

**WISE Academies**  
(A company limited by guarantee)

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**for the year ended 31 August 2017**

Company Registration No. 07521946 (England and Wales)

# WISE Academies

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# WISE Academies

## REFERENCE AND ADMINISTRATIVE DETAILS

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Members	R Symonds * (Resigned 31 August 2017) M E W Stephenson *^ J G Wood * R Bradshaw T Grieveson
Trustees	R Symonds (Chairman – resigned 31 August 2017) * M E W Stephenson (Chairperson from 1 September 2017) *^ J G Wood * N Vokes # R Symonds (jnr)# Z Carr (CEO and Accounting Officer)* #^ N Fountain #^ P Smith # C Collins (Appointed 8 December 2016 ) ^ D Pearson (Appointed 1 September 2017) *  * members of the Finance and General Purpose Committee # members of Audit Committee ^ members of Performance and Standards Committee
Company Secretary	Gary Robinson
Senior Management Team:	
Chief Executive Officer and Accounting Officer	Z Carr
Headteacher	N Fullard
Headteacher	L Saunders
Headteacher	J Walton
Headteacher	P Martindale
Headteacher	E Potts (From 1 December 2016)
Headteacher	C Davison (From 1 July 2017)
Chief Financial Officer	F Hardie (Resigned 30 November 2017)
Director of Operations	G Robinson
Principal and Registered Office	Borodin Avenue Sunderland SR5 4NX
Company Registration Number	07521946 (England and Wales)

# WISE Academies

## REFERENCE AND ADMINISTRATIVE DETAILS

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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

# WISE Academies

## TRUSTEES' REPORT

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The trustees present their annual report together with the financial statements and auditors' report of the Charitable Company for the year ended 31 August 2017. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The trust currently operates with 6 first school/ primary 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; and Hasting Hill Academy, December 2012. During 2016/17, the Trust sought to expand within the region, sponsoring Adderlane Academy in December 2016, a first school based in Prudhoe, Northumberland, and subsequently welcomed Prudhoe West Academy in July 2017, another first school in the Prudhoe area. The academies within the Trust have a combined pupil capacity of 1,771 in the school census on October 2017.

### 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.

#### 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 subject to re-constitution 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 now 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.

# WISE Academies

## TRUSTEES' REPORT (continued)

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### Policies and procedures adopted for the induction and training of trustees

Training and induction provided for 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.

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 meet at least 4 times per year to discuss its strategic objectives with the Chief Executive Officer, who is the Accounting Officer of the multi Academy Trust.

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 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.

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

The Trustees consider that they, together with the Chief Executive Officer, Chief Financial Officer, 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, nor were any paid 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

### 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.

# WISE Academies

## TRUSTEES' REPORT (continued)

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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.

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. Examples of these related party relationships declared between Trustees and external organisations are:

- N Vokes – Sunderland North Community Business Centre incorporating Buttercups and Sunflowers Nurseries
- J Wood – Tolent Construction Ltd
- R Symonds Jnr – Technology Services Group
- N Fountain – St Paul's CE Primary School and Prince Bishops Teaching School Alliance
- M Stephenson – University of Sunderland

Three of the academies within the group (Welbeck, Hasting Hill and Adderlane) are sponsored academies. Like other 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.

## 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 primary 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 2017 are summarised below:

- to ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care
  - to raise the standard of educational achievement of all pupils
  - to improve the effectiveness of the Academies by keeping the curriculum and organisational structure under continual review
  - to provide value for money for the funds expended
  - to comply with all appropriate statutory and curriculum requirements
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# WISE Academies

## TRUSTEES' REPORT (continued)

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- to conduct the Academy's business in accordance with the highest standards of integrity, probity and openness
- to establish partnerships in order to extend its role in the wider community

### 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

Trust performance across all key stages has been strong. Many pupils come into our schools below age related expectations, however they make good progress in Early Years, resulting in the Trust average by the end of Reception being in line with the national average in the 'Good Level of Development' measure. This rate of progress is maintained over Key Stage 1 resulting in the percentage of pupils who are reaching the expected standards in reading, writing, mathematics being above national averages. The percentage of pupils who exceed the expected standard at Key Stage 1 also compares favourably with national averages: all areas are above these levels with the exception of reading which is in line with this measure. By the end of Key Stage 2, once again, all Trust measures are above the national averages at the expected standard with the combined reading, writing and mathematics measure being 11% higher. Also, the percentage of pupils who exceed the expected standard at Key Stage 2 in the combined measure is above the national average. Overall, the progress that pupils made from Key Stage 1 to Key Stage 2 was average for reading and above average for writing and mathematics.

In line with the national agenda, the performance of pupils from disadvantaged backgrounds has been a particular focus for the Trust this year and data for this group has been considered separately. This group has performed well and in many areas they exceed the national average for all pupils. Due to their often very low starting points, pupils within this group make good progress across Early Years, but have not quite caught up to the national level by the end of Reception. However, by the end of Key Stage 1, disadvantaged pupils are above the expected standard national average measure for all pupils in all areas and in most areas are at the exceeding standard levels. This pattern is replicated at the end of Key Stage 2 resulting in combined reading, writing and mathematics for disadvantaged pupils being 6% above the national average for all pupils. This pattern is uncommon nationally, as the data for disadvantaged pupils is usually below the average for all pupils. This demonstrates the impact of strong teaching across the Trust.

A more detailed summary of results for all pupils and the disadvantaged group is shown overleaf:



# WISE Academies

## TRUSTEES' REPORT (continued)

### Early Years Good Level of Development & Y1 Phonics Results 2017

	Reception GLD %			Year 1 Phonics %		
	2017 National Average %	Whole School %	PP Pupils %	2017 National Average %	Whole School %	PP Pupils %
Adderlane Academy	71%	74	50	81%	89	88
Bexhill Academy		73	56		81	72
Hasting Hill Academy		71	68		70	60
Town End Academy		69	67		73	43
Welbeck Academy		70	67		75	76
Trust Average		71	62		78	68

### KS1 Results 2017

KS1		KS1 Exp+ %			KS1 Greater Depth %		
		2017 National Average %	Whole School %	PP Pupils %	2017 National Average	Whole School %	PP Pupils %
Adderlane Academy	R	76	89	100	24	26	33
	W	68	79	100	13	26	33
	M	75	84	100	18	32	33
	GAPS	-	79	100	-	37	33
	RWM Comb	64	68	100	9	21	33
Bexhill Academy	R	76	83	86	24	26	14
	W	68	74	76	13	15	10
	M	75	85	95	18	23	24
	GAPS	-	74	77	-	13	13
	RWM Comb	64	72	77	9	11	5

# WISE Academies

## TRUSTEES' REPORT (continued)

### KS1 Results 2017 (continued)

KS1		KS1 Exp+ %			KS1 Greater Depth %		
		2017 National Average %	Whole School %	PP Pupils %	2017 National Average	Whole School %	PP Pupils %
Hasting Hill Academy	R	76	74	73	24	30	20
	W	68	78	80	13	19	13
	M	75	89	93	18	37	33
	GAPS	-	78	64	-	26	14
	RWM Comb	64	67	57	9	22	14
Town End Academy	R	76	78	71	24	22	29
	W	68	74	64	13	15	21
	M	75	81	71	18	22	21
	GAPS	-	74	64	-	15	21
	RWM Comb	64	74	64	9	15	21
Welbeck Academy	R	76	72	67	24	16	14
	W	68	67	65	13	16	19
	M	75	71	67	18	21	21
	GAPS	-	60	68	-	15	15
	RWM Comb	64	67	60	9	15	18
Trust Average	R	76	79	79	24	24	22
	W	68	74	77	13	18	19
	M	75	82	85	18	27	26
	GAPS	-	73	75	-	21	19
	RWM Comb	64	70	72	9	17	18

#### Key

R – Reading

W – Writing

M – Mathematics

GAPS – Grammar, punctuation and spelling

RWM Comb – Reading, writing and mathematics combined score

# WISE Academies

## TRUSTEES' REPORT (continued)

### KS2 Results 2017

KS2		KS2 Exp+ %			KS2 Greater Depth %			KS1-2 Progress whole school	KS1-2 Progress PP pupils
		2017 National Average %	Whole School %	PP Pupils %	2017 National Average	Whole School %	PP Pupils %		
Bexhill Academy	R	71	83	79	25	29	29	2.4	4.1
	W	76	83	79	18	29	17	2.5	2.8
	M	75	83	75	23	21	8	2.4	2.2
	GAPS	77	79	67	31	21	8	-	-
	RWM Comb	61	79	71	9	12	8	-	-
Hasting Hill Academy	R	71	90	91	25	10	9	0.7	1.1
	W	76	88	91	18	27	30	2.3	2.3
	M	75	88	81	23	17	15	1.9	2.0
	GAPS	77	93	89	31	22	19	-	-
	RWM Comb	61	76	63	9	7	4	-	-
Town End Academy	R	71	85	87	25	35	40	1.3	2.2
	W	76	85	87	18	23	40	1.3	1.9
	M	75	85	87	23	35	33	2.5	2.7
	GAPS	77	81	80	31	23	27	-	-
	RWM Comb	61	81	80	9	19	20	-	-
Welbeck Academy	R	71	54	53	25	13	11	-3.0	-3.9
	W	76	80	79	18	20	11	-0.1	-0.9
	M	75	78	76	23	11	11	-1.1	-1.5
	GAPS	77	80	78	31	28	21	-	-
	RWM Comb	61	50	53	9	4	0	-	-
Trust Average	R	71	78	78	25	22	22	0.3	0.9
	W	76	84	84	18	25	25	1.5	1.5
	M	75	84	80	23	21	17	1.4	1.3
	GAPS	77	83	79	31	24	19	-	-
	RWM Comb	61	72	67	9	11	8	-	-

#### Key

R – Reading

W – Writing

M – Mathematics

GAPS – Grammar, punctuation and spelling

RWM Comb – Reading, writing and mathematics combined score

NB: All data based on unvalidated datasets (compiled by academies)

# WISE Academies

## TRUSTEES' REPORT (continued)

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### 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 2016 to 31 August 2017 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

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, £36k was received in respect of Devolved Capital Formula Grants.

All of the expenditure shown in the Statement of Financial Activities is in furtherance of the Trust's objectives. The Trust invested £459k (GAG surpluses totalling £378k; £49k from restricted funds and £32k from Devolved Capital Funds) to further improve the assets of the Trust. The main projects completed during the year included building modifications to improve Nursery facilities at both Bexhill and Hasting Hill academies, (£229k and £28k respectively); fixture and fittings improvements across the estate (£87k) and IT upgrades across the Trust amounting to £66k. Start up grant funding amounting to £28k has been invested in the Nursery refurbishment of Shaftoe Trust Primary School (£15k); Adderlane Academy fencing and signage (£10k) and IT upgrades at Prudhoe West Academy (£3k), with a further £21k being invested in the implementation and roll out of the new financial system from Growth funding.

At 31 August 2017 the net book value of tangible fixed assets was £10,556k and movements in tangible fixed assets are shown in note 14 to the Financial Statements which include the transfer of long leasehold land and buildings in relation to Adderlane Academy and Prudhoe West Academy conversions on December 2016 and July 2017 respectively. The detail of the transferring assets and liabilities are shown in note 30 to the Financial Statements. The valuations of the transferring assets have been 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

	2017	2016
Total staff costs / GAG income	110.3%	103.2%
Total staff costs / Total Revenue income	76.3%	70.4%
Working Capital / Total Reserves	16.7%	22.0%
Liquidity Ratio	3.2	3.4

### 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.

## WISE Academies

### TRUSTEES' REPORT (continued)

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The Trust recognises that the defined benefit scheme deficit (Local Government Pension Scheme), which is set out in note 28 to the financial statements, represents a significant potential liability. However the Trust considers that, as each individual Academy 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 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.

The Trust's total reserves at the Balance Sheet date of 31 August 2017 were £10,305k (2016: £6,931k) with the level of free reserves at the year end 31 August 2017 being £666k (2016: £484k).

£149k of reserves held relates to the balance of grants received to support Trust growth, and ongoing projects will utilise this funding during 2017/18, supporting added capacity and leadership roles as required within our growing organisation.

The Trust is also considering potential bids for the 2017/18 round of Condition Improvement Funding and has earmarked up to £70k as contributions to the grant process should the submitted bids be successful.

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 Trustees have reviewed the risk register in full during the year. During 2016/17, the risk register has been further developed to identify and align risks with our Business Plan, ensuring key risks are clearly identified and our Audit Committee has completed a detailed assessments of those risks.

# WISE Academies

## TRUSTEES' REPORT (continued)

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A key strategic risk monitored throughout 2016/17 continues to be the challenge of maintaining performance in line with increasing expectations within areas of considerable deprivation and heightened risk factors due to low entrance levels of our children. As a Trust, we monitored closely, and shared good practice around, the improvements made to performance management arrangements to ensure initiatives were delivering a positive impact and invested in CPD programmes and teaching resources. A consistent assessment and moderation process has been developed and implemented in all schools, including our new joiners.

The Trust also persists in the monitoring of, and focus on, schools' attendance data, working with our schools to identify and share the best strategies to deploy across the Trust to optimise pupil attendance, ensuring children receive the full offer of our balanced curriculum.

The viability of the Trust in a growing landscape remains a key risk this year with the Trust continuing to explore expansion projects utilising a Due Diligence model that has been developed in-house which considers the various elements of risk within each potential venture.

The potential loss of data across the Trust features in the register as a key risk. Business Continuity and IT policies and procedures are in place to mitigate the threat of cybercrime and raise awareness across the Trust.

### Going Concern

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.

### **Plans for Future Periods**

Following on from our growth into Northumberland this year with the addition of both Adderlane and Prudhoe West academies, WISE Academies is continuing to develop its strategy of strengthening regional hubs in the areas it currently operates within. The Trust is sponsoring Shaftoe Trust Primary School in the coming spring term and has been working closely with the school to identify and target support in school improvement. Also, during the lead up to conversion, we believe that it is important to work with all involved parties including pupils and their families; staff and governors; the wider local community and the Local Authority to ensure that the transition is felt to be as smooth as possible.

The Trust have committed £149k of growth funding during 2017/18 to further support the development of leaders both regionally and within schools and to support capacity with Head Office centralised functions to following successful applications for funding specifically to aid this process.

Plans for the 2017/18 academic year include further improvement of the Trust's estate to maximise accessibility of premises ensuring compliance with requirements around the health, safety and welfare of pupils and other users of Trust buildings. The Trust have recently employed an Estates and Facilities Manager who will develop and manage a 5-Year Estates Plan to strategically map required and desired estate upgrades. It is hoped to secure additional investment through bids for available funding sources to support the implementation of the Trust's objectives.

## WISE Academies

### TRUSTEES' REPORT (continued)

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The overriding objective remains the drive to raise standards of attainment and progress in all levels and to ensure that the academies within the group are graded good or better in any inspection. This will continue to be achieved through rigorous monitoring, self-analysis and effective targeting of available resources to ensure the best possible outcomes. A key strength of the Trust is the range of expertise and talent available within the workforce and this will continue to be deployed in a collaborative manner to provide challenge and support. This is reinforced through structured external scrutiny from appropriate educational professionals which will provide a consistent review framework across all settings.

### AUDITORS

RSM UK Audit LLP has indicated its willingness to continue in office.

### 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 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.

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 14<sup>th</sup> December 2017 and signed on its behalf by:



**M E W Stephenson**  
**Chair of Trustees**

## WISE Academies

### GOVERNANCE STATEMENT

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#### 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.

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 six 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
R Symonds (Chair of Trustees)	3	6
M.E.W. Stephenson	5	6
J.G. Wood	6	6
Z.E. Carr (Accounting Officer)	6	6
R Symonds (jnr.)	4	6
N. Vokes	4	6
N Fountain	3	6
P Smith	1	6
C Collins (appointed 8 December 2016)	3	4

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.



## WISE Academies

### GOVERNANCE STATEMENT (continued)

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

Trustee	Meetings Attended	Out of a possible
R Symonds	4	5
J.G. Wood	5	5
M.E.W. Stephenson	5	5
Z.E. Carr	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).

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

Trustee	Meetings Attended	Out of a possible
R Symonds (Jnr)	4	4
N Vokes	2	4
N Fountain	3	4
P Smith	4	4
Z.E. Carr	4	4

During the year it was agreed to establish a **Performance and Standards Committee**. The focus of this committee is to give in-depth consideration to data relating to performance of the academies and the Trust as a whole including, but not limited to, data relating to attainment, progress and attendance. This in-depth consideration of performance is intended to complement the work of the Local Governing Bodies which would continue to focus exclusively on the local context.

Attendance at meetings of the Performance & Standards Committee in the year was as follows:

Trustee	Meetings Attended	Out of a possible
C Collins	2	3
M.E.W. Stephenson	3	3
N Fountain	3	3
Z.E. Carr	3	3

# WISE Academies

## GOVERNANCE STATEMENT (continued)

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### **Governance reviews**

During the year the Trustees took a strategic decision to re-constitute the Local Governing Bodies to ensure that they are no bigger than necessary to secure the range of skills they need. This action helped to ensure that the local governance level is likely to be more cohesive and dynamic.

A key consideration in the appointment of all new Trustees and local governors is the skills and experience the governing body needs to be effective. Close attention is paid to the use of an appropriate skills audit tool in order to ensure a competency framework for governance. Trustees and Local Governing Bodies take this into account when identifying any specific gaps that need to be filled in the skills, knowledge and experience of existing governors. This is a result of the Trustees' regular review of their own effectiveness, including the extent to which their size and structure is fit for purpose and their members have the necessary skills.

Trustees took steps to ensure further clarity to help all those responsible for governance to understand the roles of the various levels of governance through further refinement of the scheme of delegation.

The Code of Conduct for those responsible for governance is regularly highlighted to reinforce the expectation that those responsible for governance work collectively in the best interest of the Academy Trust.

There continued to be mechanisms for meaningful and effective engagement between Trustees and those responsible for local governance. As the Trust grows there are further plans being brought forward to strengthen this engagement further through the establishment of a dedicated forum for the interchange of information, views, and to listen to local feedback.

The committees are dynamic groups with clear operational remit expressed through their terms of reference. During the year, and taking into account the increasing size of the Trust, it was agreed to establish a Performance and Standards Committee in order to deliver a more strategic perspective and create more robust accountability through the ability to compare and contrast across schools.

The ongoing review of governance effectiveness which will continue into 2017/18 is intended to increase the capacity of the Governing body to carry out its necessary duties and is designed to ensure that all levels of governance are able to support and challenge appropriately in line with the Trust's vision, and secure consistent accountability. A central part of this is through careful scrutiny of the full range of data to improve the quality of pupil learning, and to review and support the progress of the Trust's Strategic Action Planning through inbuilt challenge.

Trustees and Local Governors follow rigorous, clear and consistent procedures with a synchronised annual cycle of meetings for the entire governance structure designed to ensure full commitment and engagement at every level of governance in enabling them to undertake their dual role of challenge and support.

# WISE Academies

## GOVERNANCE STATEMENT (continued)

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### 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:

- Participation in the DfE Collective Tablet Procurement Tender

WISE Academies participated in the above national tender exercise, whereby the prices achieved through the collective tender resulted in a cumulative saving of £2,400 against the best of three quotes obtained by our schools.

- 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 procedure has resulted in goods and services being procured representing savings of 23.4% 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 value exceeding £80k. The exercise resulted in the policy being renewed on a continuous basis, with therefore no loss of open claims as at 31 March 2017. A 5% cluster discount was also applied to both the renewing policy and any additional policies required following subsequent academy conversions during the period.

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. From September 2017, we have added capacity to our central Finance team to enable increased focus on achieving better Value for Money by reviewing and identifying specific areas where greater economies of scale can be achieved on a Trust basis and by directing the school representatives who make up our VFM forum, encouraging Office Managers from each setting to share practices and experience, thereby 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

# WISE Academies

## GOVERNANCE STATEMENT (continued)

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place in WISE Academies for the year ended 31 August 2017 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 2017 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 not to appoint an internal auditor. However the trustees have appointed 3S Accountancy Services, an independent accountancy firm, to carry out a programme of internal checks.

The reviewer 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 reviewer'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 2016/17, in particular, the audits completed in the current period included:

- a review of January 2017 census input data
- testing the opening balances transferred into the new system on implementation in January 2017
- a review of procurement procedures in the new online system

### **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 3S Accountancy Services
- the work of the external auditor

## WISE Academies

### GOVERNANCE STATEMENT (continued)

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- 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 14/12/17 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

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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 of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, under the funding agreement in place between the Academy Trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2016.

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 2016.

I confirm that no instances of material irregular, 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: 14/12/17

## WISE Academies

### STATEMENT OF TRUSTEES' RESPONSIBILITIES

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The Trustees who are also the Directors of the Charitable Company for the purposes of company law, are responsible for preparing the Trustees' Report (including the Strategic Report) and the financial statements in accordance with the Annual Accounts Direction issued 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:

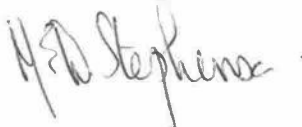
- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business.

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

The trustees are responsible for ensuring that in its conduct and operation the Charitable Company applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from 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 14/12/17 and signed on its behalf by:



**M E W Stephenson**  
Chair of Trustees

## **INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF WISE ACADEMIES**

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### **Opinion on financial statements**

We have audited the financial statements of WISE Academies (the "academy trust") for the year ended 31 August 2017 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 2016 to 2017 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 2017 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 2016 to 2017 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 governors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the governors 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 other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. The governors are responsible for the other information. 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.



## **INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF WISE ACADEMIES**

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

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

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

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

- adequate accounting records have not been kept by the charity, 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 21, 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 governors 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.

## INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF WISE ACADEMIES

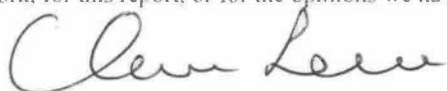
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### Auditor's responsibilities for the audit of the financial statements

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.

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

18 Dec 2017



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

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### **Conclusion**

We have carried out an engagement in accordance with the terms of our engagement letter dated 20 June 2016 and further to the requirements of the Education and Skills Funding Agency ('ESFA') as included in the Academies Accounts Direction 2016 to 2017, to obtain limited assurance about whether the expenditure disbursed and income received by WISE Academies during the period 1 September 2016 to 31 August 2017 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 2016 to 31 August 2017 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 2016 to 2017 Part 9: 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 2016, 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 2016 to 2017.

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.

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

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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 2016 to 31 August 2017 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

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 2016 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 2016 to 2017.

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.

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

*18 Dec 2017*

# WISE Academies

## STATEMENT OF FINANCIAL ACTIVITIES (including Income and Expenditure Account) for the year ended 31 August 2017

	Notes	Unrestricted funds £000	Restricted general funds £000	Restricted fixed asset funds £000	Total 2017 £000	Total 2016 £000
<b>Income and endowments from:</b>						
Donations and capital grants	2	-	-	36	36	40
Transfer from local authority on conversion	30	20	(625)	3,618	3,013	0
Charitable Activities:						
Funding for the Academy Trust's educational operations	3	337	7,876	-	8,213	7,396
Teaching schools	3	41	110	-	151	211
Other trading activities	4	46	-	-	46	35
Investment income	5	8	-	-	8	2
<b>Total</b>		<u>452</u>	<u>7,361</u>	<u>3,654</u>	<u>11,467</u>	<u>7,684</u>
<b>Expenditure on:</b>						
Raising funds		34	-	-	34	30
Charitable activities:						
Academy Trust's educational operations		216	7,830	492	8,538	7,116
Teaching schools		20	100	-	120	202
<b>Total</b>	6	<u>270</u>	<u>7,930</u>	<u>492</u>	<u>8,692</u>	<u>7,348</u>
<b>NET INCOMING/(OUTGOING) RESOURCES BEFORE TRANSFERS</b>		<b>182</b>	<b>(569)</b>	<b>3,162</b>	<b>2,775</b>	<b>336</b>
Gross transfers between funds	19	-	(427)	427	-	-
<b>NET INCOME/(EXPENDITURE) FOR THE YEAR</b>		<b>182</b>	<b>(996)</b>	<b>3,589</b>	<b>2,775</b>	<b>336</b>
<b>OTHER RECOGNISED GAINS AND LOSSES</b>						
Remeasurement of net defined benefit obligation	28	-	599	-	599	(1,050)
<b>NET MOVEMENT IN FUNDS</b>		<b>182</b>	<b>(397)</b>	<b>3,589</b>	<b>3,374</b>	<b>(714)</b>
<b>RECONCILIATION OF FUNDS</b>						
Total funds brought forward		484	(566)	7,013	6,931	7,645
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u><b>666</b></u>	<u><b>(963)</b></u>	<u><b>10,602</b></u>	<u><b>10,305</b></u>	<u><b>6,931</b></u>

All of the Academy Trust's activities derive from continuing operations during the above two financial periods.

The notes on pages 30 to 61 form part of these financial statements.

# WISE Academies

## BALANCE SHEET

31 August 2017

Company Registration No. 07521946

	Notes	2017 £000	2016 £000
<b>Fixed Assets</b>			
Intangible Assets	13	39	23
Tangible Assets	14	10,556	6,990
Investments	15	-	-
		<u>10,595</u>	<u>7,013</u>
<b>Current Assets</b>			
Debtors	16	506	292
Cash at bank and in hand		<u>2,032</u>	<u>1,875</u>
		<u>2,538</u>	<u>2,167</u>
<b>Liabilities</b>			
Creditors: amounts falling due within one year	17	(798)	(639)
<b>Net Current Assets</b>		<u>1,740</u>	<u>1,528</u>
<b>Net Assets (excluding pension scheme liability)</b>		<u>12,335</u>	<u>8,541</u>
Pension Scheme Liability	28	<u>(2,030)</u>	<u>(1,610)</u>
<b>Total Net Assets</b>		<u><u>10,305</u></u>	<u><u>6,931</u></u>
<b>Funds of the Academy Trust:</b>			
<b>Restricted Funds</b>	19		
Fixed Asset fund		10,602	7,013
General fund		1,067	1,044
Pension reserve		<u>(2,030)</u>	<u>(1,610)</u>
<b>Total Restricted Funds</b>		<u>9,639</u>	<u>6,447</u>
<b>Unrestricted Income Funds</b>	19		
General Fund		<u>666</u>	<u>484</u>
<b>Total Funds</b>		<u><u>10,305</u></u>	<u><u>6,931</u></u>

The financial statements on pages 27 to 61 were approved by the board of trustees and authorised for issue on  
signed on their behalf by:

December 2017 and are

M E W Stephenson  
Chairperson

The notes on pages 30 to 61 form part of these financial statements.

## WISE Academies

### STATEMENT OF CASH FLOWS for the year ended 31 August 2017

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	Notes	2017 £000	2016 £000
<b>Cash flows from operating activities</b>			
Net cash provided by (used in) operating activities	23	572	(181)
<b>Cash flows from investing activities</b>	25	(415)	(333)
<b>Cash flows from financing activities</b>	24	-	-
<b>Change in cash and cash equivalents in the reporting period</b>		<u>157</u>	<u>(514)</u>
 <b>Cash and cash equivalents at 1 September 2016</b>		<u>1,875</u>	<u>2,389</u>
<b>Cash and cash equivalents at 31 August 2017</b>	26	<u>2,032</u>	<u>1,875</u>

The notes on pages 30 to 61 form part of these financial statements.

# WISE Academies

## NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 August 2017

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### 1 ACCOUNTING POLICIES

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

#### **Basis of Preparation**

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2016 to 2017 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.

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.

#### **Going Concern**

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

#### **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.

#### **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.



# WISE Academies

## NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 August 2017

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### **1 ACCOUNTING POLICIES (continued)**

Capital grants are recognised when there is entitlement 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.

#### **Sponsorship Income**

Sponsorship income provided to the Academy Trust which amounts to a donation is recognised in the statement of financial activities in the period in which it is receivable (where there are no performance-related conditions), where the receipt is probable and it can be measured reliably.

#### **Donations**

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

#### **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.

# WISE Academies

## NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 August 2017

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### 1 ACCOUNTING POLICIES (continued)

All resources expended are inclusive of irrecoverable VAT.

#### **Intangible fixed assets**

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

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

- Purchased computer software      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.

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, with this amount being reduced over the useful economic life of the related asset on a basis consistent with the depreciation. 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.

# WISE Academies

## NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 August 2017

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### 1 ACCOUNTING POLICIES (continued)

#### Liabilities

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

#### Provisions

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

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

#### Leased assets

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

#### 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.

#### Financial Instruments

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

#### Financial assets and liabilities

Financial assets and financial liabilities are recognised when the 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.

# WISE Academies

## NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 August 2017

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### 1 ACCOUNTING POLICIES (continued)

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.

#### Pensions benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective benefit method. As stated in Note 28, the TPS is a multi-employer scheme and 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 net income 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.

# WISE Academies

## NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 August 2017

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### 1 ACCOUNTING POLICIES (continued)

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.

#### 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 28, will impact the carrying amount of the pension liability.

Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. 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.

### 2. DONATIONS AND CAPITAL GRANTS

	Unrestricted funds	Restricted funds	Total	Total
	£000	£000	2017 £000	2016 £000
DfE / ESFA capital grant	-	36	36	30
Other capital grant (Big Lottery Funding)	-	-	-	10
	<hr/>	<hr/>	<hr/>	<hr/>
	-	36	36	40
	<hr/>	<hr/>	<hr/>	<hr/>
2016 total split by fund:	-	40	40	

# WISE Academies

## NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 August 2017

### 3. FUNDING FOR ACADEMY TRUST'S EDUCATIONAL OPERATIONS

	Unrestricted funds	Restricted funds	Total	Total
	£000	£000	2017 £000	2016 £000
<b>DfE/ESFA REVENUE GRANTS</b>				
General annual grant (GAG)	-	5,826	<b>5,826</b>	5,218
Start up grants	-	135	<b>135</b>	70
Other DfE/ESFA grants	-	1,252	<b>1,252</b>	1,229
National College grants (Teaching School)	-	110	<b>110</b>	150
	-	7,323	<b>7,323</b>	6,667
<b>OTHER GOVERNMENT GRANTS</b>				
Local authority grants	-	663	<b>663</b>	610
<b>OTHER FUNDING</b>				
Catering income	84	-	<b>84</b>	82
Other miscellaneous income	294	-	<b>294</b>	248
	378	-	<b>378</b>	330
<b>TOTAL FUNDING</b>	<b>378</b>	<b>7,986</b>	<b>8,364</b>	<b>7,607</b>
2016 total split by fund:	330	7,277	7,607	

# WISE Academies

## NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 August 2017

### 4. OTHER TRADING ACTIVITIES

	Unrestricted funds	Restricted funds	<b>Total</b>	Total
	£000	£000	<b>2017</b> <b>£000</b>	2016 £000
Other income	46	-	46	35
	<u>46</u>	<u>-</u>	<u>46</u>	<u>35</u>
2016 total split by fund:	<u>35</u>	<u>-</u>	<u>35</u>	

### 5. INVESTMENT INCOME

	Unrestricted funds	Restricted funds	<b>Total</b>	Total
	£000	£000	<b>2017</b> <b>£000</b>	2016 £000
Short term deposits	8	-	8	2
	<u>8</u>	<u>-</u>	<u>8</u>	<u>2</u>
2016 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 2017

### 6. EXPENDITURE

	Staff Costs	Non Pay Premises Costs	Expenditure Other	Total	Total
	£000	£000	£000	2017 £000	2016 £000
Expenditure on raising funds	34	-	-	34	30
Academy Trust's educational operations:					
Direct costs	5,155	-	526	5,681	4,857
Allocated support costs	1,189	464	1,204	2,857	2,259
Teaching School costs	48	-	72	120	202
	<u>6,426</u>	<u>464</u>	<u>1,802</u>	<u>8,692</u>	<u>7,348</u>
2016 total split by category:	<u>5,383</u>	<u>468</u>	<u>1,497</u>	<u>7,348</u>	

Expenditure on raising funds was £34k of which £34k (2016: £30k) was unrestricted and £nil (2016: £nil) was restricted general funds.

Net income/(expenditure) for the period includes:	2017 £000	2016 £000
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Operating lease rentals	37	32
Depreciation	486	425
Amortisation of intangible fixed assets (included within Charitable Activities - Academy trust educational operations)	6	
Fees payable to RSM UK Audit LLP and its associates for :		
- Audit fees	16	18
Net interest on defined benefit pension liability (note 28)	35	20



# WISE Academies

## NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 August 2017

### 7. CHARITABLE ACTIVITIES

	2017 £000	2016 £000
Direct costs – educational operations	5,681	4,857
Support costs – educational operations	2,857	2,259
Teaching School costs	120	202
	<u>8,658</u>	<u>7,318</u>
<b>Analysis of support costs – educational operations</b>		
Support staff costs (including FRS102 section 28 pension charge of £219k (2016: £10k credit))	1,189	874
Depreciation	486	425
Amortisation	6	-
Technology costs	150	145
Premises costs	464	468
Other support costs (including FRS102 section 28 pension charge of £35k (2016: £20k))	503	324
Governance costs	59	23
	<u>2,867</u>	<u>2,259</u>

### 8. GOVERNANCE COSTS

	2017 £000	2016 £000
Legal and professional fees	40	5
Auditor's remuneration		
Audit of financial statements	16	17
Other audit costs	3	1
	<u>59</u>	<u>23</u>

# WISE Academies

## NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 August 2017

### 9. STAFF NUMBERS AND COSTS

	2017 £000	2016 £000
<b>a) STAFF COSTS</b>		
Staff costs during the period were:		
Wages and salaries	4,844	4,219
Social security costs	433	321
Pension costs	967	676
Apprenticeship Levy	5	-
	<u>6,249</u>	<u>5,216</u>
Supply staff costs	158	144
Staff restructuring costs	19	23
	<u>6,426</u>	<u>5,383</u>
Staff restructuring costs comprise:		
Redundancy payments	15	-
Severance payments	4	23
	<u>19</u>	<u>23</u>

### b) NON STATUTORY/ NON CONTRACTUAL STAFF SEVERANCE PAYMENTS

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £nil (2016: £6,451). Individually, the payments were £nil (2016: £50, £2,161, £4,240).

### c) STAFF NUMBERS

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

	2017 Average Headcount	2016 Average Headcount	2017 Average FTE	2016 Average FTE
Teachers	71	55	64	52
Administration and support	170	128	97	79
Management	25	23	23	23
Total	<u>266</u>	<u>206</u>	<u>184</u>	<u>154</u>

# WISE Academies

## NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 August 2017

### d) HIGHER PAID STAFF

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

i) Remuneration before employers' social security and pension costs	2017 Number	2016 Number
£60,001 - £70,000	3	3
£90,001 - £100,000	1	1
	<u>4</u>	<u>4</u>
ii) Remuneration before employers' pension costs only	2017 Number	2016 Number
£60,001 - £70,000	4	4
£70,001 - £80,000	1	1
£101,000 - £110,000	1	1
	<u>6</u>	<u>6</u>

Five of the above employees participated in the Teachers' Pension Scheme. During the year ended 31<sup>st</sup> August 2017 employers' contributions amounted to £57,294 (2016: £55,370). One of the above employees participated in the Local Government Pension Scheme. During the year ended 31<sup>st</sup> August 2017, pension contributions for this staff member amounted to £11,133 (2016 £12,421).

### 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 £642,023 (2016: £561,492).

## 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
- Educational support services
- Governance services

# WISE Academies

## NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 August 2017

The trust charges for these services on the basis of a flat percentage of 7.1% on GAG and Early Years funding streams.

The actual amounts charged during the year were as follows:

	2017 £000	2016 £000
Adderlane Academy	22	-
Bexhill Academy	117	114
Hasting Hill Academy	89	81
Prudhoe West Academy	12	-
Town End Academy	71	63
Welbeck Academy	127	116
	<u>438</u>	<u>374</u>

### 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 of £96,723 (2016: £93,454)

Employers' pension contributions £15,940 (2016: £15,401)

During the year ended 31 August 2017, travel and subsistence expenses totalling £2,371 (2016: £2,073) were reimbursed to 1 trustee (2016: 1).

Related party transactions involving the trustees are set out in note 29.

### 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.

# WISE Academies

## NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 August 2017

### 13. INTANGIBLE FIXED ASSETS

	Computer Software £000	Total £000
<b>Cost</b>		
At 1 September 2016	23	23
Additions	22	22
At 31 August 2017	45	45
<b>Amortisation</b>		
Opening	-	-
Charged in year	6	6
At 31 August 2017	6	6
<b>Carrying Amount</b>		
At 31 August 2016	23	23
At 31 August 2017	39	39

# WISE Academies

## NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 August 2017

### 14. TANGIBLE FIXED ASSETS

	Land and buildings	Furniture and equipment	Computer Hardware	Total
	£000	£000	£000	£000
<b>Cost</b>				
At 1 September 2016	7,463	247	341	8,051
Assets transferred from LA on conversion	3,615	-	-	3,615
Additions	288	80	69	437
Disposals	-	-	-	-
At 31 August 2017	11,366	327	410	12,103
<b>Depreciation</b>				
At 1 September 2016	764	87	210	1,061
Charged in year	346	58	82	486
Disposals	-	-	-	-
At 31 August 2017	1,110	145	292	1,547
<b>Net book value</b>				
At 31 August 2016	6,699	160	131	6,990
At 31 August 2017	10,256	182	118	10,556

# WISE Academies

## NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 August 2017

### 15. FIXED ASSET INVESTMENT

	2017 £
<b>Market value</b>	
At 1 September 2016 and at 31 August 2017	<u>1</u>
<b>Historical cost:</b>	
At 31 August 2017	<u>1</u>
At 31 August 2016	<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

	2017 £000	2016 £000
Trade Debtors	3	6
VAT Recoverable	49	50
Prepayments and accrued income	<u>454</u>	<u>236</u>
	<u>506</u>	<u>292</u>

# WISE Academies

## NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 August 2017

### 17. CREDITORS: Amounts falling due within one year

	2017 £000	2016 £000
Trade creditors	60	146
Accruals and deferred income	738	493
	<u>798</u>	<u>639</u>

#### Deferred income

	2017 £000
Deferred income at 1 September 2016	154
Released from previous years	(154)
Resources deferred in the year	<u>201</u>
Deferred income at 31 August 2017	<u>201</u>

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

	£000
UIFSM 1st Instalment for 17/18	111
Welbeck Academy Early Years funding 17/18	81
Rates Relief 17/18	<u>9</u>
	<u>201</u>



# WISE Academies

## NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 August 2017

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### 18. FINANCIAL INSTRUMENTS

	2017 £000	2016 £000
<b>Financial assets</b>		
Debt instruments measured at amortised cost	<u>378</u>	<u>163</u>
	<u>378</u>	<u>163</u>
	2017 £000	2016 £000
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	<u>597</u>	<u>485</u>
	<u>597</u>	<u>485</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 2017

### 19. FUNDS

	At 1 September 2016	Income	Expenditure	Gains, losses and transfers	At 31 August 2017
	£000	£000	£000	£000	£000
<b>RESTRICTED FUNDS</b>					
General Annual Grant (GAG)	839	5,826	(5,596)	(378)	691
Start up Grant	54	135	(71)	(28)	90
Pupil Premium	-	931	(931)	-	-
Other DfE/ESFA grants	151	431	(382)	(21)	179
Other Government Grants	-	663	(663)	-	-
Other Restricted Reserves	-	140	(33)	-	107
Pension reserve	(1,610)	(765)	(254)	599	(2,030)
	<u>(566)</u>	<u>7,361</u>	<u>(7,930)</u>	<u>172</u>	<u>(963)</u>
<b>RESTRICTED FIXED ASSET FUNDS</b>					
DfE/ESFA capital grants	432	36	(53)	-	415
Capital Expenditure from GAG	1,615	-	(302)	378	1,691
Capital Expenditure from Start up and Growth Grants	10	-	(9)	49	50
Transfer from LA	4,956	3,618	(128)	-	8,446
	<u>7,013</u>	<u>3,654</u>	<u>(492)</u>	<u>427</u>	<u>10,602</u>
<b>TOTAL RESTRICTED FUNDS</b>	<u>6,447</u>	<u>11,015</u>	<u>(8,422)</u>	<u>599</u>	<u>9,639</u>
<b>UNRESTRICTED FUNDS</b>	<u>484</u>	<u>452</u>	<u>(270)</u>	<u>-</u>	<u>666</u>
<b>TOTAL FUNDS</b>	<u>6,931</u>	<u>11,467</u>	<u>(8,692)</u>	<u>599</u>	<u>10,305</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.

Start up Grant funding has been received during the year to support the conversion of Prudhoe West Academy in July, where a small balance of £1,500 has been carried forward into 2017/18 and earmarked for staff training. Similarly, Start up Grant funding has been received to support the conversion of sponsored school,

# WISE Academies

## NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 August 2017

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### 19 FUNDS (continued)

Shaftoe Trust Primary School who are due to transfer into the Trust in the spring term of 2017/18 and will be known as Shaftoe Trust Academy. The balance of this fund, £88k, is stated in the analysis overleaf and will be fully utilised during 2017/18.

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.

The pension reserve is the liability arising from the deficit on the Local Government Pension Scheme as detailed in note 28.

Other DfE/ ESFA grants received and spent during the year relate largely to Growth funding grants, of which £149k has been carried forward into 2017/18 and committed to adding additional capacity in both support and leadership roles, and Teaching School grants 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 the valuation of land and property transferred from the Local Authority on conversion, of which £880k and £2,375k relate to in-year additions following the conversion of Adderlane Academy and Prudhoe West Academy respectively, together with funds received from the DfE/ESFA during the year of £36k in respect of Devolved Formula Capital Grants 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.

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 2017.

A comparative funds note detailing the closing position at 31 August 2016 is listed overleaf:

# WISE Academies

## NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 August 2017

Prior Year Funds 2015/16	At 1 September 2015	Income	Expenditure	Gains, losses and transfers	At 31 August 2016
	£000	£000	£000	£000	£000
<b>RESTRICTED FUNDS</b>					
General Annual Grant (GAG)	814	5,218	(4,868)	(325)	839
Start up Grant	-	70	(6)	(10)	54
Pupil Premium	-	871	(871)	-	-
Other DfE/EFA grants	-	508	(357)	-	151
Other grants	-	610	(610)	-	-
Pension reserve	(550)	-	(10)	(1,050)	(1,610)
	<u>264</u>	<u>7,277</u>	<u>(6,722)</u>	<u>(1,385)</u>	<u>(566)</u>
<b>RESTRICTED FIXED ASSET FUNDS</b>					
DfE/EFA capital grants	443	30	(41)	-	432
Other capital grants	-	10	(10)	-	-
Capital Expenditure from GAG	1,558	0	(268)	325	1,615
Capital Expenditure from Start up Grant	-	-	-	10	10
Transfer from LA	5,062	-	(106)	-	4,956
	<u>7,063</u>	<u>40</u>	<u>(425)</u>	<u>335</u>	<u>7,013</u>
<b>TOTAL RESTRICTED FUNDS</b>	<u>7,327</u>	<u>7,317</u>	<u>(7,147)</u>	<u>(1,050)</u>	<u>6,447</u>
<b>UNRESTRICTED FUNDS</b>	<u>318</u>	<u>367</u>	<u>(201)</u>	<u>-</u>	<u>484</u>
<b>TOTAL FUNDS</b>	<u>7,645</u>	<u>7,684</u>	<u>(7,348)</u>	<u>(1,050)</u>	<u>6,931</u>

# WISE Academies

## NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 August 2017

### 19 FUNDS (continued)

#### ANALYSIS OF ACADEMIES BY FUND BALANCE

	2017 £000
Adderlane Academy (Start up Grant)	-
Adderlane Academy	33
Bexhill Academy	233
Hasting Hill Academy	214
Prudhoe West Academy	133
Shaftoe Academy (Start up Grant)	88
Town End Academy	244
Welbeck Academy	378
Town End Teaching School	102
Central Services	308
Total before fixed assets and pension reserve	1,733
Restricted fixed asset fund	10,602
Pension reserve	(2,030)
<b>TOTAL RESERVES</b>	<b>10,305</b>

#### 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 £000
Adderlane Academy	278	47	24	104	453
Bexhill Academy	1,244	185	91	267	1,787
Hasting Hill Academy	947	176	79	257	1,459
Prudhoe West Academy	147	29	3	38	217
Shaftoe Academy	5	-	-	1	6
Town End Academy	783	139	69	252	1,243
Welbeck Academy	1,605	135	155	533	2,428
Town End Teaching School	-	47	-	64	111
Central Services	146	294	-	56	496
<b>WISE Academies</b>	<b>5,155</b>	<b>1,052</b>	<b>421</b>	<b>1,572</b>	<b>8,200</b>

# WISE Academies

## NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 August 2017

### 20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances at 31 August 2017 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	-	-	10,556	10,556
Current assets	666	1,865	7	2,538
Current liabilities	-	(798)	-	(798)
Pension scheme liability	-	(2,030)	-	(2,030)
<b>TOTAL NET ASSETS AT 31 August 2017</b>	<b>666</b>	<b>(963)</b>	<b>10,602</b>	<b>10,305</b>

Fund balances at 31 August 2016 are represented by:

	Unrestricted Funds	Restricted general funds	Restricted fixed asset funds	Total funds
	£000	£000	£000	£000
Intangible fixed assets	-	-	23	23
Tangible fixed assets	-	-	6,990	6,990
Current assets	484	1,683	-	2,167
Current liabilities	-	(639)	-	(639)
Pension scheme liability	-	(1,610)	-	(1,610)
<b>TOTAL NET ASSETS AT 31 August 2016</b>	<b>484</b>	<b>(566)</b>	<b>7,013</b>	<b>6,931</b>

# WISE Academies

## NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 August 2017

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### 21. CAPITAL COMMITMENTS

	2017 £000	2016 £000
Contracted for, but not provided in the financial statements	-	-
	-	-

### 22. COMMITMENTS UNDER OPERATING LEASES

#### OPERATING LEASES

At 31 August 2017 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2017 £000	2016 £000
Amounts due within one year	37	37
Amounts due between one and five years	49	76
Amounts due after five years	-	1
	<u>86</u>	<u>114</u>

# WISE Academies

## NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 August 2017

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

	2017 £000	2016 £000
Net income for the reporting period (as per the statement of financial activities)	2,775	336
Adjusted for:		
Net surplus on conversion to academy	(3,013)	-
Amortisation (note 13)	6	-
Depreciation (note 14)	486	425
Capital grants from DfE and other capital income	(36)	(40)
Interest receivable (note 5)	(8)	(2)
Defined benefit pension scheme cost less contributions payable (note 28)	219	(10)
Defined benefit pension scheme finance costs (note 28)	35	20
Decrease in debtors	(214)	57
(Decrease)/Increase in creditors	159	(967)
Stocks, debtors and creditors transferred on conversion	163	-
Net cash (used in)/ provided by operating activities	572	(181)

### 24. CASHFLOWS FROM FINANCING ACTIVITIES

	2017 £000	2016 £000
Repayments of borrowing	-	-
Cash inflows from new borrowing	-	-
Net cash provided by / (used in) financing activities	-	-



# WISE Academies

## NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 August 2017

### 25. CASHFLOWS FROM INVESTING ACTIVITIES

	2017 £000	2016 £000 Restated
Interest received	8	2
Purchase of intangible fixed assets	(22)	(23)
Purchase of tangible fixed assets	(437)	(352)
Capital grants from DfE/ ESFA	36	40
Net cash used in investing activities	(415)	(333)

### 26. ANALYSIS OF CHANGES IN NET FUNDS

	At 31 August 2017 £000	At 31 August 2016 £000
Cash in hand and at bank	2,032	1,875

### 27. 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.

### 28. 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 Sunderland City Council. Both are defined benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

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

# WISE Academies

## NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 August 2017

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### 28. PENSION AND SIMILAR OBLIGATIONS (continued)

#### Teachers' Pension Scheme

##### Introduction

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

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

##### Valuation of the Teachers' 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. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- Employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%).
- Total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million.
- An employer cost cap of 10.9% of pensionable pay will be applied to future valuations.
- The assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

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

The pension costs paid to TPS in the year amounted to £478k (2016: £413k).

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

# WISE Academies

## NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 August 2017

### 28. PENSION AND SIMILAR OBLIGATIONS (continued)

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

#### Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. Following this year's expansion, the Trust is a member of both Tyne and Wear Pension Fund (TWPF) and Northumberland County Council Pension Fund (NCCPF). Across both pension schemes, the total contribution made for the year ended 31 August 2017 was £353,150 (2016: £321,348) of which employer's contributions totalled £271,490 (2016: £252,712) and employees' contribution totalled £81,660 (2016: £68,636). The agreed rates for future years are, for employers' contributions: 16.2% (TWPF); 18.3% (NCCPF – Adderlane) and 20.2% (NCCPF – Prudhoe West) 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.

#### Principal actuarial assumptions

	TWPF		NCCPF (Adderlane Academy)		NCCPF (Prudhoe West Academy)	
	At 31 Aug 2017	At 31 Aug 2016	At 31 Aug 2017	On conversion 1 Dec 2016	At 31 Aug 2017	On conversion 1 Jul 2017
	%	%	%	%	%	%
Rate of increase in salaries	3.4	3.4	3.5	3.6	3.5	3.5
Rate of increase for pensions in payment/inflation	1.9	1.9	2.0	2.1	2.0	2.0
Discount rate for scheme liabilities	2.5	2.0	2.5	2.9	2.5	2.7
Inflation assumption (CPI)	1.9	1.9	2.0	2.1	2.0	2.0

# WISE Academies

## NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 August 2017

### 28. PENSION AND SIMILAR OBLIGATIONS (continued)

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

	<b>TWPF</b>	<b>NCCPF</b>
	<b>At</b>	<b>At</b>
	<b>August</b>	<b>August</b>
	<b>2017</b>	<b>2017</b>
	<b>Years</b>	<b>Years</b>
Retiring today		
Males	22.8	22.8
Females	26.3	24.9
Retiring in 20 years		
Males	25.0	25.0
Females	28.6	27.2

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

	<b>Fair value at</b>	<b>Fair value at</b>
	<b>31 August</b>	<b>31 August</b>
	<b>2017</b>	<b>2016</b>
	<b>£000</b>	<b>£000</b>
Equities	3,338	1,823
Property	392	275
Government bonds	356	105
Corporate bonds	532	316
Cash	150	83
Other	260	148
Total market value of assets	<b>5,028</b>	<b>2,750</b>

The actual return on scheme assets was £834,000 (2016: £410,000)

# WISE Academies

## NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 August 2017

### 28. PENSION AND SIMILAR OBLIGATIONS (continued)

Amounts recognised in the statement of financial activities

	2017 £000	2016 £000
Current service cost	(489)	(240)
Net interest cost	(35)	(20)
Total operating charge	<u>(524)</u>	<u>(260)</u>

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

	2017 £000	2016 £000
At 1 September	4,360	2,610
On conversion	1,893	-
Current service cost	489	240
Interest cost	102	100
Employee contributions	77	70
Actuarial losses	168	1,380
Benefits paid	(41)	(40)
Past service cost	10	-
Plan introductions, benefit changes, curtailments and settlements	-	-
At 31 August	<u>7,058</u>	<u>4,360</u>

# WISE Academies

## NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 August 2017

### 28. PENSION AND SIMILAR OBLIGATIONS (continued)

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

	2017 £000	2016 £000
At 1 September	2,750	2,060
On conversion	1,128	-
Interest income	67	80
Return on plan assets (excluding net interest on the net defined pension liability)	767	330
Employer contributions	280	250
Employee contributions	77	70
Benefits paid	(41)	(40)
Plan introductions, benefit changes, curtailments and settlements	-	-
At 31 August	5,028	2,750

### 29. RELATED PARTIES

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

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.

### 30. CONVERSIONS TO ACADEMY TRUST

The following schools converted to academy status under the Academies Act 2010 and all operations and assets and liabilities were transferred to WISE Academies from Northumberland County Council for £nil consideration.

Predecessor School	Academy	Conversion Date
Adderlane First School	Adderlane Academy	1 December 2016
Prudhoe West First School	Prudhoe West Academy	1 July 2017

# WISE Academies

## NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 August 2017

### 30. CONVERSIONS TO ACADEMY TRUST (continued)

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

The following tables set out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the SOFA.

#### Adderlane Academy (1 December 2016)

	Unrestricted Funds £000s	Restricted General Funds £000s	Restricted Fixed Asset Funds £000s	Total £000s
Tangible Fixed Assets				
Leasehold land and buildings	-	-	880	880
Budget surplus on Capital funds	-	-	3	3
LGPS pension deficit	-	(149)	-	(149)
<b>Net assets/(liabilities)</b>	<b>-</b>	<b>(149)</b>	<b>883</b>	<b>734</b>

#### Prudhoe West Academy (1 July 2017)

	Unrestricted Funds £000s	Restricted General Funds £000s	Restricted Fixed Asset Funds £000s	Total £000s
Tangible Fixed Assets				
Leasehold land and buildings	-	-	2,735	2,735
Budget surplus on LA funds	20	140	-	160
LGPS pension deficit	-	(616)	-	(616)
<b>Net assets/(liabilities)</b>	<b>20</b>	<b>(476)</b>	<b>2,735</b>	<b>2,279</b>

<b>Total Value of Transferred</b>	<b>20</b>	<b>(625)</b>	<b>3,618</b>	<b>3,013</b>
<b>Net assets/(liabilities)</b>				

