and Carbon Reporting

UK Greenhouse gas emissions and energy use data for the period 1 September 2019 to 31 August 2020	
Energy consumption used to calculate emissions (kWh)	4,666,432
Energy consumption break down (kWh) <ul style="list-style-type: none">• gas• electricity• transport fuel	
Scope 1 emissions in metric tonnes CO ₂ e <ul style="list-style-type: none">• Gas consumption• Owned transport – mini-buses TOTAL Scope 1	648.76 <u>0.15</u> 648.91
Scope 2 emissions in metric tonnes CO ₂ e <ul style="list-style-type: none">• Purchased electricity	252.72
Scope 3 emissions in metric tonnes CO ₂ e <ul style="list-style-type: none">• Business travel in employee owned vehicles	12.91
Total gross emissions in metric tonnes CO ₂ e	914.53
Intensity ratio Tonnes CO ₂ e per pupil	0.31

Quantification and Reporting Methodology

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2020 UK Government's Conversion Factors for Company Reporting.

Intensity measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO₂e per pupil, the recommended ratio for the sector.

Measures taken to improve energy efficiency

Using School Condition Allocation funding, the Trust continue to review their estate with a view to making improvements to premises to ensure that they are safe, compliant and energy efficient. During the year, we have replaced a kitchen in Shaftoe Academy, and have installed new windows across many of the sites.

The Trust has also increased the use of virtual meeting platforms to reduce the need for travel between sites.

WISE Academies

TRUSTEES' REPORT (continued)

Plans for Future Periods

At the current time, the Covid-19 pandemic is having a huge impact on the running of the Trust. In the immediate future, the Trust will continue to prioritise the health and safety of the staff and pupils. Stakeholder voice will become even more important to understand how to support the workforce even more effectively during this unprecedented time. A staff questionnaire will be conducted and thoroughly analysed so that any areas of improvement can be identified and actioned. To support this aim, a regular staff council will be initiated made up of a wide cross-section of the workforce who will work together to find constructive ways forward.

Pupils have missed a significant amount of time in school during the last academic year resulting in substantial amounts of the curriculum not being covered. The aim going forward is to ensure effective catch up, initially prioritising reading, writing and mathematics, but also ensuring that core components of wider curriculum areas are taught so that subject knowledge remains secure. A further priority is preparing for further lockdown periods where pupils will not be able to access school. The Trust will continue to refine its Remote Learning Strategy and ensure sufficient intelligence and resources exist to deliver the strategy effectively to ensure equality and opportunity for all.

The Trust will continue to invest in its estate by utilising the Trust's School Capital Allocation effectively according to its priority framework. As well as utilising this funding, application will be made to SALIX finance to access grant funding to improve energy efficiency, reduce carbon emissions and lower energy bills. The Trust will review and develop its strategic estate planning further to ensure that it fully meets its strategic aim of having buildings fit for the 21st century education.

WISE Academies aims to continue to play a significant role in the school led system by maximising the activities of its Associate Research School by offering research based professional development to its own academies as well as those in the local area. The Trust is committed to the roll out of the Early Career Framework and is a partner in UCL Early Career Teacher Consortium. Teaching School staff have been responsible for the co-creation of some of the programme materials and will be responsible for the delivery of training for new entrants to the teaching profession from across the local area. The Trust is also working with two other Trusts to be a partner in their Teaching School Hub applications. If successful, this will provide a further vehicle for providing support and training to others.

The Trust has a number of Ofsted inspections due and overdue in the coming academic year and is aiming for all of its academies, who joined as underperforming schools, to be judged to be at least 'Good'. Following on from these inspections, at a time when education is not being significantly affected by Covid-19, WISE Academies will begin to look for growth opportunities again, ideally establishing a fourth hub towards the south of the North East region. To support this ambition, the Trust will develop its marketing strategy, seeking to have a wider presence on social media and ensuring that its websites and marketing materials are of high quality.

AUDITORS

Statement as to disclosure of information to auditors

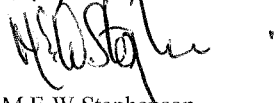
The Trustees have confirmed that, as far as they are aware, there is no relevant audit information of which the charitable company's auditors are unaware. Each of the Trustees have confirmed that they have taken all the steps that they ought to have taken as Trustees in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

WISE Academies

TRUSTEES' REPORT (continued)

The Trustees' Annual Report is approved by order of the board of trustees and the Strategic Report (included therein) is approved by the board of trustees in their capacity as the Trustees at a meeting on

17/12/2020 and signed on its behalf by:



M E W Stephenson

Chair of Trustees

WISE Academies

GOVERNANCE STATEMENT

Scope of responsibility

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

As Trustees, we have reviewed and taken account of the guidance in DfE's Governance Handbook and competency framework for governance.

The board of trustees has delegated the day-to-day responsibility to the chief executive officer, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the Funding Agreement between WISE Academies and the Secretary of State for Education. They are also responsible for reporting to the board of trustees any material weaknesses or breakdowns in internal control.

Governance

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

Trustee	Meetings Attended	Out of a possible
M.E.W. Stephenson (Chair of Trustees)	5	5
J.G. Wood C.B.E.	4	5
Z.E. Carr O.B.E. (Accounting Officer)	5	5
R Symonds	4	5
N. Vokes	1	5
P Smith	4	5
C Collins	5	5
D Pearson	3	5
R Ward	3	5

* NOTE - due to the outbreak of coronavirus and the UK lockdown it did not prove possible to meet on six occasions as per the original schedule. The planned cycle of Trust Board meetings was heavily disrupted during this period but was mitigated by action taken by Trustees to ensure business continuity despite these exceptional circumstances. The actions taken were threefold: -

- It was possible for Trustees to participate in Trust governance business via video conferencing as provided for within Article 126 (this included meetings of the two main committees).
- The Board also used written resolutions in accordance with Article 123 to transact business.
- The Board of Trustees resolved to authorise the Chair of Trustees (or in her absence the Vice-chair) to exercise any governance function which may properly be deemed urgent and where a delay in taking a decision on the matter would be detrimental to the Trust, academies, staff or pupils. The Chair has only exercised powers of urgency on a small number of occasions and, in line with the resolution that was passed by the Board, provided a summary of these actions at the next available meeting.

There were no changes to the composition of the Board of Trustees during the year.

WISE Academies

GOVERNANCE STATEMENT (continued)

A range of key performance data (financial and academic performance related) is monitored and analysed by the Board of Trustees through the provision of data supplied for meetings throughout the year, with data being challenged as necessary.

The Trustees have a clear focus on a culture of continuous improvement and have introduced key roles within the Trust to deliver this vision including Directors of Teaching Learning and Regional Hub Directors. These professionals provide support to academies and are deployed to areas where there is greatest need within the Trust. Directors of Learning and Regional Hub Directors have developed and implemented strategies to support academies. These roles allow greater opportunity for sharing and dissemination of practice across academies, moderation and benchmarking. These roles became further embedded within the Trust's operation during the year.

Other central functions that support academies within the Trust include specialist HR, Finance, Governance, Health & Safety, Estates Management, ICT and Safeguarding.

During the year Trustees formalised revisions to the governance structure with an additional tier known as Regional Hub Boards. The role of these Regional Boards had been piloted and became fully implemented during the year. The Regional Hub Boards continue to exist alongside Local Governing Bodies for each academy in the Trust, which retain specific oversight of the individual academy. In the short period that they have been established, the Regional Hub Boards have proved to be helpful vehicles to provide additional scrutiny of the performance of academies through a range of reports and data. Now fully established as part of the governance structure, the role and responsibilities of these Regional Boards will continue to evolve and will be regularly reviewed by Trustees.

Although comprising some Trustees and local governors, the composition of the Regional Hub Boards was not exclusively drawn from the existing governance structure and Trustees also appointed others who were not currently responsible for governance within the organisation who were able to provide additional strength to the Regional Boards. Regional Hub Boards are relatively small groups to enable discussions to be sufficiently focussed.

WISE Academies therefore has a well established multi-tier governance structure (Members, Board of Trustees, Regional Hub Boards and Local Governing Bodies) in order to provide the scrutiny necessary for the size and geographical spread of the Trust and which streamlines accountability which more accurately reflects the executive structure of the MAT.

The governance functions across the structure are set out in a Scheme of Delegation which is available on the Trust website and which is reviewed at least annually.

Trustees continue to formulate their annual cycle of meetings with a view to ensuring effective communication and to minimise duplication between the tiers of governance. Through the committee structure Trustees provide overview, scrutiny and challenge of education, financial performance and risk management.

It is notable that the cycle of meetings this year was disrupted due to the coronavirus outbreak from March 2020 onwards. However, the Board of Trustees acted swiftly and decisively to mitigate the effects of this upon the governance functions, and to ensure business continuity in spite of the challenging circumstances.

Those responsible for governance prioritise their activities around raising the standard of educational attainment and achievement of all pupils and have given specific attention to ensuring that academies provide a broad and balanced curriculum to ensure that all pupils are able to reach their potential, particularly as the trust serves some communities which have significant levels of disadvantage.

WISE Academies

GOVERNANCE STATEMENT (continued)

Trustees are effective in discharging their responsibilities around ensuring the effective use of public funds and provide value for money for all funds expended through highly effective financial scrutiny. Governance structures are designed to ensure that the Trust's business is conducted in accordance with the highest standards of integrity and probity.

Trustees provide strategic direction and regularly evaluate the effectiveness of the Trust through review of performance objectives and contribution to the development of strategy. There has been a robust approach to risk management throughout the year together with a renewed focus on ensuring compliance in all areas including around management of the Trust's estate. The improvement to the Trust estate has been a high profile area of consideration during the course of the year with careful attention being given to the planned use of the School Condition Allocation which WISE Academies is eligible to receive.

The committee structure is used to improve decisions in key areas and for maintaining robust compliance around financial and Trust management. The Board keep under review the effectiveness of committees and how they interact with the main Board of Trustees.

At every level of governance close attention is paid to ensuring that there is the right balance of skills, experience, independence and knowledge in order to maximise performance. Trustees are well informed of latest educational developments and their responsibilities around regularity and compliance. The processes that help underpin the board's effectiveness include the provision of the necessary information to the board around Trust performance.

The **Finance and General Purposes Committee** is a committee of the main board of trustees. Its purpose includes the initial review and authorisation of the annual budget; approving financial statements for filing in accordance with Companies Act and Charity Commission requirements; ensuring compliance with the Funding Agreement and all relevant financial regulations are observed; to oversee capital investment programmes; the regular monitoring of actual expenditure and income against budget; authorising the purchases of goods and services of value in excess of limits specified within the Trust's financial procedures which is not provided for within the budgets of the individual academies or which exceeds the thresholds determined for spending decisions being taken by the CEO; authorising the disposal of assets with a value of greater than the sums specified in the Trust's financial procedures; set and monitor remuneration levels for members of staff within the Head Office function and other senior staff in accordance with schemes of delegation.

Attendance at meetings of the Finance & General Purposes Committee in the year was as follows:

Trustee	Meetings Attended	Out of a possible
J.G. Wood C.B.E.	5	5
M.E.W. Stephenson	5	5
D. Pearson	5	5
Z.E. Carr O.B.E. (in attendance)	5	5

The **Audit Committee** is a committee of the main board of trustees. Its primary purpose is to advise the Academy Trust on the adequacy and effectiveness of the Trust's systems of internal control and its arrangements for risk management, control and governance processes, and securing economy, efficiency and effectiveness (value for money).

WISE Academies

GOVERNANCE STATEMENT (continued)

Attendance at meetings of the Audit Committee in the year was as follows:

Trustee	Meetings Attended	Out of a possible
R Symonds	4	4
N Vokes	3	4
P Smith	3	4
R Ward	4	4
Z.E. Carr O.B.E. (in attendance)	4	4

Governance reviews

Trustees were delighted to note the outcome of the inspection of Adderlane Academy that had taken place in October 2019 and which judged it to be a good school. This was an important inspection as it was the first that Adderlane had received since becoming part of WISE Academies. It was also the first academy in the Trust that had been inspected under the new framework.

The success at Adderlane was closely followed by further success at Town End Academy which was inspected by Ofsted in January 2020 using the latest framework. The overall judgement was that it was a good school but it had been judged to be outstanding in the area of personal development.

Trustees responded to changes in the Ofsted framework where there was a very different approach to the curriculum. There had been a great deal of work within the Trust around curriculum development in readiness for this change. In the light of this the Scheme of Delegation had been updated to provide additional clarity reflecting the change in Ofsted focus and in order to set out responsibilities of Trustees and local governance in discharging statutory governance responsibilities.

As previously noted, Regional Hub Boards had become fully established as part of the enlarged governance structure for the Trust. The Regional Hub Boards became the principal mechanism for holding Regional Hub leaders to account, whilst Local Governing Bodies retained the role of scrutiny and accountability in respect of the individual academies.

Trustees continued to review the membership and constitution of Local Governing Bodies, and strengthened to ensure that governance was fit for purpose in securing school improvement where necessary.

The Trust Improvement Plan set out the strategic aims of the organisation over the academic year and this had been updated to reflect the current priorities. A priority area for improvement was to improve outcomes and progress measures in reading and there were a range of activities linked to this area of improvement. There were also actions linked to the new Ofsted framework, ensuring quality of data, curriculum development and quality assurance measures. The Trust Improvement Plan maintained a focus on behaviour and attendance, strong financial management, effectiveness of governance, development of the Trust estate together with actions targeted at workforce development and consistent Trust operating systems for teaching and learning.

A streamlined Trust Risk Register was introduced which contained only the high risks to the Trust. Some of the items that had previously appeared on the register would be transferred to local risk registers that were being developed for each academy setting and which would be presented to Local Governing Bodies when completed.

In spite of rising financial challenges across the education sector, WISE Academies' record of strong financial management continued. There was a smooth transition between Finance Directors during the year.

WISE Academies

GOVERNANCE STATEMENT (continued)

Throughout the academic year Trustees discussed a range of estates improvement projects planned, prioritising condition issues. Many of these came to fruition during the year with some other schemes moving forward to 2020-21. The major refurbishment and remodelling project at Haltwhistle Academy was the most significant scheme during the year and was the result of collaboration and joint investment with Northumberland County Council to deliver a high quality primary academy setting to serve the Haltwhistle community. Another major scheme, also in conjunction with Northumberland County Council, was the establishment of new early years accommodation at Morpeth Road Academy and was the result of securing significant investment to deliver the project through the national School Nursery Capital Fund. Delivery of both of these high profile schemes, and some other estates improvement projects, were disrupted by the coronavirus outbreak but kept under close review by Trustees.

During the previous year Trustees had undertaken statutory consultation around changing the constitution of the Trust to enable Church of England schools to join the Trust alongside academies without religious character (known as a Mixed MAT). The consultation was positive and the Diocesan authority had been wholly supportive throughout the period when this proposal had been developed and consulted upon. Ultimately, however, the Board of Trustees agreed to recommend to Company Members that the change of status to become a Mixed MAT should not proceed at this time. This would not impede the continuing positive working relationship that WISE Academies enjoyed had with Diocesan authorities.

After a period of significant growth reported in the previous year it was agreed that, in considering the Trust's current strengths and plans to develop that the trust's main priorities for the coming year were to consolidate its existing hubs over this academic year and concentrate on improving outcomes. Plans for possible future growth would be re-visited in the strategic planning for 2020-21 and beyond.

Internal assurance activities during the year had focussed on three areas as part of the audit work programme. The first area had been testing compliance with Trust procedures at academy level. The other areas identified by the committee to form this year's internal audit work programme were IT (including backups, business continuity etc.) and HR employment procedures including implementation of the new HR system. The latter two areas were affected by the coronavirus outbreak which meant that they had taken place later than originally intended and, although work was undertaken around both of these internal assurance activities, it was possible that the areas of IT and HR employment administration could be rolled forward into the next year's audit work programme to carry out more in-depth work.

During the latter part of the academic year the main focus had been upon managing the coronavirus outbreak. Trustees had overseen the Trust response to this pandemic which had seen the closure of academies to most pupils. Throughout this period there had been communications with the Board of Trustees regarding arrangements that had been put in place to facilitate business continuity and to make provision for vulnerable pupils and children of key workers. In making this provision the key consideration had been ensuring everyone's safety on sites whilst maintaining safeguarding support to children and families.

Home learning materials had been made available to those pupil groups which were not attending school during the pandemic. Amongst the areas considered by Trustees in managing provision during this unprecedented period were

- Employment (how the Trust had supported staff during the pandemic, engaged with trade unions, provided PPE etc.);
- Safeguarding (including review of policies and practices to maximise safety during this time);
- School meals provision (how the Trust's position had been adapted to cater for the small number of children attending academies, and preparations for the wider re-opening of settings);
- Governance (how video conferencing technology had been used to assist those responsible for governance in maintaining oversight, and how decision making had been handled during the disruption);

WISE Academies

GOVERNANCE STATEMENT (continued)

- Finance (how innovative ways of working had been used within the established procedures to ensure that financial operations continued and compliance maintained, and how oversight of contracts for supplies and services had kept under review);
- Estates (how statutory compliance had been maintained despite the lockdown and how the team was forward planning for resumption of capital projects)

In particular Trustees had paid very close attention to the work that had been undertaken around risk assessment and the production of guidance to academies concerning the protection of pupils and staff, ensuring that policies and procedures were robust and being consistently applied.

From June 2020 onwards there was a phased re-opening of academies to some year groups and in readiness for wider re-opening in September 2020. Again, Trustees had closely monitored the re-opening arrangements with emphasis upon safety measures implemented in all academies.

It was felt that, as a result of the partnership working that had taken place across the Trust, WISE Academies had been able to respond quickly to a rapidly changing situation. Trustees were proud that WISE Academies had played an important part in the country's efforts during the national crisis by supporting children and local communities served by the twelve academies.

Review of Value for Money

As accounting officer, the chief executive 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:

- Central Procurement Exercise

Where appropriate, the Trust seeks to procure goods and services that are common to most, if not all academies, on a central basis to achieve bulk discount rates. An example of this during the year was the procurement of assessment papers for our academies which attracted a group discount of 23%, an overall saving of £9k.

- General Trust Procurement exercises over £2k

The financial regulations of WISE Academies require a minimum of three written quotations for procurement events that exceed £2,000. Cumulatively, across the Trust, the net effect of this process has resulted in goods and services being procured representing savings of 32.3% when comparing the awarded Purchase Orders to the value of the highest quotes obtained.

- Renegotiated Staff Absence Insurance package

WISE Academies continue to procure Staff Absence insurance on a Trust-wide basis. The annual renewal cost of this policy was competitively tested again this year due to the estimated cumulative

WISE Academies

GOVERNANCE STATEMENT (continued)

value exceeding £200k and the exercise resulted in the lowest quote being accepted which represented a saving of £17k from the previous year's premium.

The Trust recognises the need to continually develop and improve its processes around securing the most competitive prices to maximise the quality of outputs and benefit from economies of scale and continue to run our VFM forum with school and trust representatives reviewing and identifying specific areas where greater economies of scale and maximising our collective buying power.

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 WISE Academies for the year ended 31 August 2020 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The board of trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year ending 31 August 2020 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 periodic financial reports which are reviewed and agreed by the board of trustees;
- regular reviews by the finance and general purposes committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines;
- delegation of authority and segregation of duties;
- identification and management of risks.

The board of trustees has considered the need for a specific internal audit function and has decided to appoint Azet's as internal auditor.

The internal auditor reports to the Board, through the audit committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities. The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. The audit committee agreed an annual internal audit programme that considered areas of risk to be reviewed during 2019/20, in particular, the audits completed in the current period included:

WISE Academies

GOVERNANCE STATEMENT (continued)

- a review of business continuity which included ensuring adequate insurance cover is in place and confirmation that an appropriate contingency plan is in place and that individuals are aware of and responsible for the initiation of the plan
- a review of the management and security of data including IT disaster recovery plans
- a review of the newly implemented HR system
- a review of previous report findings and progress with recommendations

There were no key findings and all recommendations were classified as low.

Review of effectiveness

As accounting officer, the chief executive 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

The accounting officer has been advised of the implications of the result of their review of the system of internal control by the audit committee and a plan to address areas for further improvement of the system is in place.

Approved by order of the members of the Board of Trustees on 17/12/20 and signed on its behalf by:



M E W Stephenson
Chair of Trustees



Z Carr
Accounting Officer

WISE Academies

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of WISE Academies I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding 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 2019.

I confirm that I and the academy trust 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 2019.

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.



Z Carr
Accounting Officer

Date: 18/12/20

WISE Academies

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

Company law requires the trustees to prepare financial statements for each financial year. Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charitable Company and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the trustees are required to:

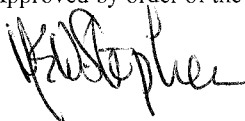
- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2019 to 2020
- make judgments and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business.

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

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

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

Approved by order of the members of the board of trustees on 17/12/20 and signed on its behalf by:



M E W Stephenson
Chair of Trustees

WISE Academies

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WISE ACADEMIES YEAR ENDING ON 31 AUGUST 2020

Opinion

We have audited the financial statements of WISE Academies (the “charitable company”) for the year ended 31 August 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards, including FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland” (United Kingdom Generally Accepted Accounting Practice), and the Academies: Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company’s affairs as at 31 August 2020 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 Academies Accounts Direction 2019 to 2020 issued by the Education and Skills Funding Agency.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor’s responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC’s Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report other than the financial statements and our auditor’s report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

WISE Academies

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WISE ACADEMIES YEAR ENDING ON 31 AUGUST 2020

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report, which includes the Directors' Report and the Strategic Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report and the Strategic Report included within the Trustees Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' responsibilities set out on page 26, the trustees (who act as trustees for the charitable activities of the charitable company are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

WISE Academies

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WISE ACADEMIES YEAR ENDING
ON 31 AUGUST 2020

Auditor's responsibilities for the audit of the financial statements

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

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

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.

CLAIRE LEECE (Senior Statutory Auditor)
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor
Chartered Accountants
1 St James' Gate
Newcastle upon Tyne
NE1 4AD

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WISE Academies

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO WISE ACADEMIES AND THE EDUCATION AND SKILLS FUNDING AGENCY

Conclusion

We have carried out an engagement in accordance with the terms of our engagement letter dated 20 June 2017 and further to the requirements of the Education and Skills Funding Agency ('ESFA') as included in the Academies Accounts Direction 2019 to 2020, to obtain limited assurance about whether the expenditure disbursed and income received by WISE Academies during the period 1 September 2019 to 31 August 2020 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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 2019 to 31 August 2020 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Basis for conclusion

The framework that has been applied is set out in the Academies Accounts Direction 2019 to 2020 Annex B: Regularity Reporting. We are independent of WISE Academies in accordance with the ethical requirements that are applicable to this engagement and we have fulfilled our ethical requirements in accordance with these requirements. We believe the assurance evidence we have obtained is sufficient to provide a basis for our conclusion.

Responsibilities of WISE Academies' accounting officer and trustees

The accounting officer is responsible, under the requirements of WISE Academies' funding agreement with the Secretary of State for Education dated 1 March 2011 and the Academies Financial Handbook extant from 1 September 2019, 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. The accounting officer is also responsible for preparing the Statement of Regularity, Propriety and Compliance. The trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the proper conduct and financial operation of WISE Academies and appointment of the accounting officer.

Reporting Accountant's responsibilities for reporting on regularity

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 2019 to 2020.

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 the procedures performed vary in nature and timing from, and are less in extent than for a reasonable assurance engagement; consequently, a limited assurance engagement 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.

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 2019 to 31 August 2020 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

WISE Academies

INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO WISE ACADEMIES AND THE EDUCATION AND SKILLS FUNDING AGENCY

Our work included identification and assessment of the design and operational effectiveness of the controls, policies and procedures that have been implemented to ensure compliance with the framework of authorities including the specific requirements of the funding agreement with the Secretary of State for Education, the Academies Financial Handbook 2019 published by the Education and Skills Funding Agency and high level financial control areas where we identified a material risk of irregularity is likely to arise. It also included areas assessed as presenting a higher risk of impropriety. We undertook detailed testing, on a sample basis, based on the identified areas where a material irregularity is likely to arise, or potential impropriety where such areas are in respect of controls, policies and procedures that apply to classes of transactions. Our work was undertaken with due regard to the 'Evidence to support conclusion on regularity' guidance in Academies Accounts Direction 2019 to 2020.

This work was integrated with our audit on the financial statements and evidence was also derived from the conduct of that audit to the extent it supports the regularity conclusion.

Use of our report

This report is made solely to WISE Academies and the ESFA in accordance with the terms of our engagement letter dated 20 June 2017. Our work has been undertaken so that we might state to the WISE Academies and the ESFA those matters we are required to state in a report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than WISE Academies and the ESFA, for our work, for this report, or for the conclusion we have formed.

RSM UK AUDIT LLP

Chartered Accountants
1 St James' Gate
Newcastle upon Tyne
NE1 4AD

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WISE Academies

STATEMENT OF FINANCIAL ACTIVITIES (including Income and Expenditure Account) for the year ended 31 August 2020

	Note	Unrestricted funds £000	Restricted general funds £000	Restricted fixed asset funds £000	Total 2020 £000	Total 2019 £000
Income from:						
Donations and capital grants	2	-	36	1,424	1,460	1,466
Transfer from an existing academy trust	-	-	-	-	-	16,493
Charitable Activities:						
Funding for the Academy Trust's educational operations	3	562	19,069	-	19,631	20,415
Teaching schools	3	83	52	-	135	168
Other trading activities	4	49	-	-	49	47
Investment income	5	23	-	-	23	2
Total		<u>717</u>	<u>19,157</u>	<u>1,424</u>	<u>21,298</u>	<u>38,591</u>
Expenditure on:						
Raising funds		34	-	-	34	34
Charitable activities:						
Academy Trust's educational operations		394	20,261	1,385	22,040	20,833
Teaching schools		58	79	-	137	162
Total	6	<u>486</u>	<u>20,340</u>	<u>1,385</u>	<u>22,211</u>	<u>21,029</u>
NET INCOME RESOURCES BEFORE TRANSFERS		231	(1,183)	39	(913)	17,562
Gross transfers between funds	19	-	(148)	148	-	-
NET INCOME/(EXPENDITURE) FOR THE YEAR		231	(1,331)	187	(913)	17,562
OTHER RECOGNISED GAINS AND LOSSES						
Remeasurement of net defined benefit obligation	29	-	(5,837)	-	(5,837)	(3,207)
NET MOVEMENT IN FUNDS		231	(7,168)	187	(6,750)	14,355
RECONCILIATION OF FUNDS						
Total funds brought forward		2,435	(8,560)	33,198	27,073	12,717
TOTAL FUNDS CARRIED FORWARD		<u>2,666</u>	<u>(15,728)</u>	<u>33,385</u>	<u>20,323</u>	<u>27,073</u>

The notes on pages 36 to 71 form part of these financial statements.

WISE Academies

BALANCE SHEET

31 August 2020

Company Registration No. 07521946

	Notes	2020 £000	2019 £000
Fixed Assets			
Intangible Assets	13	30	39
Tangible Assets	14	31,250	31,898
Investments	15	-	-
		<u>31,280</u>	<u>31,937</u>
Current Assets			
Debtors	16	1,160	1,356
Cash at bank and in hand		<u>6,601</u>	<u>5,785</u>
		<u>7,761</u>	<u>7,141</u>
Current Liabilities			
Creditors: amounts falling due within one year	17	(1,561)	(2,010)
		<u>6,200</u>	<u>5,131</u>
Net Current Assets		<u>6,200</u>	<u>5,131</u>
Net Assets (excluding pension scheme liability)		<u>37,480</u>	<u>37,068</u>
Defined Benefit Pension Scheme Liability	29	<u>(17,157)</u>	<u>(9,995)</u>
Total Net Assets		<u><u>20,323</u></u>	<u><u>27,073</u></u>
Funds of the Academy Trust:			
Restricted Funds	19		
Fixed Asset fund		33,385	33,198
General fund		1,429	1,435
Pension reserve		<u>(17,157)</u>	<u>(9,995)</u>
Total Restricted Funds		<u>17,657</u>	<u>24,638</u>
Unrestricted Income Funds	19		
General Fund		<u>2,666</u>	<u>2,435</u>
Total Funds		<u><u>20,323</u></u>	<u><u>27,073</u></u>

The financial statements on pages 36 to 71 were approved by the board of trustees and authorised for issue on 17th December 2020 and are signed on their behalf by:



M E W Stephenson
Chairperson

The notes on pages 36 to 71 form part of these financial statements.

WISE Academies

STATEMENT OF CASH FLOWS For the year ended 31 August 2020

	Notes	2020 £000	2019 £000
Cash flows from operating activities			
Net cash provided by operating activities	23	64	2,606
Cash flows from investing activities	25	752	(439)
Cash flows from financing activities	24	<u>-</u>	<u>-</u>
Change in cash and cash equivalents in the reporting period		<u>816</u>	<u>2,167</u>
Cash and cash equivalents at 1 September 2019		<u>5,785</u>	<u>3,618</u>
Cash and cash equivalents at 31 August 2020	26	<u>6,601</u>	<u>5,785</u>

The notes on pages 36 to 71 form part of these financial statements.

WISE Academies

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 August 2020

1 ACCOUNTING POLICIES

General Information

WISE Academies is a charitable company. The address of its principal place of business is given on page 2 and the nature of its operations are set out in the trustees' report.

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

Basis of Preparation

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2019 to 2020 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

WISE Academies meets the definition of a public benefit entity under FRS 102 and has therefore applied the relevant public benefit requirements of FRS102.

The financial statements are presented in sterling which is also the functional currency of the Academy Trust. Monetary amounts in these financial statements are rounded to the nearest whole £1,000, except where otherwise indicated.

Consolidated financial statements have not been prepared as the subsidiary undertaking is not considered material to the results of the trust.

Going Concern

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The trustees have considered current performance, reserves levels, future developments, pupil numbers and the impact of Covid 19 on the Trust as documented within the Strategic Report. The trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the academy trust's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

Incoming Resources

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.

WISE Academies

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 August 2020

1 ACCOUNTING POLICIES (continued)

Grants Receivable

Grant income is 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.

The general annual grant ('the GAG') from the DfE, which is intended to meet recurrent costs, is credited directly to the Statement of Financial Activities, to the extent of the entitlement of the funds, any abatement in respect of the period is deducted from income and is recognised as a liability.

Capital grants are recognised when there is entitlement and when performance related conditions have been met and are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

Other grants from government agencies and other bodies are recognised in the period in which they are receivable to the extent the conditions of funding have been met. Where income is received in advance of entitlement of receipt its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received the income is accrued.

Donations

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

Other Income

Other income is recognised in the period it is receivable and to the extent the academy trust has provided the goods or service.

Interest Receivable

Interest receivable is included in the Statement of Financial Activities on a receivable basis, and is stated inclusive of related tax credits.

WISE Academies

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 August 2020

1 ACCOUNTING POLICIES (continued)

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on Raising Funds

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

Charitable Activities

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

All resources expended are inclusive of irrecoverable VAT.

Intangible fixed assets

Intangible assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Intangible assets are initially recognised at cost and are subsequently measured at cost net of amortisation and any provision for impairment. Amortisation is provided on intangible fixed assets at rates calculated to write off the cost of each asset on a straight-line basis over its expected useful life as follows:

- Purchased computer software 20% per annum

Tangible fixed assets

Tangible fixed assets costing £1,000 or more are capitalised at cost and are carried at cost net of depreciation and any provision for impairment.

WISE Academies

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 August 2020

1 ACCOUNTING POLICIES (continued)

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 the related grants require the asset to be held for a specific purpose and continued use they 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.

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 lives, as follows:

- Long leasehold buildings 2% per annum
- Refurbishments to buildings 10% per annum
- Fixtures, fittings and equipment 20% per annum
- Plant and Machinery 20% per annum
- ICT Equipment 33% per annum

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use.

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

Liabilities

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

Leased assets

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

WISE Academies

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 August 2020

1 ACCOUNTING POLICIES (continued)

Investments

The academy trust's shareholding in the wholly owned subsidiary, Town End Teaching School Ltd, a dormant company, is included in the balance sheet at the cost of the share capital owned less any impairment. There is no readily available market value and the cost of valuation exceeds the benefit derived. Consolidated financial statements have not been prepared as the subsidiary undertaking is not considered material to the results of the trust.

Financial Instruments

The Academy Trust has chosen to adopt Sections 11 and 12 of FRS 102 in full in respect of financial instruments.

Financial assets and liabilities

Financial assets and financial liabilities are recognised when the Academy Trust becomes a party to the contractual provisions of the instrument.

Financial liabilities are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

All financial assets and liabilities are initially measured at transaction price (including transaction costs), unless the arrangement constitutes a financing transaction. A financial asset or financial liability that is payable or receivable in one year is measured at the undiscounted amount expected to be received or paid net of impairment, unless it is a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and financial liabilities are offset only when there is a current legally enforceable right to set off the recognised amounts and the intention to either settle on a net basis, or to realise the asset and settle the liability simultaneously.

Taxation

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 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 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.

WISE Academies

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 August 2020

1 ACCOUNTING POLICIES (continued)

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') which are multi employer defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective benefit method. As stated in Note 29, the TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers, consequently there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The LGPS is a funded scheme and the assets are held separately from those of the Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses.

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

Fund accounting

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

Restricted general funds are resources subject to specific restrictions imposed by funders or donors, and include grants from the Education and Skills Funding Agency/Department for Education.

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

WISE Academies

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 August 2020

1 ACCOUNTING POLICIES (continued)

Critical accounting estimates and areas of judgement

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

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 29, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any difference between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

WISE Academies

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 August 2020

2. DONATIONS AND CAPITAL GRANTS

	Unrestricted funds	Restricted funds	Total	Total
	£000	£000	£000	£000
DfE / ESFA capital grant	-	1,424	1,424	1,449
Other donations	-	36	36	17
	<hr/>	<hr/>	<hr/>	<hr/>
	-	1,460	1,460	1,466
	<hr/>	<hr/>	<hr/>	<hr/>
2019 total split by fund:	<hr/>	<hr/>	<hr/>	
		1,466	1,466	
	<hr/>	<hr/>	<hr/>	

WISE Academies

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 August 2020

3. FUNDING FOR CHARITABLE ACTIVITIES

	Unrestricted funds	Restricted funds	Total	Total
	£000	£000	2020 £000	2019 £000
DfE/ESFA REVENUE GRANTS				
General annual grant (GAG)	-	13,612	13,612	14,436
Other DfE/ESFA grants	-	3,166 3,166	3,166	2,998
	-	16,778	16,778	17,434
OTHER GOVERNMENT GRANTS				
Local authority grants	-	2,285	2,285	2,080
EXCEPTIONAL GOVERNMENT FUNDING				
Coronavirus exceptional support	-	6	6	-
OTHER FUNDING				
Catering income	124	-	124	240
Other miscellaneous income	438	-	438	662
	562	-	562	902
TOTAL FUNDING	562	19,069	19,631	20,416
TEACHING SCHOOLS				
DfE Grants	83	52	135	168
TOTAL FUNDING	645	19,121	19,766	20,584
2019 total split by fund:	957	19,627	20,584	

The academy trust has been eligible to claim additional funding in year from government support schemes in response to the coronavirus outbreak. The funding received is shown above under 'exceptional government funding':

- The funding received for coronavirus exceptional support covers £5k of Free School Meals vouchers incurred before the government Edenred scheme was released and £1k exceptional cleaning/PPE costs not budgeted for. Claims were only made for schools reporting in-year deficit balances. These costs are included in notes 6 and 7 below.

WISE Academies

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 August 2020

4. OTHER TRADING ACTIVITIES

	Unrestricted funds	Restricted funds	Total	Total
	£000	£000	2020 £000	2019 £000
Other income	<u>49</u>	<u>-</u>	<u>49</u>	<u>47</u>
	<u>49</u>	<u>-</u>	<u>49</u>	<u>47</u>
2019 total split by fund:	<u>47</u>	<u>-</u>	<u>47</u>	

5. INVESTMENT INCOME

	Unrestricted funds	Restricted funds	Total	Total
	£000	£000	2020 £000	2019 £000
Bank Interest	<u>23</u>	<u>-</u>	<u>23</u>	<u>2</u>
	<u>23</u>	<u>-</u>	<u>23</u>	<u>2</u>
2019 total split by fund:	<u>2</u>	<u>-</u>	<u>2</u>	

WISE Academies

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 August 2020

6. EXPENDITURE

	Staff Costs	Non Pay Premises Costs	Expenditure Other	Total	Total
	£000	£000	£000	2020 £000	2019 £000
Expenditure on raising funds:					
Direct Costs	34	-	-	34	34
Allocated Support Costs	-	-	-	-	-
Academy Trust's educational operations:					
Direct costs	13,442	-	926	14,368	13,928
Allocated support costs	3,909	970	2,793	7,672	6,905
Teaching School costs	99	-	38	137	162
	<u>17,484</u>	<u>970</u>	<u>3,757</u>	<u>22,211</u>	<u>21,029</u>
2019 total split by category:	<u>16,095</u>	<u>1,066</u>	<u>3,868</u>	<u>21,029</u>	

Expenditure on raising funds was £34k of which £34k (2019: £34k) was unrestricted and £nil (2019: £nil) was restricted general funds.

Net income/(expenditure) for the period includes:	2020 £000	2019 £000
Operating lease rentals	42	51
Depreciation	1,372	1,162
Amortisation of intangible fixed assets (included within Charitable Activities - Academy trust educational operations)	13	11
Fees payable to RSM UK Audit LLP and its associates for :		
- Audit fees	28	26
Net interest on defined benefit pension liability (note 29)	182	160

WISE Academies

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 August 2020

7. CHARITABLE ACTIVITIES

	2020 £000	2019 £000
Direct costs – educational operations	14,368	13,928
Support costs – educational operations	7,672	6,905
Teaching School costs	<u>137</u>	<u>162</u>
	<u>22,177</u>	<u>20,995</u>
Analysis of support costs – educational operations		
Support staff costs (including FRS102 section 28 pension charge of £1,143k (2019: £291k))	3,909	3,192
Depreciation	1,372	1,162
Amortisation	13	11
Technology costs	292	300
Premises costs	970	1,066
Legal costs – conversion	-	18
Legal costs - other	5	3
Other support costs (including FRS102 section 28 pension charge of £182k (2019: £160k))	1,052	1,086
Governance costs	<u>59</u>	<u>67</u>
	<u>7,672</u>	<u>6,905</u>

8. GOVERNANCE COSTS

	2020 £000	2019 £000
Legal and professional fees	22	30
Auditor's remuneration		
Audit of financial statements	28	26
Other audit costs	<u>9</u>	<u>11</u>
	<u>59</u>	<u>67</u>

WISE Academies

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 August 2020

9. STAFF NUMBERS AND COSTS

	2020 £000	2019 £000
a) STAFF COSTS		
Staff costs during the period were:		
Wages and salaries	12,038	11,613
Social security costs	1,069	1,041
Pension costs	3,686	2,361
Apprenticeship Levy	45	44
	<u>16,838</u>	15,059
Supply staff costs	646	762
Staff restructuring costs	-	274
	<u>17,484</u>	<u>16,095</u>
Staff restructuring costs comprise:		
Redundancy payments	-	212
Severance payments	-	62
	<u>-</u>	<u>274</u>

b) NON STATUTORY/ NON CONTRACTUAL STAFF SEVERANCE PAYMENTS

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £nil (2019: £18k). Individually, the payments were £nil (2019: £1k and £17k).

c) STAFF NUMBERS

The average number of persons (including senior management team) employed by the Academy Trust during the year was as follows:

	2020 Average Headcount	2019 Average Headcount	2020 Average FTE	2019 Average FTE
Teachers	155	164	144	153
Administration and support	414	409	217	219
Management	45	46	42	42
Total	<u>614</u>	<u>619</u>	<u>403</u>	<u>414</u>

WISE Academies

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 August 2020

d) HIGHER PAID STAFF

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

	2020	2019
	Number	Number
£60,001 - £70,000	4	6
£70,001 - £80,000	2	5
£80,001 - £90,000	3	-
£110,001 - £120,000	1	1
	<u>10</u>	<u>12</u>

e) 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 national insurance and pension contributions) received by key management personnel for their services to the Academy Trust was £1,218,246 (2019: £1,401,993).

10. CENTRAL SERVICES

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

- Human resources
- Financial services
- Health and Safety services
- Estates Management
- Educational support services
- Governance services
-

The trust charges for these services on the basis of a flat percentage of 6% on GAG and Early Years funding streams.

WISE Academies

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 August 2020

The actual amounts charged during the year were as follows:

	2020	2019
	£000	£000
Adderlane Academy	31	29
Bexhill Academy	97	100
Croftway Academy	96	102
Hasting Hill Academy	66	72
Haltwhistle Primary Academy	62	89
Malvin's Close Academy	109	109
Morpeth Road Academy	107	107
North View Academy	30	30
Prudhoe West Academy	65	62
Shaftoe Trust Academy	31	35
Town End Academy	59	62
Welbeck Academy	117	120
	<u>870</u>	<u>917</u>

In 2018/19, the amounts charged individually to Haltwhistle First Academy and Haltwhistle Middle Academy were £47k and £42k respectively.

11. TRUSTEES' REMUNERATION AND EXPENSES

One trustee has been paid remuneration from employment with the Academy Trust. The CEO only receives remuneration in respect of services provided undertaking the role of CEO under her contract of employment. Other trustees did not receive any payments from the Academy Trust in respect of their role as trustees.

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

Z Carr (Chief Executive Officer)

Remuneration £114,060 (2019: £109,383)

Employers' pension contributions £27,009 (2019: £18,026)

During the year ended 31 August 2020, travel and subsistence expenses totalling £1,387 (2019: £3,208) were reimbursed to 1 trustee (2019: 2).

Related party transactions involving the trustees are set out in note 30.

WISE Academies

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 August 2020

12. TRUSTEES' AND OFFICERS' INSURANCE

The academy trust has opted into the Department for Education's risk protection arrangement (RPA), an alternative to insurance where UK government funds cover losses that arise. This scheme protects trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business, and provides cover up to £10,000,000. It is not possible to quantify the trustees and officers' indemnity element from the overall cost of the RPA scheme.

13. INTANGIBLE FIXED ASSETS

	Computer Software £000	Total £000
Cost		
At 1 September 2019	66	66
Additions	<u>4</u>	<u>4</u>
At 31 August 2020	<u>70</u>	<u>70</u>
Amortisation		
Opening	27	27
Charged in year	<u>13</u>	<u>13</u>
At 31 August 2020	<u>40</u>	<u>40</u>
	<u>30</u>	<u>30</u>
Carrying Amount		
At 31 August 2019	<u>39</u>	<u>39</u>
At 31 August 2020	<u>30</u>	<u>30</u>

WISE Academies

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 August 2020

14. TANGIBLE FIXED ASSETS

	Land and buildings	Furniture and equipment	Computer Hardware	Assets Under Construction	Total
	£000	£000	£000	£000	£000
Cost					
At 1 September 2019	33,706	720	697	18	35,141
Additions	505	68	154	-	727
Disposals	-	(10)	(80)	-	(90)
Transfer	18	-	-	(18)	-
	<u>34,229</u>	<u>778</u>	<u>771</u>	<u>-</u>	<u>35,778</u>
At 31 August 2020	<u>34,229</u>	<u>778</u>	<u>771</u>	<u>-</u>	<u>35,778</u>
Depreciation					
At 1 September 2019	2,493	330	420	-	3,243
Charged in year	1,100	121	151	-	1,372
Disposals	-	(7)	(80)	-	(87)
At 31 August 2020	<u>3,593</u>	<u>444</u>	<u>491</u>	<u>-</u>	<u>4,528</u>
	<u>3,593</u>	<u>444</u>	<u>491</u>	<u>-</u>	<u>4,528</u>
Net book value					
At 31 August 2019	31,213	390	277	18	31,898
	<u>31,213</u>	<u>390</u>	<u>277</u>	<u>18</u>	<u>31,898</u>
At 31 August 2020	<u>30,636</u>	<u>334</u>	<u>280</u>	<u>-</u>	<u>31,250</u>

Included within land & buildings is £27,633k (2019: £29,138k) relating to leasehold land & buildings.

WISE Academies

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 August 2020

15. FIXED ASSET INVESTMENT

	2020
	£
Market value	
At 1 September 2019 and at 31 August 2020	<u>1</u>
Historical cost:	
At 31 August 2020	<u>1</u>
At 31 August 2019	<u>1</u>

Holdings of more than 20%

The company holds more than 20% of the share capital of the following company:

SUBSIDIARY UNDERTAKINGS	COUNTRY OF REGISTRATION	CLASS	SHARES HELD
Town End Teaching School Ltd	England & Wales	Ordinary	100%

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

	PRINCIPAL ACTIVITIES	CAPITAL AND RESERVES	PROFIT/(LOSS) FOR THE YEAR
		£	£
Town End Teaching School Ltd	Dormant company	1	-

16. DEBTORS

	2020	2019
	£000	£000
Trade Debtors	73	13
VAT Recoverable	97	429
Other Debtors	9	2
Prepayments and accrued income	<u>981</u>	<u>912</u>
	<u>1,160</u>	<u>1,356</u>

WISE Academies

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 August 2020

17. CREDITORS: Amounts falling due within one year

	2020	2019
	£000	£000
Trade creditors	100	167
Other Creditors	94	506
Accruals and deferred income	<u>1,367</u>	<u>1,337</u>
	<u>1,561</u>	<u>2,010</u>

Included in Other Creditors is £20k relating to Salix Loans.

Deferred income	2020
	£000
Deferred income at 1 September 2019	302
Released from previous years	(302)
Resources deferred in the year	<u>545</u>
Deferred income at 31 August 2020	<u>545</u>

At the balance sheet date, the Academy Trust was holding funds received in advance in respect of the following:

	£000
Early Years funding for Autumn term 2020	230
UIFSM 1st Instalment for 20/21	193
School Fundraising Income	70
Rates Relief	41
Apprenticeship funding for 20/21	8
Bicycle Grant	3
	<u>545</u>

WISE Academies

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 August 2020

18. FINANCIAL INSTRUMENTS

	2020	2019
	£000	£000
Financial assets		
Debt instruments measured at amortised cost	<u>754</u>	<u>571</u>
	<u>754</u>	<u>571</u>
	2019	2019
	£000	£000
Financial liabilities		
Financial liabilities measured at amortised cost	<u>1,017</u>	<u>1,708</u>
	<u>1,017</u>	<u>1,708</u>

NB: Financial assets include trade debtors and accrued income and financial liabilities include trade creditors and accruals.

WISE Academies

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 August 2020

19. FUNDS

	At 1 September 2019	Income	Expenditure	Gains, losses and transfers	At 31 August 2020
	£000	£000	£000	£000	£000
RESTRICTED FUNDS					
General Annual Grant (GAG)	1,320	13,612	(13,462)	(148)	1,322
Pupil Premium	-	1,846	(1,846)	-	-
Other DfE/ESFA grants	8	1,378	(1,386)	-	-
Other Government Grants	-	2,285	(2,285)	-	-
Other Restricted Reserves	107	36	(36)	-	107
Pension reserve	(9,995)	(-)	(1,325)	(5,837)	(17,157)
	<u>(8,560)</u>	<u>19,157</u>	<u>(20,340)</u>	<u>(5,985)</u>	<u>(15,728)</u>
RESTRICTED FIXED ASSET FUNDS					
DfE/ESFA capital grants	2,637	1,424	(199)	-	3,862
Capital Expenditure from GAG	2,016	-	(497)	148	1,667
Capital Expenditure from Start up and Growth Grants	30	-	(6)	-	24
Transfer from LA	9,431	-	(210)	-	9,221
Transfer from existing academy	19,084	-	(473)	-	18,611
	<u>33,198</u>	<u>1,424</u>	<u>(1,385)</u>	<u>148</u>	<u>33,385</u>
TOTAL RESTRICTED FUNDS	<u>24,638</u>	<u>20,581</u>	<u>(21,725)</u>	<u>(5,837)</u>	<u>17,657</u>
UNRESTRICTED FUNDS	<u>2,435</u>	<u>717</u>	<u>(486)</u>	<u>-</u>	<u>2,666</u>
TOTAL FUNDS	<u>27,073</u>	<u>21,298</u>	<u>(22,211)</u>	<u>(5,837)</u>	<u>20,323</u>

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

General Annual Grant must be used for the normal running costs of the Trust and the intention is to utilise remaining GAG for continued improvement works to the Trust's estate.

Pupil Premium funding is used for the educational benefit of pupils registered at each academy and funding is targeted according to the specific needs of those pupils at each setting, details of which can be found on our schools' websites.

WISE Academies

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 August 2020

19 FUNDS (continued)

The pension reserve is the liability arising from the deficit on the Local Government Pension Scheme as detailed in note 29.

Other DfE/ESFA grants received and spent during the year relate largely to Sports Grant (£218k) and UIFSM (£357k) which have been fully expended in year, teachers' pay and pension grants to support pay awards and increasing pension costs during 2019/20 (£669) and Teaching School grants (£52k) including Core Grant and Schools Direct funding for Initial Teacher Training salaries.

Other Government Grants reported above relate to the receipt of Early Years funding together with High Needs top up, Special Educational Needs grants and other smaller miscellaneous funding from the Local Authorities that our schools operate within, namely, Sunderland City Council; Newcastle City Council and Northumberland County Council. All funding received during the year has been fully allocated to the educational operational expenditure of the Academy Trust.

Other Restricted Funds relate to the transfer of surplus balances in relation to Prudhoe West Academy.

Restricted fixed asset funds are made up of funds received from the DfE/ESFA during the year of £1,193k in respect of Devolved Formula Capital Grants and SCA grants, capital funding of £23k from Northumberland County Council and transfers from restricted funds in the year to match against capital expenditure incurred.

Unrestricted income largely relates to various activities generating funds, e.g. income for school meals, wraparound care provisions, contributions towards school trips, insurance receipts and interest earned and also a transfer in or reserves from existing academies.

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the GAG that it could carry forward at 31 August 2020.

A comparative funds note detailing the closing position at 31 August 2019 is listed overleaf:

WISE Academies

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 August 2020

Prior Year Funds 2018/19	At 1 September 2018	Income	Expenditure	Gains, losses and transfers	At 31 August 2019
	£000	£000	£000	£000	£000
RESTRICTED FUNDS					
General Annual Grant (GAG)	1,000	14,436	(13,209)	(907)	1,320
Start up Grant	33	-	(33)	-	-
Pupil Premium	-	1,874	(1,874)	-	-
Other DfE/ESFA grants	219	1,237	(1,448)	-	8
Other Government Grants	-	2,080	(2,080)	-	-
Other Restricted Reserves	107	17	(17)	-	107
Pension reserve	(1,952)	(4,385)	(451)	(3,207)	(9,995)
	<u>(593)</u>	<u>15,259</u>	<u>(19,112)</u>	<u>(4,115)</u>	<u>(8,560)</u>
RESTRICTED FIXED ASSET FUNDS					
DfE/ESFA capital grants	1,273	1,449	(85)	-	2,637
Capital Expenditure from GAG	1,476	-	(367)	907	2,016
Capital Expenditure from Start up and Growth Grants	45	-	(15)	-	30
Transfer from LA	9,637	-	(206)	-	9,431
Transfer from existing academy	-	19,584	(500)	-	19,084
	<u>12,431</u>	<u>21,033</u>	<u>(1,173)</u>	<u>907</u>	<u>33,198</u>
TOTAL RESTRICTED FUNDS	<u>11,838</u>	<u>36,292</u>	<u>(20,288)</u>	<u>(3,207)</u>	<u>24,638</u>
UNRESTRICTED FUNDS	<u>879</u>	<u>2,300</u>	<u>(744)</u>	<u>-</u>	<u>2,435</u>
TOTAL FUNDS	<u>12,717</u>	<u>38,592</u>	<u>(21,032)</u>	<u>(3,207)</u>	<u>27,073</u>

WISE Academies

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 August 2020

19 FUNDS (continued)

ANALYSIS OF ACADEMIES BY FUND BALANCE	2020 £000	2019 £000
Adderlane Academy	83	82
Bexhill Academy	401	394
Croftway Academy	202	107
Hasting Hill Academy	333	259
Haltwhistle Primary Academy	(33)	25
Malvin's Close Academy	845	794
Morpeth Road Academy	687	824
North View Academy	240	135
Prudhoe West Academy	168	120
Shaftoe Trust Academy	39	62
Town End Academy	256	250
Welbeck Academy	531	373
Town End Teaching School	56	56
Central Services	287	389
Total before fixed assets and pension reserve	<u>4,095</u>	<u>3,870</u>
Restricted fixed asset fund	33,385	33,198
Pension reserve	<u>(17,157)</u>	<u>(9,995)</u>
TOTAL RESERVES	<u><u>20,323</u></u>	<u><u>27,073</u></u>

Haltwhistle Primary Academy (formerly Haltwhistle First Academy and Haltwhistle Middle Academy), is in an overall deficit position of £33k, a position which has worsened due to the Trust continuing to incur site costs for both academy sites whilst the building works of the middle school were extended due to the pandemic lockdown earlier in 2020. The Trust is considering required action to bring this position back to a surplus balance. In 2019, the closing reserves of Haltwhistle First Academy and Haltwhistle Middle Academy were £(18)k and £43k respectively.

WISE Academies

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 August 2020

ANALYSIS OF ACADEMIES BY COST

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

	Teaching and Educational Support Staff Costs £000	Other Support Staff Costs £000	Educational Supplies £000	Other Costs (excluding depreciation and revaluation) £000	Total 2020 £000	Total 2019 £000
Adderlane Academy	443	76	29	81	629	579
Bexhill Academy	1,438	213	81	195	1,927	1,811
Croftway Academy	1,302	259	93	210	1,864	1,848
Hasting Hill Academy	842	180	60	179	1,261	1,333
Haltwhistle Primary Academy	889	185	27	231	1,332	1,886
Malvin's Close Academy	1,446	305	89	244	2,084	1,939
Morpeth Road Academy	1,655	252	186	227	2,320	2,074
North View Academy	949	113	22	108	1,192	1,053
Prudhoe West Academy	910	183	53	179	1,325	1,260
Shaftoe Academy	447	92	25	88	652	726
Town End Academy	863	159	57	171	1,250	1,215
Welbeck Academy	1,915	229	6	359	2,509	2,490
Town End Teaching School	-	99	-	38	137	163
Central Services	343	554	2	120	1,019	1,029
WISE Academies	13,442	2,899	730	2,430	19,501	19,406

In 2018/19, expenditure incurred by Haltwhistle First Academy and Haltwhistle Middle Academy were £989k and £897k respectively.

WISE Academies

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 August 2020

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances at 31 August 2020 are represented by:

	Unrestricted Funds	Restricted general funds	Restricted fixed asset funds	Total funds
	£000	£000	£000	£000
Intangible fixed assets	-	-	30	30
Tangible fixed assets	-	-	31,250	31,250
Current assets	2,666	2,990	2,105	7,761
Current liabilities	-	(1,561)	-	(1,561)
Pension scheme liability	-	(17,157)	-	(17,157)
TOTAL NET ASSETS AT 31 August 2020	2,666	(15,728)	33,385	20,323

Fund balances at 31 August 2019 are represented by:

	Unrestricted Funds	Restricted general funds	Restricted fixed asset funds	Total funds
	£000	£000	£000	£000
Intangible fixed assets	-	-	39	39
Tangible fixed assets	-	-	31,898	31,898
Current assets	2,435	3,445	1,261	7,141
Current liabilities	-	(2,010)	-	(2,010)
Pension scheme liability	-	(9,995)	-	(9,995)
TOTAL NET ASSETS AT 31 August 2019	2,435	(8,560)	33,198	27,073

WISE Academies

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 August 2020

21. CAPITAL COMMITMENTS

	2020 £000	2019 £000
Contracted for, but not provided in the financial statements	<u>847</u>	<u>-</u>
	<u>847</u>	<u>-</u>

22. COMMITMENTS UNDER OPERATING LEASES

OPERATING LEASES

At 31 August 2020 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2020 £000	2019 £000
Amounts due within one year	17	17
Amounts due between one and five years	29	31
Amounts due after five years	<u>-</u>	<u>-</u>
	<u>46</u>	<u>48</u>

WISE Academies

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 August 2020

23. RECONCILIATION OF NET INCOME TO CASH FLOW FROM OPERATING ACTIVITIES

	2020	2019
	£000	£000
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(913)	17,562
Adjusted for:		
Net surplus on transfer/conversion to academy	-	(16,493)
Amortisation (note 13)	13	11
Depreciation (note 14)	1,372	1,162
Capital grants from DfE and other capital income	(1,460)	(1,466)
Interest receivable (note 5)	(23)	(2)
Loss on Disposal of Fixed Assets (note 14)	3	-
Defined benefit pension scheme cost less contributions payable (note 29)	1,143	291
Defined benefit pension scheme finance costs (note 29)	182	160
(Increase)/Decrease in debtors	196	(638)
Increase/ (Decrease) in creditors	(449)	728
Cash received on Transfer of existing academies	-	2,470
Debtors and creditors transferred on conversion	-	(1,175)
Net cash (used in)/ provided by operating activities	<u>64</u>	<u>2,606</u>

24. CASHFLOWS FROM FINANCING ACTIVITIES

	2020	2019
	£000	£000
Repayments of borrowing	-	-
Cash inflows from new borrowing	-	-
Net cash provided by / (used in) financing activities	<u>-</u>	<u>-</u>

WISE Academies

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 August 2020

25. CASHFLOWS FROM INVESTING ACTIVITIES

	2020 £000	2019 £000
Interest received	23	2
Purchase of intangible fixed assets	(4)	(13)
Purchase of tangible fixed assets	(727)	(1,894)
Capital grants from DfE/ ESFA	<u>1,460</u>	<u>1,466</u>
Net cash used in investing activities	<u>752</u>	<u>(439)</u>

26. ANALYSIS OF CHANGES IN NET FUNDS

	At 31 August 2020 £000	At 31 August 2019 £000
Cash in hand and at bank	<u>6,601</u>	<u>5,785</u>

27. ANALYSIS OF CHANGES IN NET DEBT

	At 1 September 2019 £000	Cash flows £000	Acquisition/ disposal of subsidiaries £000	New finance leases £000	Other non- cash changes £000	At 31 August 2020 £000
Cash	<u>5,785</u>	<u>816</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,601</u>
Loans falling due within one year	-	-	-	-	-	-
Loans falling due after more than one year	-	-	-	-	-	-
Finance lease obligations	-	-	-	-	-	-
TOTAL	<u>5,785</u>	<u>816</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,601</u>

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NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 August 2020

28. 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 he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before he/she ceases to be a member.

29. 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 Tyne and Wear Pension Fund. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2019.

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

Teachers' Pension Scheme

Introduction

The Teachers' Pensions Scheme ("TPS") is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Regulations 2014. Membership is automatic for teachers in academies. All teachers have the option to opt out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributes, as a percentage of salary – these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pensions Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published in 5 March 2019. The key results of the valuation and subsequent consultation are:

- Employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy)
- Total scheme liabilities (pensions currently payable 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

WISE Academies

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 August 2020

29. PENSION AND SIMILAR OBLIGATIONS (continued)

- The SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI, assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation result is due to be implemented from 1 April 2023.

As a result of the valuation, new employer contribution rates were set at 23.68% of pensionable pay from September 2019 onwards (compared to 16.48% during 2018/19.) DfE has agreed to pay a teachers' pension employer contribution grant to cover the additional costs during the 2019-20 academic year.

The pension costs paid to TPS in the year amounted to £1,700k (2019: £1,163k).

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

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

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The Trust is a member of the Tyne and Wear Pension Fund (TWPF). The total contribution made for the year ended 31 August 2020 was £943k (2019: £913k) of which employer's contributions totalled £716k (2019: £681k) and employees' contribution totalled £227k (2019: £231k). The agreed rates for future years are, for employers' contributions: 17.5% (TWPF) and 21.4% (NCCPF), and between 5.5 and 12.5 per cent for employees.

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

WISE Academies

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 August 2020

29. PENSION AND SIMILAR OBLIGATIONS (continued)

Principal actuarial assumptions

	TWPF		NCCPF	
	At 31 Aug 2020 %	At 31 Aug 2019 %	At 31 Aug 2020 %	At 31 Aug 2019 %
Rate of increase in salaries	3.7	3.5	3.8	3.6
Rate of increase for pensions in payment/inflation	2.2	2.0	2.3	2.1
Discount rate for scheme liabilities	1.7	1.9	1.7	1.9
Inflation assumption (CPI)	2.2	2.0	2.3	2.1

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

	TWPF	TWPF	NCCPF	NCCPF
	At August 2020 Years	At August 2019 Years	At August 2020 Years	At August 2019 Years
Retiring today				
Males	21.8	21.9	21.8	21.9
Females	25.0	23.8	25.0	23.6
Retiring in 20 years				
Males	23.5	23.6	23.5	23.6
Females	26.8	26.9	26.8	25.7

WISE Academies

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 August 2020

29. PENSION AND SIMILAR OBLIGATIONS (continued)

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

	Fair value at 31 August 2020 £000	Fair value at 31 August 2019 £000
Equities	8,673	9,997
Property	1,491	917
Government bonds	389	1,796
Corporate bonds	3,712	1,410
Cash	308	175
Other	1,637	993
Total market value of assets	<u>16,210</u>	<u>15,288</u>

The actual return on scheme assets was £180,000 (2019: £1,065,000),

Amounts recognised in the statement of financial activities

	2020 £000	2019 £000
Current service cost	(1,620)	(1,216)
Net interest cost	(182)	(160)
Past service Cost	(366)	(72)
Total operating charge	<u>(2,168)</u>	<u>(1,358)</u>

WISE Academies

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 August 2020

29. PENSION AND SIMILAR OBLIGATIONS (continued)

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

	2020	2019
	£000	£000
At 1 September	25,283	8,111
On conversion	-	-
Current service cost	1,620	1,126
Interest cost	480	533
Employee contributions	227	236
Actuarial (gains)/ losses	5,719	3,899
Benefits paid	(330)	463
Net increase in liabilities from disposals and acquisitions	-	10,843
Past service cost	366	72
Plan introductions, benefit changes, curtailments and settlements	-	-
At 31 August	<u>33,365</u>	<u>25,283</u>

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

	2020	2019
	£000	£000
At 1 September	15,288	6,159
On conversion	-	-
Interest income	298	373
Return on plan assets (excluding net interest on the net defined pension liability)	(118)	692
Employer contributions	843	907
Employee contributions	227	236
Benefits paid	(330)	463
Net increase in liabilities from disposals and acquisitions	-	6,458
Plan introductions, benefit changes, curtailments and settlements	-	-
At 31 August	<u>16,208</u>	<u>15,288</u>

WISE Academies

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 August 2020

30. RELATED PARTIES

All transactions involving such organisations are conducted at arm's length and in accordance with the academy trust's financial regulations and normal procurement procedures.

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 11.

Key management personnel disclosure is included in note 9.

WISE Academies

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 August 2020

31. TEACHING SCHOOL ACCOUNT

	2019/20	2019/20	2018/19	2018/19
	£000	£000	£000	£000
Income				
Direct Income				
Other Income		52		113
Other Income				
Fundraising and other trading activities		83		55
Total Income		<u>135</u>		<u>168</u>
Expenditure				
Direct costs				
Direct staff costs	(82)		(70)	
Staff development	-		-	
Other direct costs	<u>(39)</u>		<u>(86)</u>	
Total direct costs	<u>(121)</u>		<u>(156)</u>	
Other costs				
Support staff costs	(16)		(14)	
Depreciation	-		-	
Other support costs	<u>-</u>		<u>-</u>	
Total other costs	<u>(16)</u>		<u>(14)</u>	
Total Expenditure		<u>(137)</u>		<u>(170)</u>
Transfers between funds excluding depreciation		<u>0</u>		<u>(50)</u>
Surplus/(Deficit) from all sources		<u>(2)</u>		<u>(52)</u>
Teaching school balances at 1 September 2019		<u>58</u>		<u>110</u>
Teaching school balances at 31 August 2020		<u>56</u>		<u>58</u>