

# **WISE Academies**

(A company limited by guarantee)

## **ANNUAL REPORT AND FINANCIAL STATEMENTS**

**for the year ended 31 August 2022**

WISE Academies  
CONTENTS

---

	Page
Reference and administrative details	1 – 2
Trustees' report	3 – 27
Governance statement	28 – 33
Statement on regularity, propriety and compliance	34
Statement of trustees' responsibilities	35
Independent auditor's report to the members of WISE Academies	36 – 39
Independent reporting accountant's assurance report on regularity to WISE Academies and ESFA	40 – 41
Statement of financial activities	42
Balance sheet	43
Statement of cash flows	44
Notes to the accounts	45 - 76

WISE Academies  
REFERENCE AND ADMINISTRATIVE DETAILS

---

Members	M E W Stephenson *^ J G Wood C.B.E. * (resigned 8 April 2022) R Bradshaw D R Sandbach O.B.E. G T Yarrow Dame I Hays (from 8 April 2022)
Trustees	M E W Stephenson (Chair) *^ Z Carr O.B.E. (CEO and Accounting Officer) J G Wood C.B.E. * D Pearson *^ R Symonds # N Vokes # P Smith # R Ward #^ C Collins ^  * members of the Finance and General Purpose Committee # members of the Audit Committee ^ members serving on one or more Regional Hub Board Committees
Company Secretary	G Robinson
Senior Management Team:	
Chief Executive Officer and Accounting Officer	Z Carr O.B.E.
Headteacher/ Regional Hub Director	N Fountain
Headteacher/ Regional Hub Director	P Martindale
Headteacher	N Fullard (resigned 22 April 2022)
Headteacher	C Robson (from 25 April 2022)
Headteacher	L Saunders
Headteacher	R Walton
Headteacher	E Potts
Headteacher	C Hodgson
Headteacher	S Drake
Executive Headteacher	D Ward
Headteacher	G Mellefont
Headteacher	J Phazey
Headteacher	D Todd (from 1 September 2022)
Finance Director	F Hardie
Director of Operations	G Robinson
Principal and Registered Office	Borodin Avenue Sunderland SR5 4NX
Company Registration Number	07521946

---

WISE Academies  
REFERENCE AND ADMINISTRATIVE DETAILS (continued)

---

Independent Auditor	RSM UK Audit LLP 1 St James Gate Newcastle upon Tyne NE1 4AD
Bankers	Lloyds Bank Plc 102 Grey Street Newcastle upon Tyne NE1 6AG
Solicitors	Ward Hadaway Sandgate House 102 Quayside Newcastle upon Tyne NE1 3DX
Internal Auditor	Azets Wynyard Park House Stockton-on-Tees Billingham TS22 5TB

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2022. The annual report serves the purpose of both a trustees' report and a directors' report required under company law.

The Trust for the period to 31 August 2022 operated with 12 first/primary school academies in the North East area of England:

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

The academies within the Trust have a combined pupil capacity of 3,680 in the age range 4 – 11, which includes 80 special school places; 329 FTE nursery places; 68 FTE 2-year old places and an additional 16 place ARC provision.

The combined roll was 3,233 in the school census on October 2022. This includes 2,829 pupils in the age range 4 – 11 and 343 children aged 3 accessing nursery provision (full time and part time) with an additional 61 accessing 2-year-old provision (full time and part time).

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

### **Constitution**

The academy trust is a company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust. The Trustees of WISE Academies are also the directors of the charitable company for the purposes of company law. The charitable company is known as WISE Academies.

Details of the Trustees who served throughout the year are included in the Reference and Administrative Details on page 1.

### **Members' Liability**

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

### **Trustees' Indemnities**

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

### **Method of Recruitment and Appointment or Election of Trustees**

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

The constitution and membership of the Board of Trustees and at Company Member level remain stable and fit for purpose for effective governance of the Trust. The only change during the period covered by the report was the resignation of Mr J.G. Wood C.B.E. at Member level and the appointment of Dame I Hays at Member level. There have been no changes to membership of the Board of Trustees during this reporting period, thus providing continuity in governance arrangements.

### **Policies and Procedures Adopted for the Induction and Training of Trustees**

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

The Trust's governance structure also includes a number of committees which includes Local Governing Bodies. There are also three Regional Boards which oversee a number of academies in a geographical hub.

Induction training is provided to new local governors to provide context to the role and understanding of how local governance functions within a multi-layered trust governance structure.

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

A Governance Action Plan was formulated and implemented during 2021/22 following a governance review. This included a range of opportunities for Trustees and Members to access development opportunities identified through the review of governance as being those which are most relevant to their roles.

### **Organisational Structure**

The company is set up as a multi-academy model, and the Board of Trustees is scheduled to meet six times per year to discuss its strategic objectives with the Chief Executive Officer (CEO), who is the

Accounting Officer of the Multi Academy Trust (MAT). To reflect the growth of the Trust and increased geographical spread of the MAT's operation, two Regional Hub Directors were introduced to the organisational structure from 1 September 2018 and these Regional Hub leaders participate in Trustees' meetings to strengthen accountability and communication.

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

There is only one legal entity accountable for all academies within the chain, the Multi Academy Trust (MAT). The MAT has one set of Articles which governs all academies. The Articles of Association reflect the tiered governance structure which includes Members, Trustees, Regional Boards and Local Governing Bodies. The Regional Boards and Local Governing Bodies have the status of committees of the Board of Trustees in the governance structure and their roles and responsibilities are defined through the scheme of delegation. Local Governing Bodies have always existed in the WISE Academies governance framework and provide individual school focus and accountability. The Regional Boards were introduced in recent years as part of the governance structure of the expanded MAT, and to take account of the increased geographical spread of the Trust. The establishment of the Regional Boards coincided with the addition of Regional Hub Leads into the management structure and have become the primary mechanism for holding those Regional Hub Leads to account for the performance of the academies within their area of responsibility.

Throughout the reporting period, each level of governance has conducted business partially by means of virtual meetings via video-conferencing and partially through traditional meetings. The use of virtual meetings was first introduced during previous reporting years due to the outbreak of coronavirus and during periods of the UK lockdowns and this method of working has facilitated the continuity of governance functions. The use of video-conferencing is specifically provided for within the Articles of Association but has continued to be a mechanism for conducting governance business even since the original national Covid restrictions were lifted.

Within the Articles of Association there are other measures available to those responsible for governance to discharge governance functions through written resolutions.

The Board of Trustees has also previously resolved to authorise the Chair of Trustees (or in her absence, the Vice-chair) to exercise any governance function which may properly be deemed urgent and where a delay in decision making would be detrimental to the Trust, academies, staff or pupils. The Chair has only exercised powers of urgency on a small number of occasions and, in line with the resolution that was passed by the Board, provided a summary of these actions at the next available meeting. There was no such exercise of powers of urgency within the reporting period.

#### **Arrangements for Setting Pay and Remuneration of Key Management Personnel**

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

The pay and remuneration of the senior management team is reviewed annually by the Finance and General Purposes Committee taking account of national leadership pay scales and other benchmarking information available. There are also appropriate appraisal objectives set and any incremental progression takes account of performance. 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

#### Trade Union Facility Time

Under the provision of the trade union (Facility Time Publication Requirements) Regulations 2017, where an academy trust has more than 49 full time equivalent employees throughout any 7 months within the reporting period, it must include information included in schedule 2 of the Regulations. The information to be published consists of four tables covering the period April 2020 to March 2021:

#### Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
2	2

#### Percentage of time spent on facility time

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

#### Percentage of pay bill spent on facility time

Total cost of facility time	£nil
Total pay bill	£16,648k
Percentage of pay bill spent on facility time	0%

#### Paid trade union activities

Time spent on trade union activities as a percentage of total paid facility time hours	0%
--	----

#### 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 Associate Research School, formerly known as the Town End Teaching School which had a range of strategic partners including Local Authorities, other academies and maintained schools together with local universities. Following recent national reforms of Teaching Schools, consolidating their numbers into regional hubs, the Town End Associate Research School is part of the North-East Teaching Schools Partnership.



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 additionally funded specialist ARC provision based at Welbeck Academy.

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

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

- J Wood C.B.E. – Director of The Beacon of Light Ltd.
- N Vokes – Chief Executive of Sunderland North Community Business Centre (SNCBC); Managing Director of Community Opportunities; Sunderland All Together Consortium CIO – Director/Trustee (non pecuniary); Bowes Railway Company (BRC) 2015 to date Operational Adviser on behalf of SNBC/Community Opportunities who are paid to deliver the contract although Ms Vokes not paid directly by BRC; Hylton Castle Trust (HCT) business planning adviser 2018 to January 2020 and from February 2020 Operations Manager on behalf of SNBC/Community Opportunities who are paid to deliver the contract however Ms Vokes is not paid directly by HCT.
- R Symonds – None.
- M Stephenson – None (although there is a standing declaration that her sister is a local governor of one of the academies within the Trust).
- P Smith – Paul Smith Health & Safety Consultancy, completes training and competent person role for some small companies including occasionally Avenue Builders who does undertake some work for WISE Academies at times. Completes marking for a National Examination Board. Wife also works in a leadership capacity at a different academy trust which WISE has a contractual relationship to provide governance services.
- Z Carr O.B.E.– Husband a Director of Capital UK Electric Ltd. (not used by the Trust); Company Member of Melrose Learning Trust. Director of Schools North East
- C Collins – Consultancy – Christine Collins Consultancy
- D Pearson - Elliott Associates/Elliott Projects (Consultancy) Limited - retained Consultant Director, Constructing Excellence North East.
- R Ward – CEO and Trustee of Melrose Learning Trust
- R Sandbach O.B.E. - Trustee of The Beacon School, Sunderland
- R Bradshaw – None
- G T Yarrow – None
- Dame I Hays - Owner / Chair of Hays Travel Ltd incorporating the following: -
  - Hays Transport Limited (06428210)
  - Hays Property Services Limited (00288713)
  - Hays Foreign Exchange Limited (03277863)
  - Hays Transfers Limited (06390154)
  - Hays Beds Limited (04201735)
  - Hays Tour Operating Limited (03591401)
  - Hays Travel Foundation (09357982)

- Hays Travel Limited (01990682)

### **Engagement with Employees (Including Disabled Persons)**

WISE Academies encourages the involvement and communication with all employees. From a strategic perspective, all new staff receive induction which is conducted at Trust level and is run alongside initial induction training at each local academy; we have a Staff Council which is a communication and consultation forum and meets on a termly basis, and annually, we complete a Staff Survey to obtain the views from all employees on their experiences working within the Trust.

The Trust has a recognition agreement with Trade Unions and our HR Director chairs termly meetings of our Joint Consultative Committee (JCC) which is attended by the CEO and other members of the Trust Executive team. All HR policies are consulted upon through the JCC and contractual policies are reviewed on an annual basis to ensure that they remain compliant with all employment and statutory legislation.

The Trust has a comprehensive suite of HR policies that ensure all staff are treated fairly and equitably at all times during their employment. WISE Academies complies with the requirements of the Equality Act (2010) and recognises, respects and values diversity in the workforce and is committed to promoting and achieving equality of opportunity; no candidates or staff are disadvantaged or discriminated against because of the protected characteristics. Staff who require reasonable adjustments to remain in work are treated sensitively and with compassion and support is available to all staff from the Employee Assist Programme and Occupational Health services.

### **Engagement with Stakeholders**

#### *Business relationships with suppliers*

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

#### *Education and Skills Funding Agency (ESFA)*

The Trustees ensure that WISE Academies remains compliant in respect of ESFA governance and reporting requirements. Annual updates of the Academies Handbook and Governance Handbook are reviewed together with any 'Accounting Officer' letters as received during the year, with any required actions being followed up with the management team of the Trust.

#### *Ofsted*

The Trust is led by a visionary executive leadership team headed by a CEO who is a trained Ofsted inspector, together with our Regional Hub Directors, one of whom completed their Ofsted training during the period and the other, close to completion in the coming months. As a result of the expertise available within the Trust, we are well placed to respond to the latest Ofsted requirements. This has proved particularly effective when changes in inspection criteria take place, as a Trust-wide approach is deployed to implement measures in readiness for the changes.

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

### *Local communities*

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

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

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

## **OBJECTIVES AND ACTIVITIES**

### **Objects and Aims**

The principal activity and objective of the academies is the advancement of education in the United Kingdom by establishing and maintaining high performing first and 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 Trust operates as one team who, together, commit to achieving our mission: '*We are a family of schools who exist to inspire each pupil to believe in themselves so they experience great success through our commitment to excellence*'. Our philosophy is one of boundless aspiration...the sky is the limit.

The main objectives and performance of the Trust during the year ended 31 August 2022 are summarised below:

#### **Strategic aim 1: Providing an excellent standard of education for all pupils.**

- Within the reporting period 4 schools have been inspected: 3 schools had a full Section 5 inspection where judgements can be changed. Bexhill and Morpeth Road both achieved outstanding in all areas. Shaftoe received Good overall but 3 of the 5 areas were graded outstanding – Personal Development, Behaviour and Attitudes and Early Years. Prudhoe

West received a Section 8 inspection where no judgements are changed. It retained its good judgement.

- Every academy has been working extremely hard to ensure that their curriculums reflect Trust expectations. The curriculum has been praised in all schools that have been inspected this year. Curriculums continue to be refined and improved as self-evaluation and quality assurance takes place.
- The last cohort of Y6 pupils had 52% of disadvantaged pupils compared with the National of 23%. Trust averages were in line with national in Reading and Writing, were 2% lower in SPAG and combined measures and 4% lower in maths. When comparing disadvantaged pupils' attainment in WISE to others, WISE are above on all measures – 5% higher in reading, 3% higher in writing, 5% higher in maths and 7% higher combined.
- The Trust has performed well in phonics. The Y1 national average for this year was 75% and the Trust average was 83%. The Y2 national average for this year was 87% and the Trust average was 90%. The results for disadvantaged pupils are even more impressive. The Y1 national average for disadvantaged pupils was 62% and the Trust average was 78%.

**Strategic aim 2: Ensure that Spiritual, Moral, Social, Cultural education underpins all activity, so pupils develop as well-rounded, responsible individuals.**

- The three schools who have been inspected under Section 5 in Ofsted this year have all been graded outstanding for personal development. External reviews have also shown that all of the schools in WISE have personal development offers for pupils that are at least good.
- During the last year attendance has been a significant issue in the country. Early indications would suggest that national attendance is around 93.2% and WISE's average for the year was 92.2%. School attendance is generally lower in schools with higher levels of disadvantage. Improving attendance is of national importance in 2022-23 and it is a top priority in the Trust.
- Pupils across the Trust enjoy school. The pupil survey results were extremely positive with only 3% of pupils stating that they did not enjoy school. 95% of parents say their child enjoys school in the Trust compared to 91% nationally.
- A number of schools have worked towards achieving a Mental Health Award in the current period. Pupils well-being has been a high priority in all schools and Ofsted inspections within the period have shown that pupil's personal development is a strength of the Trust.

**Strategic aim 3: Deliver robust financial management.**

- The Trust is in a strong financial position with reserves around £4.0 million being unrestricted and restricted general funds.
- In the period the Trust received a strong end of year external audit with no key findings. Three internal audits have also taken place focusing on: Trust governance, estates management and budget setting. All audits were positive with some exemplary practice identified; further detail of each is set out on pages 32 and 33 of this report.
- The Trust cash flow has been reported each month. Cash in hand is healthy with on average £6 million in the bank each month.
- All financial submissions have been made within required timescales. All financial regulations have been adhered to.
- Procurement rules have been adhered to and any exceptions have been authorised by Trustees.

**Strategic aim 4: Ensure governance is highly effective and fit for purpose.**

- An external review of Trust governance has been performed during the current year as part of the internal audit process, the findings of which were very positive. All statutory and legal responsibilities have been met. The Audit Committee of the Trustees is extremely effective in scrutinising key aspects of compliance in relation to estates, risk management, safeguarding, finance and HR.
- A greater separation between Members and Trustees has been put in place within the period to enhance accountability structures. The Chair of Trustees is a Member by right of this position but all other Members hold no other positions within the governance structure.

**Strategic aim 5: Be an employer of choice**

- All staff are supported through a comprehensive well-being package of support.
- The staff survey showed that 97% of staff enjoyed working for WISE Academies.
- 95% of teachers say their professional development is well catered for.

**Strategic aim 6: Deliver high quality estate management**

- The Estate Strategy identifies key priorities for estate improvement and capital investment. A capital funding audit took place within the period. This was very positive and it recognised that the delivery of the Estate Strategy is effective and the allocating of School Capital Allocation is well targeted.
- All academy sites are compliant and safe. Health and Safety Audits have taken place in most academies within the year and these have been positive and flagged no areas of concern.

**Strategic aim 7: Ensure a well co-ordinated, strategic approach to IT**

- There is a clear Trust IT vision which has been presented to key stakeholders.
- Devices have been prioritised at schools who have a lower pupil to device ratio. There is now a much fairer distribution of devices across the Trust.
- The IT business continuity audit was positive with no high risk areas identified. The Trust continues to strengthen procedures to minimise the likelihood of a cyber-attack.
- Computing curriculums are developed more comprehensively than ever before and are being refined further. Academies have the IT requirements to teach the computing curriculum.

**Strategic aim 8: Grow to secure sustainability, achieve greater efficiencies and support schools in need.**

- A fourth hub has been established in South Tyneside. It is incorporated into the South of Tyne Hub currently but in time is likely to become a hub of its own. Targeted marketing has taken place in South Tyneside to aid this ambition.
- Effective oversight of all Trust schools has been maintained through the Hub structure and Hub Governance board. Appropriate support and intervention are provided to all schools. Each hub is supported by a Hub Leader and Hub Governance clerk.
- All schools have had immediate access to high quality support by the central team in Finance, HR, Governance, Health and safety, Estates Management, IT, Educational Support.

**Strategic aim 9: Ensure the Trust has an excellent reputation.**

- Trust leaders contribute to local, regional and national events. The Trust CEO has continued to complete work on behalf of the DfE and is a Trustee of Schools North East.
- Town End Associate Research School have featured in Educational Endowment Foundation reports to share best practice.
- Town End Academy have been successful in gaining full Research School Status which will commence at the end of their Associate Research School status in September 2023. They will be one of only 27 schools in the country to have this status.
- The Trust website had been redesigned and improved and the Trust Twitter page is in regular use and continues to grow in followers.
- The Trust has worked with a marketing consultant to further develop its brand and marketing strategy.
- The Regional Hub Leader for the South of Tyne has gained Ofsted inspector status in the period and the Regional Hub Leader for North of Tyne started training to be an Ofsted inspector in September 2022.

**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 Trust 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

#### Summary

This academic year has been extremely successful. The focus has very much been on catching up after the impact of the pandemic. There has been a particular emphasis on ensuring that all pupils learn to read, write fluently and calculate accurately. Academic outcomes at the end of the year demonstrate that strategies have been successful. Trust outcomes for phonics and Key Stage 1 are above national averages and at the end of Key Stage 2 outcomes are broadly in line with national. Our disadvantaged pupils have performed very well when compared to other disadvantaged pupils across the country. Four academies in the Trust have received an Ofsted inspection in the period which have all been really positive.

#### Ofsted Inspections

##### *Prudhoe West Academy*

Prudhoe West Academy received a Section 8 inspected by Ofsted in November 2021. The school was praised for its work in many areas and the overall outcome was that it remained a good school as

Section 8 inspections do not change the grade of the school. Inspectors praised the schools and made the following comments: “Leaders have worked hard to design and plan a curriculum that builds knowledge sequentially. Reading is a key priority for leaders. Expectations of pupils are high. This is a school passionate to see the best for all pupils, including those with special educational needs and/or disabilities. It is obvious pupils are proud of their school and love being there. Pupils access a myriad of opportunities to broaden their personal development. The school is meticulous in its attention to detail in keeping children safe. Pupils speak with maturity about the importance of good mental health and how to stay safe. The staff, without exception, are extremely positive about working in school.”

#### *Morpeth Road Academy*

Morpeth Road Academy was inspected in March 2022 and achieved Outstanding in all judgements. This academy had received a declining good judgement before it joined the Trust in 2018 and has undergone substantial improvement. Ofsted inspectors praised all areas of the school and made many positive comments: “Senior leaders have brought about rapid change. Improvements are having an extremely positive impact on pupils’ learning, development and behaviour. They ensure that staff have the time and guidance to carry out their roles extremely well. Governors use their expertise to challenge senior leaders. Governors provide them with highly effective support. Leaders know the school and the needs of the community exceptionally well. They provide all pupils with a high-quality education by making sure that teachers are subject experts. The curriculum is expertly built up in small steps from nursery onwards. Pupils gain specific subject knowledge and skills across a broad range of subjects. Leaders ensure that staff teach early reading consistently well. The leadership and management of special educational needs and/or disabilities (SEND) is a strength. Staff have the highest expectations for pupils with SEND. Pupils’ behaviour is excellent. Everyone has high expectations of behaviour. There is an impressive personal development programme. Spiritual, moral, social and cultural education are woven into pupils’ learning. Pupils thrive with the high level of support given in this school where everyone is made to feel welcome. Pupils are courteous and polite.”

#### *Bexhill Academy*

Bexhill has been part of the Trust since the start, from March 2011. In June 2019 it received a strong Section 8 inspection and had been waiting to receive a full inspection to see if it fully met the outstanding criteria. Bexhill Academy was fully inspected in June 2022 where it was judged to be outstanding in all areas. Inspectors were hugely positive about the school: “Leaders are highly ambitious for pupils’ academic success. They ensure that pupils get an outstanding education at this school. Leaders give pupils wide and exciting opportunities to learn and develop. Leaders have developed a broad, balanced and ambitious curriculum. Reading is at the heart of the curriculum. Books are everywhere in this school and pupils read or share them widely and often. Pupils are proud to belong to this exceptional school. Leaders have created a wonderfully caring and supportive environment where everyone is respected. Relationships between staff and pupils are excellent. Leaders’ work promoting pupils’ personal development is exceptional. The school promotes the Unicef Rights of the Child values and is determined to ensure that pupils know how to be good citizens. The trust board and local governing body are extremely knowledgeable about the school. They use their experience well to challenge and support leaders. Everyone at Bexhill takes safeguarding very seriously. Leaders and staff know their pupils and families very well.

### *Shaftoe Trust Academy*

Shaftoe Trust Academy joined the Trust in February 2018 after it had been judged to be inadequate. It was inspected in June 2022 and received an overall 'good' judgement however 3 areas out of 5 were judged to be 'outstanding': pupils' Personal Development; Behaviour and Attitudes and the Early Years. The school has undergone a huge transformation as part of the Trust which was recognised in the inspection report: "The determined leadership of the headteacher, with the support of the trust, has brought about much change. Leaders ensure that the school keeps getting better. Leaders and governors have high ambitions for all pupils. Leaders have developed a detailed and ambitious curriculum. Pupils with special educational needs and/or disabilities (SEND) are supported well. Pupils are exposed to a wealth of books in all areas of the curriculum. Teachers deliver phonics lessons expertly. Reading standards are high. Teachers review and revisit knowledge so that important learning is not forgotten by pupils. The quality of their work in books and on displays around the school is high. The curriculum for children in the early years is exceptional. Leaders have carefully planned the expected knowledge and skills so that children are successful across areas of learning. The school values thread through all aspects of the day. Pupils develop mature viewpoints and are exceptionally well prepared for life outside of school. Pupils' behaviours and attitudes are exemplary. Pupils expect high standards of themselves and each other. Leaders have ensured that a culture of safeguarding pervades throughout the school.

### Pupil Outcomes

#### *Gold Level of Development*

The Covid-19 pandemic has had the most significant impact on our youngest pupils. The Good Level of Development (GLD) which pupils reach by the end of Reception 2022 has been negatively affected. The Trust Average for GLD this year was 61%. The 2019 national average prior to the pandemic was 72%. The national average for 2022 has not yet been released but is expected to be lower than the 2019 level. Only 44% of disadvantaged pupils achieved the GLD. Further details can be found in Table A.

#### *Year 1 Phonics*

The Trust has prioritised time and resource to ensure as many pupils as possible pass the Year 1 phonics check. This strategy has proved to be effective as Trust outcome in phonics are higher than national - 83% compared with the national of 75%. Disadvantaged pupils in the Trust performed particularly well in phonics. 75% of these pupils passed the phonics check compared to the national disadvantaged figure of 62%. Further details can be found in Table A.

#### *KS1 Outcomes*

The Trust Key Stage 1 outcomes compare well with the 2022 national both at the expected and greater depth standard. In reading the Trust average for pupils achieving the expected standard was 69% and the national was 67%; in writing the Trust average was 56% and the national was 58% and in maths the Trust average was 71% and the national was 68%. In terms of pupils achieving the greater depth standard, the Trust performed the same as national in reading and mathematics and significantly better in writing. Although the percentage of disadvantaged pupils achieving the expected standard was not



as high, it was higher than other disadvantaged pupils nationally. In reading the Trust average for disadvantaged pupils achieving the expected standard was 56% and the national was 51%; in writing the Trust average was 49% and the national was 41% and in maths the Trust average was 56% and the national was 52%. Further details can be found in Table B.

### KS2 Outcomes

The Trust Key Stage 2 outcomes compare well with the 2022 national at the expected standard. In reading the Trust average for pupils achieving the expected standard was 74% and the national was 74%; in writing the Trust average was 69% and the national was 69% and in maths the Trust average was 67% and the national was 71%. In terms of pupils achieving the greater depth standard, the Trust performed broadly the same as national in reading and mathematics and but was not as strong as national in writing. Although the percentage of disadvantaged pupils achieving the expected standard was not as high, it was higher than other disadvantaged pupils nationally. In reading the Trust average for disadvantaged pupils achieving the expected standard was 67% and the national was 62%; in writing the Trust average was 58% and the national was 55% and in maths the Trust average was 61% and the national was 56%. Further details can be found in Table C.

**Table A: Early Years Good Level of Development & Y1 Phonics Results 2022**

	Reception GLD %			Year 1 Phonics %		
	National Average % 2022	Whole School %	Disadvantaged %	National Average % 2022	Whole School %	Disadvantaged %
<b>Adderlane Academy</b>	-	64	60	75%	80	86
<b>Bexhill Academy</b>		50	24		83	80
<b>Hasting Hill Academy</b>		65	-		87	79
<b>Prudhoe West Academy</b>		74	43		90	69
<b>Shaftoe Trust Academy</b>		73	-		100	100
<b>Town End Academy</b>		45	38		62	36
<b>Welbeck Academy</b>		56	56		75	77
<b>Croftway Academy</b>		60	33		82	79
<b>Morpeth Road Academy</b>		50	30		85	87
<b>Malvin's Close Academy</b>		66	50		90	88
<b>Haltwhistle</b>		64	60		77	81
<b>Trust Average</b>			<b>61</b>		<b>44</b>	

**Table B: KS1 Results 2022**

Key R – Reading W – Writing M – Mathematics RWM– Reading, writing and mathematics combined score		Expected Standard			Greater Depth		
		2022 National Average %	Whole School %	Dis. Pupils %	2022 National Average %	Whole School %	Dis. Pupils %
<b>Adderlane Academy</b>	<b>R</b>	67	81	75	18	38	25
	<b>W</b>	58	81	75	8	25	8
	<b>M</b>	68	81	75	15	50	42
	<b>RWM</b>	-	81	75	8	19	8
<b>Bexhill Academy</b>	<b>R</b>	67	78	65	18	13	7
	<b>W</b>	58	62	65	8	11	11
	<b>M</b>	68	80	77	15	4	8
	<b>RWM</b>	-	50	65	-	0	0
<b>Hasting Hill Academy</b>	<b>R</b>	67	71	57	18	29	0
	<b>W</b>	58	71	57	8	21	0
	<b>M</b>	68	79	71	15	29	0
	<b>RWM</b>	-	71	57	-	21	0
<b>Prudhoe West Academy</b>	<b>R</b>	67	85	60	18	23	0
	<b>W</b>	58	62	40	8	12	0
	<b>M</b>	68	85	60	15	12	0
	<b>RWM</b>	-	62	25	-	0	0
<b>Shaftoe Trust Academy</b>	<b>R</b>	67	100	47	18	36	0
	<b>W</b>	58	73	41	8	9	0
	<b>M</b>	68	82	53	15	18	50
	<b>RWM</b>	-	55	41	-	0	0
<b>Town End Academy</b>	<b>R</b>	67	60	47	18	23	12
	<b>W</b>	58	60	41	8	0	0
	<b>M</b>	68	67	53	15	7	12
	<b>RWM</b>	-	57	41	-	0	0

**KS1 Results 2022 (cont.)**

R – Reading W – Writing M – Mathematics RWM – Reading, writing and mathematics combined score		Expected Standard			Greater Depth		
		2022 National Average %	Whole School %	Dis. Pupils %	2022 National Average %	Whole School %	Dis. Pupils %
<b>Welbeck Academy</b>	<b>R</b>	67	51	48	18	9	5
	<b>W</b>	58	42	39	8	6	2
	<b>M</b>	68	66	66	15	11	7
	<b>RWM</b>	59	40	36	-	6	2
<b>Malvin's Close Academy</b>	<b>R</b>	67	63	50	18	7	2
	<b>W</b>	58	38	25	8	2	2
	<b>M</b>	68	62	54	15	12	2
	<b>RWM</b>	59	38	25	-	2	2
<b>Morpeth Road Academy</b>	<b>R</b>	67	63	50	18	11	7
	<b>W</b>	58	38	25	8	9	7
	<b>M</b>	68	62	54	15	11	11
	<b>RWM</b>	59	38	25	-	9	7
<b>Croftway Academy</b>	<b>R</b>	67	44	33	18	9	0
	<b>W</b>	58	38	26	8	0	0
	<b>M</b>	68	47	37	15	2	0
	<b>RWM</b>	59	28	19	-	0	0
<b>Haltwhistle Academy</b>	<b>R</b>	67	67	33	18	4	0
	<b>W</b>	58	50	33	8	0	0
	<b>M</b>	68	63	17	15	16	0
	<b>RWM</b>	59	50	17	-	0	0
<b>Trust Average</b>	<b>R</b>	67	69	56	18	18	5
	<b>W</b>	58	56	49	8	17	0
	<b>M</b>	68	71	56	15	16	9
	<b>RWM</b>	59	52	40	-	11	0

**Table C: KS2 Results 2022**

<b>Key</b> R – Reading W – Writing M – Mathematics RWM– Reading, writing and mathematics combined score		Expected Standard			Greater Depth		
		2022 National Average %	Whole School %	PP Pupils %	2022 National Average	Whole School %	PP Pupils %
<b>Shaftoe Trust Academy</b>	<b>R</b>	74	88	100	28	38	50
	<b>W</b>	69	81	75	13	19	25
	<b>M</b>	71	75	75	22	38	25
	<b>RWM</b>	59	75	75	7	6	25
<b>Town End Academy</b>	<b>R</b>	74	50	50	28	17	20
	<b>W</b>	69	63	40	13	0	0
	<b>M</b>	71	71	50	22	13	10
	<b>RWM</b>	59	42	40	7	0	0
<b>Welbeck Academy</b>	<b>R</b>	74	55	55	28	19	21
	<b>W</b>	69	49	47	13	4	4
	<b>M</b>	71	47	45	22	4	4
	<b>RWM</b>	59	36	34	7	2	2
<b>Haltwhistle Academy</b>	<b>R</b>	74	94	76	28	38	15
	<b>W</b>	69	77	54	13	15	8
	<b>M</b>	71	74	82	22	24	27
	<b>RWM</b>	59	68	38	7	0	0
<b>Croftway Academy</b>	<b>R</b>	74	83	64	28	40	36
	<b>W</b>	69	72	64	13	6	2
	<b>M</b>	71	77	56	22	28	28
	<b>RWM</b>	59	68	52	7	2	2
<b>Malvin's Close Academy</b>	<b>R</b>	74	75	68	28	6	9
	<b>W</b>	69	77	68	13	8	10
	<b>M</b>	71	70	68	22	15	9
	<b>RWM</b>	59	68	68	7	6	0

<u>Key</u> R – Reading W – Writing M – Mathematics RWM– Reading, writing and mathematics combined score		Expected Standard			Greater Depth		
		2022 National Average %	Whole School %	PP Pupils %	2022 National Average %	Whole School %	PP Pupils %
<b>Morpeth Road Academy</b>	<b>R</b>	74	67	60	28	12	7
	<b>W</b>	69	52	43	13	0	0
	<b>M</b>	71	51	47	22	8	3
	<b>RWM</b>	59	39	33	7	0	0
<b>Bexhill Academy</b>	<b>R</b>	74	79	72	28	30	31
	<b>W</b>	69	82	69	13	12	14
	<b>M</b>	71	75	72	22	20	17
	<b>RWM</b>	59	65	59	7	11	14
<b>Hasting Hill Academy</b>	<b>R</b>	74	72	56	28	22	25
	<b>W</b>	69	66	63	13	0	0
	<b>M</b>	71	59	56	22	16	13
	<b>RWM</b>	59	59	50	7	0	0
<b>Trust Average</b>	<b>R</b>	74	74	67	28	25	21
	<b>W</b>	69	69	58	13	2	4
	<b>M</b>	71	67	61	22	19	4
	<b>RWM</b>	59	57	50	7	6	2

NB: All data based on invalidated datasets and could be subject to slight changes.

#### Development of the Trust estate

WISE Academies is proud to have invested £1.2 million in capital projects across the year which has largely been funded by School Condition Allocation (SCA). Trustees had agreed a policy in line with the terms of the grant which set out the principles for how the funding would be allocated focussing on condition priorities including safety, ensuring the weather-tightness of premises and providing a suitable learning environment.

A number of capital projects were undertaken across the Trust's estate including roof replacements, structural repairs, security fencing, renewal of heating plants to increase reliability and efficiency.

There was further investment in the recently remodelled Haltwhistle Primary Academy site to ensure suitability for use as a high quality primary school accommodation.

The Trust commenced planning of a refurbishment scheme at Adderlane Academy to address aged and unsafe demountable building structures and replace with purpose built classroom spaces whilst also addressing accessibility issues. The design and planning is well advanced and ultimate delivery will take place during the next academic year. This will result in a much more suitable learning environment for the children of Prudhoe.

The Estates Team's management of the estate and use of capital funding was the subject of ongoing scrutiny by the Board of Trustees and its committees.

### **Going Concern**

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

### **Promoting the Success of the Company**

The Trustees recognise that their role as directors of the company must promote the success of the Trust, and in doing so must act fairly and have regard to a range of consequences of their decisions on the Trust's long-term viability. These include the interests of employees; business relationships with suppliers, customers and stakeholders; the community and the environment, and our reputation for high standards of business conduct.

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

For the first time there was also a survey of Local Governing Bodies to ascertain their views on the impact that being part of WISE Academies had upon the academy and that the Local Governing Body feels an integral part of the Multi Academy Trust's structure. Local Governors were also asked about the structure and content Local Governing Body meetings and invited to comment on the communication between Trustees and the Local Governing Body. The feedback received from this Local; Governing Body survey was overall positive. Taking account of the feedback, the Board of Trustees identified some actions to reinforce the links between the different tiers of governance. This included organisation of a WISE Governance Conference and plans to re-introduce the Chairs' Forum.

### **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 2021 to 31 August 2022 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities (SOFA).

All of the expenditure shown in the SOFA is in furtherance of the Trust's objectives. During the year ended 31 August 2022, total expenditure of £21,441k (2021: £20,355k) (excluding FRS102 adjustments made to the LGPS pension fund) was met by recurrent grant funding from the ESFA, other incoming resources and funding carried forward from the previous year together with transfers to capital funds of £155k to support various capital projects.

The surplus of income over expenditure for the year was £80k. This surplus added to brought forward cumulative reserves of £3,911k (restricted general funds £1,273k and unrestricted general funds £2,674k) provides overall cumulative general reserves for the year ended 31 August 2022 of £3,991k, split as restricted general funds £966k and unrestricted general funds £3,025k.

The Trust also receives grants for capital investment, mainly 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 SOFA as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned. During the year, £87k (2021: £88k) was received in respect of Devolved Formula Grants, £52k (2021: £116k) of donated assets (IT equipment from the DfE) and £674k (2021: £898k) of School Condition Allocation (SCA) funding.

The Trust invested £1,157k (GAG surpluses: £108k; unrestricted funds £47k and £145k from capital grants and donations) to further improve the assets of the Trust together with utilising £857k of brought forward capital grants. Major projects completed during the year include:

- Roofing upgrades and replacements - £328k
- Heating plant upgrades and replacements - £283k
- Fencing upgrades - £47k
- Other external improvements, including outdoor learning and play, access paths - £148k
- IT investment across the Trust - £182k
- Fixtures and fittings improvements across the Trust - £73k

At 31 August 2022, the net book value of tangible fixed assets was £32,643k and movements in tangible fixed assets are shown in note 14 to the Financial Statements.

WISE Academies continues to maintain a strong cash position, as at 31 August 2022, cash in hand was £6,433k (2021: £7,261k).

#### **Financial Risk Management Objectives**

The Trust continues to review and maintain its Risk Management Strategy and has a Risk Register which includes the potential financial risks. This exercise identifies and reviews key risks to which the Trust may be exposed to, together with the operating, financial and compliance controls that have been implemented to mitigate those risks.

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

The Trust recognises that the defined benefit scheme deficit (Local Government Pension Scheme), which is set out in note 28 to the Financial Statements, represents a significant potential liability at £4,742k. However, the Trust considers that, as each individual academy, and hence the Trust, is able to meet its known annual contribution commitments for the foreseeable future, the risk from this liability is minimised. There is also an agreed guarantee from Parliament dated 18 July 2013 that, in

the event of academy closure, outstanding local government pension scheme liabilities would be met by the Department for Education.

### Key Performance Indicators

	2022	2021
Total staff costs / GAG income	136.0%	139.0%
Total staff costs / Total Revenue income	90.1%	90.1%
Working Capital / Total Reserves	28.4%	28.1%
Liquidity Ratio	3.3	2.8

### Reserves Policy

The Reserves Policy has been prepared with reference to the following documents: Charities and Reserves (CC19) from the Charities Commission; Academies' 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. Trustees review the Reserves Policy at least annually.

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 reserves to support specific capital works or school improvement projects designed to boost school improvement requirements in the short term. Any depletion of reserves at individual settings below recommended levels are required to be built back within a medium-term target plan.

Trustees have reviewed the reserves policy for the Trust in view of balancing the needs of today's pupils and those of the future, ensuring that the organisation remains a going concern and supporting the management of key risks, effective management of public funds and decision making, whilst also supporting a growth strategy together with the existing portfolio of academies.

Reserves at each academy should be maintained around levels equivalent to 10% of total income to a maximum of £300k to support the key considerations as outlined above. A short term increase may be approved by Trustees under exceptional circumstances to support the funding of specific projects.

At the year end, any balances being carried forward will be considered as part of the policies and guidance in relation to reserves and budget setting. All funds remain that of the Trust and will be consolidated into the Financial Statements.

The Trust's total reserves at the Balance Sheet date of 31 August 2022 were £33,093k (2021: £18,821k), this includes restricted general funds (excluding pension) of £966k (2021: £1,237k), restricted fixed asset funds of £33,844k (2021: £34,533k), with the level of unrestricted reserves being £3,025k (2021: £2,674k).

Analysis of reserves can be found in note 18 to the Financial Statements.

Trustees have approved the utilisation of reserves during 2022-23 to fund specific projects: £120k to support the installation of a MUGA pitch at Welbeck Academy and £157k to fund temporary additional staffing resources across the Trust in response to academies' requirements to support strategies for specific learning and Special Education Needs during the coming year. The late announcement of 2022-23 pay awards results in additional staffing costs of £557k across the Trust for



the period September 2022 to August 2023 and despite setting balanced budgets in July 2022, much of this unplanned cost will have to be met from reserves. Other aims are discussed in the Plans for Future Periods section further in this report.

### **Investment Policy**

The Investment Policy is reviewed periodically by the Trustees to ensure funds are used in accordance with the law, the Articles of Association, the funding agreement and the principles of the Academies Handbook. The objectives of the policy are:

- to achieve best financial return available whilst ensuring that security of deposits takes precedence over revenue maximisation
- to only invest funds surplus to operational need based on all financial commitments being met without the Trust bank account becoming overdrawn
- manage, control and track financial exposure

As at 31 August 2022, the cash balance of £6,433k included funds of £509k that are being held in 32-day notice account attracting a variable rate of interest (0.2% per annum as at 31 August 2022).

### **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.

A key risk that remains on the register is the challenge to maintain performance in line with increasing expectations within areas of considerable deprivation and heightened risk factors due to low entrance levels of our children. The Trust and academies have deployed resources and training throughout the year to particularly focus on effective strategies to improve writing following the decline after previous years' lockdown periods. Trust moderation is conducted to ensure standards are reviewed regularly and feedback supports any required action. Additional catch up funding has been utilised appropriately throughout the academies to support targeted learning and booster tuition groups. All disadvantaged pupils are identified to maximise pupil premium funding. Strategies delivering intervention are focused and founded in research to ensure that teaching is of high quality and delivers effective impact to support our pupils.

The recovery of pre-pandemic attendance levels is a new risk that Trustees are closely monitoring. The Trust has appointed a full-time Attendance Officer to fully support our academies and ensure procedures are implemented effectively. The development of an electronic parental reporting system is nearing roll out in the Autumn term to help promote the importance of good school attendance and support those families who may face barriers preventing good school attendance.

The threat of costs increasing at a greater rate than any increments in funding heightens the risk of an adverse impact on reserves levels at both academy and Trust levels, particularly rising inflation due to current economic factors, utility prices rises and increased employer costs. As reported in a previous section, the impact of 2022-23 pay awards is a cost of over £0.5m. It is therefore imperative that the Trust maintain appropriate reserves to afford a level of protection against rising costs and the Reserves Policy continues to be reviewed on an annual basis. Monthly budget statements are produced at both academy and Trust levels and track income and expenditure against budget, forecasting a closing outturn position.

Staff shortages and a loss of key personnel continues to be a key risk that is reflective of nationwide recruitment difficulties. The Trust continues to review and investigate strategies to ensure it is able to staff the organisation with an effective workforce including trialling the employment of an extra

teaching resource to act as an in-house bank teacher backfilling long-term absence; identifying any staff who are able to fulfil multiple part-time roles; maintain working relationships with recruitment agencies and offer opportunities to previous leavers. The Trust has planned to develop and implement a succession strategy and complete a 5-year succession plan to ensure business continuity in key positions.

The Trust continues to consider the risk of ransomware and/or cyber-attacks as a key risk and throughout the year has worked to strengthen mitigations by rolling out Trust-wide training for all staff, ensuring Windows updates are current, implementing a programme of restructuring internal networks and continuing to move pupil access to IT from Windows devices to Chromebook and iPads.

#### **Funds Held as Custodian Trustee on Behalf of Others**

There are no funds held as Custodian Trustee on behalf of others.

#### **Fundraising**

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

- acting in the best interest of the organisation
- managing each academy's resources responsibly, which includes protecting and safeguarding its reputation
- acting with reasonable care and skill
- protecting vulnerable people

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

### Streamlined Energy and Carbon Reporting

<b>UK Greenhouse gas emissions and energy use data for the period</b>	<b>1 September 2021 to 31 August 2022</b>	<b>1 September 2020 to 31 August 2021</b>
Energy consumption used to calculate emissions (kWh)	4,480,682	5,133,232
Energy consumption break down (kWh) <ul style="list-style-type: none"> <li>• gas</li> <li>• electricity</li> <li>• transport fuel</li> </ul>		
Scope 1 emissions in metric tonnes CO <sub>2</sub> e <ul style="list-style-type: none"> <li>• Gas consumption</li> <li>• Owned transport – mini-buses</li> </ul>	598.66 <u>0.39</u>	731.47 <u>0.39</u>
<b>Total Scope 1</b>	<b>599.05</b>	<b>731.86</b>
Scope 2 emissions in metric tonnes CO <sub>2</sub> e <ul style="list-style-type: none"> <li>• Purchased electricity</li> </ul>	226.14	235.17
Scope 3 emissions in metric tonnes CO <sub>2</sub> <ul style="list-style-type: none"> <li>• Business travel in employee owned vehicles</li> </ul>	7.21	7.37
<b>Total gross emissions in metric tonnes CO<sub>2</sub></b>	<b>832.40</b>	<b>974.40</b>
<b>Intensity Ratio</b> Tonnes CO <sub>2</sub> e per pupil	<b>0.29</b>	<b>0.34</b>

#### *Quantification and Reporting Methodology*

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2022 UK Government's Conversion Factors for Company Reporting.

#### *Intensity Measurement*

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO<sub>2</sub>e per pupil, the recommended ratio for the sector.

#### *Measures Taken to Improve Energy Efficiency*

Using School Condition Allocation (SCA) funding, the Trust continue to review its estate with a view to making improvements to premises to ensure that they are safe, compliant and energy efficient. During the year, we have embarked on the following projects: replacement of kitchen cooking equipment; roofing works; ceiling and lighting refurbishments and heating plant upgrades.

The Trust continued to promote the use of virtual meeting platforms during the year to reduce the need for travel between sites.

#### **Plans for Future Periods**

The latest Trust Strategic Business Plan was approved by Trustees at the start of the 2022-23 academic year. This set out the direction of the MAT over the next three years and includes details of the Trust's operating model, governance structure, the mission statement of the Trust and key

objectives. The document clearly sets out the Trust's commitment to high achievement and success for the communities which were served by academies.

There are actions linked to the ensuring quality of data, curriculum development and quality assurance measures. The use of government funding to ensure effective catch up strategies are deployed continue to be a focus together with the central theme of providing an excellent standard of education for all pupils, securing subject knowledge within the wider curriculum. As discussed in a previous section, the Trust have secured a full time Attendance Officer to support the return to pre-pandemic attendance levels.

In other areas of the Trust Improvement Plan there are objectives relating to strong financial management and effectiveness of governance. The objective in relation to the development of the Trust estate was to ensure that learning environments were safe, warm and dry. Strategic development of IT across the Trust was now a specific area within the Trust Improvement Plan. This reflected the importance of IT in all aspects of the operation both at academy level and in the central support functions.

The Trust has a number of Ofsted inspections due in the coming academic year and is aiming for all of its academies, who joined as underperforming schools, to be judged to be at least 'Good' following on from its successes during 2021-22.

Whilst the pandemic slowed growth opportunities in previous years, during 2021-22, WISE Academies worked to support a primary school in South Tyneside which led to the successful sponsor of Ashley Academy, a post year end transfer with effect from 1 September 2022, and the Trust is now focused on a growth plan, successfully bidding for Trust Capacity Funding to strengthen our provision of support services to schools and academies who wish to join a MAT structure from September 2022. The Trust has also developed and implemented a marketing strategy to help target growth opportunities.

The Trust has also recently received confirmation that it was successful in its application to become a Research School from September 2023 and is working through a period of transition from Associate Research School status whilst continuing to deliver on the existing regional strategy and supporting priority schools.

## **AUDITORS**

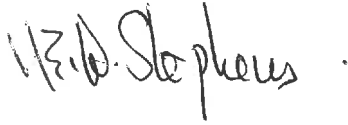
RSM UK Audit LLP has indicated its willingness to continue in office.

### **Statement as to Disclosure of Information to Auditors**

Insofar as the Trustees are aware:

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

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 21/12/22 and signed on the Board's behalf by:



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

### **Scope of Responsibility**

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

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

The Board of Trustees has delegated the day to day responsibility to the Chief Executive Officer, as accounting officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between WISE Academies and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

### **Governance**

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

<b>Trustee</b>	<b>Meetings Attended</b>	<b>Out of a Possible</b>
M E W Stephenson (Chair of Trustees)	6	6
Z E Carr O.B.E. (Accounting Officer)	6	6
J G Wood C.B.E.	6	6
R Symonds	4	6
N Vokes	4	6
P Smith	4	6
C Collins	6	6
D Pearson	4	6
R Ward	2	6

NB: five of the six above meetings were conducted via video conferencing as provided for within Article 126.

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

A range of key performance data (financial and academic performance related) is monitored and analysed by the Board of Trustees through the provision of data supplied for meetings throughout the year, with data being challenged as necessary. There has been additional scrutiny of performance data by the Regional Boards during the course of the year.

The Trustees have a clear focus on a culture of continuous improvement and have introduced key roles within the Trust to deliver this vision including the Directors of Teaching and Learning and Regional Hub Directors. These professionals provide support to academies and additional capacity within the Trust to be deployed to areas where there is greatest need within the Trust. The structure of the Trust allows greater opportunity for sharing and dissemination of practice across academies, including moderation and benchmarking.

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

Trustees have agreed to nominate a 'Link Trustee' for each of the three hub areas. Under this arrangement the Link Trustee would have a greater understanding of the academies within each hub area and would be in a position to represent the Board of Trustees alongside local governance representatives at any discussions with Ofsted and to talk authoritatively about the academies in that area.

The rigorous approach to ensuring all aspects of safeguarding compliance continued to be very high profile throughout the governance structure. The role of Trustees, Audit Committee and the named Trustee with responsibility for safeguarding were set out in the Strategic Safeguarding Deliver Plan 2021-22.

Trustees continued to review the membership and constitution of Local Governing Bodies and Regional Hub Boards. LGBs were strengthened wherever possible to ensure that governance was fit for purpose in securing school improvement where necessary.

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

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

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

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

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

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

<b>Trustee</b>	<b>Meetings Attended</b>	<b>Out of a Possible</b>
J G Wood C.B.E.	6	6
M E W Stephenson	6	6
D Pearson	6	6
Z E Carr O.B.E. (in attendance)	6	6

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). This year, the Audit Committee adopted an additional role in scrutinising safeguarding reports produced by the external safeguarding service provider.

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

<b>Trustee</b>	<b>Meetings Attended</b>	<b>Out of a Possible</b>
R Symonds	4	4
N Vokes	3	4
P Smith	3	4
R Ward	2	4
Z E Carr O.B.E. (in attendance)	4	4

### **Governance Reviews**

During the year the Board of Trustees implemented a comprehensive Governance Action Plan which included various measures and which would be delivered throughout 2021/22 and beyond. This had been formulated following a review of governance during the previous year using the Governance Competency Framework. The coverage of the Governance Action Plan had comprised: -

- Code of Conduct for those responsible for governance updated and re-issued.
- Externally Facilitated Briefing for Trustees / Members planned to set out the framework for Multi-Academy Trusts (e.g. incorporating company law, charity law and obligations under funding agreements and lease agreement).
- Trustees to have annual input into each academy newsletter about highlights for year (individualised to each academy);
- Trustees to issue questionnaire to Local Governing Bodies to strengthen feedback from this stakeholder group.
- Regional Hub Link Trustee / Chair to be invited to visit hub academies after 21<sup>st</sup> June 2021 in order to assist understanding of context, strengths and challenges. This will increase visibility of Trustees (other Trustees and Members also to be invited should they be available);
- Training session for Trustees / regional boards on data to be arranged;
- Presentation to Trustees at start of next academic year on Curriculum across MAT;
- Organise Board of Trustees agenda to clarify action required;
- Regional Hub Leads' supervision meetings with Headteachers to include coverage of accusations of bullying, complaints, use of exclusions and related matters concerning school discipline;
- Trustees to be offered briefing relating to SEND progress, including understanding High Needs, Boxall / tracking data;



- Externally facilitated specific briefing for Trustees to be arranged to focus on safeguarding responsibilities including PREVENT strategy;
- Trust to further develop financial benchmarking with similar MATs;
- Training from external auditor around expectations of Trustees and Members including lessons learned in the sector.

WISE Academies continued to seek regular feedback from stakeholders through annual surveys of pupils, parents and staff. During the year there was also a separate survey of Headteachers, with some very appreciative comments received about the services and support offered by WISE Academies. For the first time there was also a survey of Local Governing Bodies regarding their perceptions of the Trust. The overall feedback from local governors was extremely positive. This also led to the planning of a conference which took place in October 2022 in order to benefit communication and cohesiveness between all levels of governance. As an additional measure in response to the survey of Local Governing Bodies, consideration was given to reinstating the Chairs' Forum during the 2022/23 academic year.

#### **Review of Value for Money**

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

The accounting officer considers how the Trust's use of its resources has provided good value for money during each academic year, and reports to the Board of Trustees where value for money can be improved, including the use of benchmarking data where available. The accounting officer for the Trust has delivered improved value for money during the year by continuing to embed good procurement practice throughout the organisation. Key examples this include:

- **General Trust Procurement Exercises**  
WISE Academies operate with a requirement of obtaining a minimum of three written quotations for the supply of goods and services that exceed £2,000 to ensure value for money is maximised. The net effect of this regulation across the Trust results in goods and services being procured with savings of 11% when comparing the awarded Purchase Order value to the value of the highest quotes obtained.
- **Agency Supply Staff Framework**  
The Trust decided to extend the term of the framework which includes a number of providers working with agreed rates that are discounted on average by around 5%.
- **Staff Absence Insurance Package**  
An exercise was undertaken to competitively price the annual premium for staff absence insurance and wellbeing services which resulted in confirmation that the current supplier, who is also an approved DfE provider was the more competitive option with a margin of around 20%.

#### **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 ongoing process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and

objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in WISE Academies for the year ended 31 August 2022 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 Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Trust's significant risks that has been in place for the year ending 31 August 2022 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 Trust's system of internal financial control is based on a framework of regular management information and administrative procedures including the segregation of duties and a system of delegation and accountability. In particular, it includes:

- comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Board of Trustees;
- regular reviews by the Finance and General Purposes Committee of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- setting targets to measure financial and other performance
- clearly defined purchasing (asset purchase or capital investment) guidelines
- delegation of authority and segregation of duties
- identification and management of risks

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

The internal auditor reports to the Board, through the audit committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities. The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. The audit committee agreed an annual internal audit programme that considered areas of risk to be reviewed during 2021/22, in particular, the audits completed in the current period included:

- a review of governance – a high-level review of key matters connected with governance at school and trust level, including register of interests, related part transaction procedures, website compliance, new governor/trustee induction packs, compliance with key Academy Trust Handbook requirements and regularity
- a statutory premises compliance audit which included examination of policies and procedures in place to guide the process and ensuring that the Trust had in place a compliance monitoring system which records all statutory requirements in relation to key areas including legionella and fire safety procedures
- a review of budgeting and cashflow reporting which comprised a detailed review of processes, content of monthly cashflow reports, budgeting timetables and the content of the reports made available to Trustees at each phase of the budget setting process

- a review of previous report findings and progress

One finding was marked as Significant and immediately addressed: at the time of the review, the annual business interest forms for senior staff had not been updated. This action has since been completed. A further two areas were considered as Merits Attention: i) the Anti-Fraud and Corruption Policy was not included within the staff portal of policies which required an annual declaration of understanding. This was immediately addressed and the policy has been published on the portal in time for the September 2022 annual declaration exercise; ii) a Trustee Skills Audit has not been formally completed since 2017 and the Trust has agreed to address this during 2022-23. Five areas were marked as Housekeeping and actions are either complete or in progress.

#### **Review of Effectiveness**

As accounting officer, the chief executive has responsibility for reviewing the effectiveness of the system of internal control. During the year in question the review has been informed by:

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

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

Approved by order of the members of the Board of Trustees on 21/12/22 and signed on its behalf by:



**M E W Stephenson**  
Chair of Trustees



**Z Carr**  
Accounting Officer

As accounting officer of WISE Academies I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of funding of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2021.

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 2021.

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:** 21/12/22

WISE Academies  
STATEMENT OF TRUSTEES' RESPONSIBILITIES

---

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

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

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2021 to 2022
- make judgements and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- 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 21/12/22 and signed on its behalf by:



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

### **Opinion**

We have audited the financial statements of WISE Academies (the "charitable company") for the year ended 31 August 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and 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 2021 to 2022 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 2022 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 2021 to 2022 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**

In auditing the financial statements, we have concluded that the trustees use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

### **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 trustees are responsible for the other information contained within the Annual Report. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### **Opinion on other matters prescribed by the Companies Act 2006**

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

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

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

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

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

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

### **Responsibilities of Trustees**

As explained more fully in the Statement of Trustees' responsibilities set out on page 35, the trustees (who act as trustees for the charitable activities of the charitable company are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial

statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### **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.

### **The extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework that the charitable company operates in and how the charitable company is complying with the legal and regulatory framework;



- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, Education and Skills Funding Agency's Academy Trust Handbook and Academies Accounts Direction. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report.

The audit engagement team identified the risk of management override of controls and as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, and challenging judgements and estimates.

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

### **Use of our report**

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

*RSM UK AUDIT LLP*

LUCY ROBSON (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

22/12/22

### **Conclusion**

We have carried out an engagement in accordance with the terms of our engagement letter dated 16 June 2022 and further to the requirements of the Education and Skills Funding Agency ('ESFA') as included in the extant Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts, to obtain limited assurance about whether the expenditure disbursed and income received by WISE Academies during the period 1 September 2021 to 31 August 2022 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 2021 to 31 August 2022 have 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 extant Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts. 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 2021, 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 extant Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts.

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.

WISE Academies

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

---

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 2021 to 31 August 2022 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 2021 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 the extant Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts.

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

**Use of our report**

This report is made solely to WISE Academies and the ESFA in accordance with the terms of our engagement letter dated 16 June 2022. 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*

**RSM UK AUDIT LLP**  
Chartered Accountants  
1 St James' Gate  
Newcastle upon Tyne  
NE1 4AD

22/12/22

WISE Academies  
STATEMENT OF FINANCIAL ACTIVITIES (including Income and Expenditure Account) for the  
year ended 31 August 2022

	Note	Unrestricted funds £000	Restricted general funds £000	Restricted fixed asset funds £000	Total 2022 £000	Total 2021 £000
<b>Income from:</b>						
Donations and capital grants	2	-	83	767	850	1,291
Donated Assets	2	-	-	52	52	116
Haltwhistle Primary Revaluation	2	-	-	-	-	942
Charitable Activities:						
Funding for the Academy Trust's educational operations	3	1,098	20,456	-	21,554	20,899
Other trading activities	4	38	-	-	38	37
Investment income	5	1	-	-	1	1
<b>Total</b>		<u>1,137</u>	<u>20,539</u>	<u>819</u>	<u>22,495</u>	<u>23,286</u>
<b>Expenditure on:</b>						
Raising funds		38	-	-	38	36
Charitable activities:						
Academy Trust's educational operations		701	22,625	1,663	24,989	23,829
<b>Total</b>	6	<u>739</u>	<u>22,625</u>	<u>1,663</u>	<u>25,027</u>	<u>23,865</u>
NET INCOME RESOURCES BEFORE TRANSFERS		398	(2,086)	(844)	(2,532)	(579)
Gross transfers between funds	17	(47)	(108)	155	-	-
NET INCOME/(EXPENDITURE) FOR THE YEAR		351	(2,194)	(689)	(2,532)	(579)
OTHER RECOGNISED GAINS AND LOSSES						
Remeasurement of net defined benefit obligation	27	-	16,804	-	16,804	(923)
NET MOVEMENT IN FUNDS		351	14,610	(689)	14,272	(1,502)
RECONCILIATION OF FUNDS						
Total funds brought forward		2,674	(18,386)	34,533	18,821	20,323
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u>3,025</u>	<u>(3,776)</u>	<u>33,844</u>	<u>33,093</u>	<u>18,821</u>

The notes on pages 45 to 76 form part of these financial statements.

WISE Academies  
BALANCE SHEET  
31 August 2022

Company Registration No. 07521946

	Notes	2022 £000	2021 £000
<b>Fixed Assets</b>			
Intangible Assets	13	13	22
Tangible Assets	14	<u>32,643</u>	<u>33,141</u>
		<b>32,656</b>	<b>33,163</b>
<b>Current Assets</b>			
Debtors	15	1,007	930
Cash at bank and in hand		<u>6,433</u>	<u>7,261</u>
		<b>7,440</b>	<b>8,191</b>
<b>Current Liabilities</b>			
Creditors: amounts falling due within one year	16	<u>(2,261)</u>	<u>(2,910)</u>
		<b>5,179</b>	<b>5,281</b>
<b>Net Current Assets</b>			
		<u>37,835</u>	<u>38,444</u>
<b>Net Assets (excluding pension scheme liability)</b>			
Defined Benefit Pension Scheme Liability	27	<u>(4,742)</u>	<u>(19,623)</u>
		<b>33,093</b>	<b>18,821</b>
<b>Total Net Assets</b>			
<b>Funds of the Academy Trust:</b>			
<b>Restricted Funds</b>			
Fixed Asset fund	17	33,844	34,533
General fund		966	1,237
Pension reserve		<u>(4,742)</u>	<u>(19,623)</u>
<b>Total Restricted Funds</b>		<b>30,068</b>	<b>16,147</b>
<b>Unrestricted Income Funds</b>			
General Fund	17	<u>3,025</u>	<u>2,674</u>
		<b>33,093</b>	<b>18,821</b>
<b>Total Funds</b>			

The financial statements on pages 45 to 76 were approved by the board of trustees and authorised for issue on 21 December 2022 and are signed on their behalf by:



M E W Stephenson  
Chairperson

The notes on pages 45 to 76 form part of these financial statements

WISE Academies  
STATEMENT OF CASH FLOWS

For the year ended 31 August 2022

---

	Notes	2022 £000	2021 £000
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	21	(523)	2,681
<b>Cash flows from investing activities</b>	23	(305)	(2,021)
<b>Cash flows from financing activities</b>	22	-	-
<b>Change in cash and cash equivalents in the reporting period</b>		<u>(828)</u>	<u>660</u>
<b>Cash and cash equivalents at 1 September 2021</b>		<u>7,261</u>	<u>6,601</u>
<b>Cash and cash equivalents at 31 August 2022</b>	24	<u>6,433</u>	<u>7,261</u>

The notes on pages 45 to 76 form part of these financial statements

## 1 ACCOUNTING POLICIES

### **General Information**

WISE Academies is a charitable company. The address of its principal place of business is given on page 1 and the nature of its operations are set out in the trustees' report.

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

### **Basis of Preparation**

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2021 to 2022 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

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

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

### **Going Concern**

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

### **Incoming Resources**

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

### **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.

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

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

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

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

### **Donations**

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

### **Other Income**

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

### **Interest Receivable**

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

### **Donated Services and Gifts in Kind**

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

### **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.



## 1 ACCOUNTING POLICIES (continued)

Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

### **Expenditure on Raising Funds**

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

### **Charitable Activities**

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

All resources expended are inclusive of irrecoverable VAT.

### **Intangible fixed assets**

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

- Purchased computer software 20% per annum

### **Tangible fixed assets**

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. Where the related grants require the asset to be held for a specific purpose and continued use they are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

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

**1 ACCOUNTING POLICIES (continued)**

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

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

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

**Liabilities**

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

**Leased assets**

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

**Financial Instruments**

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

*Financial assets and liabilities*

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

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

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

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

**1 ACCOUNTING POLICIES (continued)****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.

**Short-term Employment Benefits**

Short term employment benefits such as salaries and compensated absences (holiday pay) are recognised as an expense in the year in which the employees render service to the Academy Trust. The cost of any unused holiday entitlement the Academy Trust expects to pay in future periods is recognised in the period the employees' services are rendered.

**Pensions benefits**

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS') which are multi employer defined benefit schemes.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective benefit method. As stated in Note 27, the TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers, consequently there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

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

### **Fund accounting**

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

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

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

### **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 27, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2022. 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 general funds	Restricted fixed asset funds	<b>Total</b>	Total
	£000	£000	£000	<b>2022</b> <b>£000</b>	2021 £000
DfE / ESFA capital grant	-	-	761	<b>761</b>	986
Donated Assets	-	-	52	<b>52</b>	116
Haltwhistle Primary Donation	-	-	-	<b>-</b>	942
Local Authority capital grants	-	-	6	<b>6</b>	272
Other donations	-	83	-	<b>83</b>	33
	<u>-</u>	<u>83</u>	<u>819</u>	<b><u>902</u></b>	<u>2,349</u>
2021 total split by fund:					
Restricted general funds		33	-	33	
Restricted fixed asset funds:		-	2,316	2,316	
		<u>33</u>	<u>2,316</u>	<u>2,349</u>	

**3. FUNDING FOR CHARITABLE ACTIVITIES**

	Unrestricted funds	Restricted funds	Total	Total
	£000	£000	2022 £000	2021 £000
<b>DfE/ESFA REVENUE GRANTS</b>				
General annual grant (GAG)	-	14,279	<b>14,279</b>	13,569
Start Up Grants	-	70	<b>70</b>	-
<b>Other DfE/ESFA grants</b>				
Pupil Premium	-	1,927	<b>1,927</b>	1,861
Teachers' Pay grant	-	21	<b>21</b>	169
Teachers' Pension grant	-	59	<b>59</b>	490
UIFSM	-	256	<b>256</b>	281
PE Sports grant	-	217	<b>217</b>	218
Supplementary grant	-	195	<b>195</b>	81
Rates Relief	-	73	<b>73</b>	71
Others	-	98	<b>98</b>	192
	-			
		17,195	<b>17,195</b>	16,932
<b>OTHER GOVERNMENT GRANTS</b>				
Local authority grants	-	2,853	<b>2,853</b>	3,008
<b>COVID 19 ADDITIONAL FUNDING</b>				
Catch up premium	-	206	206	247
School-led tutoring	-	202	202	-
FSM vouchers	-	-	-	85
		408	<b>408</b>	332
<b>OTHER FUNDING</b>				
Catering income	240	-	<b>240</b>	126
Other miscellaneous income	858	-	<b>858</b>	501
	1,098	-	<b>1,098</b>	627
<b>TOTAL FUNDING</b>				
	1,098	20,456	<b>21,554</b>	20,899
<b>2021 total split by fund:</b>				
	692	20,207	<b>20,899</b>	

**4. OTHER TRADING ACTIVITIES**

	Unrestricted funds	Restricted funds	<b>Total</b>	Total
	£000	£000	<b>2022</b> <b>£000</b>	2021 £000
Other income	38	-	<b>38</b>	37
	<u>38</u>	<u>-</u>	<u><b>38</b></u>	<u>37</u>
2021 total split by fund:	<u>37</u>	<u>-</u>	<u>37</u>	

**5. INVESTMENT INCOME**

	Unrestricted funds	Restricted funds	<b>Total</b>	Total
	£000	£000	<b>2022</b> <b>£000</b>	2021 £000
Bank Interest	1	-	<b>1</b>	1
	<u>1</u>	<u>-</u>	<u><b>1</b></u>	<u>1</u>
2021 total split by fund:	<u>1</u>	<u>-</u>	<u>1</u>	

**6. EXPENDITURE**

	Staff Costs	Non Pay Premises Costs	Expenditure Other	<b>Total</b>	Total
	£000	£000	£000	<b>2022</b> <b>£000</b>	2021 £000
Expenditure on raising funds:					
Direct Costs	38	-	-	<b>38</b>	36
Academy Trust's educational operations:					
Direct costs	14,985	-	1,279	<b>16,264</b>	15,518
Allocated support costs	4,395	1,093	3,237	<b>8,725</b>	8,311
	<u>19,418</u>	<u>1,093</u>	<u>4,516</u>	<b><u>25,027</u></b>	<u>23,865</u>
2021 total split by category:	<u>18,841</u>	<u>861</u>	<u>4,163</u>	<b><u>23,865</u></b>	

Expenditure on raising funds was £38k of which £38k (2021: £36k) was unrestricted and £nil (2021: £nil) was restricted general funds.

Net income/(expenditure) for the period includes:	<b>2022</b>	2021
	<b>£000</b>	£000
Operating lease rentals	<b>31</b>	33
Depreciation	<b>1,654</b>	1,409
Amortisation of intangible fixed assets	<b>9</b>	15
Fees payable to RSM UK Audit LLP for :		
- Audit fees (including grant assurance reports)	<b>36</b>	33
Net interest on defined benefit pension liability (note 27)	<b>325</b>	284



**7. CHARITABLE ACTIVITIES**

	<b>2022</b>	2021
	<b>£000</b>	£000
Direct costs – educational operations	<b>16,264</b>	15,518
Support costs – educational operations	<b>8,725</b>	8,311
	<b><u>24,989</u></b>	<u>23,829</u>
<b>Analysis of support costs – educational operations</b>		
Support staff costs (including FRS102 section 28 pension charge of £1,598k (2021: £1,259k))	<b>4,395</b>	4,136
Depreciation	<b>1,654</b>	1,409
Amortisation	<b>9</b>	15
Technology costs	<b>46</b>	275
Premises costs	<b>1,093</b>	861
Legal costs – conversion	<b>15</b>	-
Legal costs – other	<b>88</b>	71
Other support costs (including FRS102 section 28 pension charge of £325k (2021: £284k))	<b>1,366</b>	1,480
Governance costs	<b>59</b>	64
	<b><u>8,725</u></b>	<u>8,311</u>

**8. GOVERNANCE COSTS**

	<b>2022</b>	2021
	<b>£000</b>	£000
Legal and professional fees	<b>4</b>	19
Auditor's remuneration		
Audit of financial statements	<b>36</b>	33
Other audit costs	<b>19</b>	12
	<b><u>59</u></b>	<u>64</u>

**9. STAFF NUMBERS AND COSTS**

	<b>2022</b>	2021
	<b>£000</b>	£000
<b>a) STAFF COSTS</b>		
Staff costs during the period were:		
Wages and salaries	<b>12,916</b>	12,800
Social security costs	<b>1,193</b>	1,144
Pension costs	<b>4,365</b>	3,956
Apprenticeship Levy	<b>49</b>	49
	<b>18,523</b>	17,949
Supply staff costs	<b>825</b>	792
Staff restructuring costs	<b>70</b>	100
	<b>19,418</b>	18,841
Staff restructuring costs comprise:		
Redundancy payments	<b>8</b>	70
Severance payments	<b>62</b>	30
	<b>70</b>	100

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

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £21k (2021: £21k). Individually, the payments were: £11k; £6k; £3k and £1k (2021: £10k; £8k and £3k).

**c) STAFF NUMBERS**

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

	<b>2022</b>	2021	<b>2022</b>	2021
	<b>Average</b>	Average	<b>Average</b>	Average
	<b>Headcount</b>	Headcount	<b>FTE</b>	FTE
Teachers	<b>161</b>	153	<b>147</b>	142
Administration and support	<b>405</b>	416	<b>230</b>	227
Management	<b>48</b>	47	<b>46</b>	46
Total	<b>614</b>	616	<b>423</b>	415

**d) HIGHER PAID STAFF**

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

	2022 Number	2021 Number
£60,000 - £70,000	6	3
£70,001 - £80,000	2	4
£80,001 - £90,000	3	4
£90,001 - £100,000	1	-
£110,001 - £120,000	1	1
	<u>13</u>	<u>12</u>

**e) KEY MANAGEMENT PERSONNEL**

The key management personnel of the Academy Trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer national insurance and pension contributions) received by key management personnel for their services to the Academy Trust was £1,443,491 (2021: £1,426,303).

**10. CENTRAL SERVICES**

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

- Human Resources
- Financial Services
- Educational Support Services
- Health and Safety Services
- Governance Services
- Estates Management

The Trust charges for these services on the basis of a flat percentage of 6.4% on GAG and Early Years funding streams. The actual amounts charged during the year were as follows:

	2022 £000	2021 £000
Adderlane Academy	37	34
Bexhill Academy	107	104
Croftway Academy	114	104
Hasting Hill Academy	69	67
Haltwhistle Primary Academy	66	65
Malvin's Close Academy	121	115
Morpeth Road Academy	117	114
North View Academy	55	49
Prudhoe West Academy	68	68
Shaftoe Trust Academy	33	34
Town End Academy	68	65
Welbeck Academy	145	131
	<u>1,000</u>	<u>950</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 £118,911 (2021: £117,197)

Employers' pension contributions £28,158 (2021: £27,752)

During the year ended 31 August 2022, travel and subsistence expenses totalling £1,375 (2021: £314) were reimbursed to 1 trustee (2021: 1).

Related party transactions involving the trustees are set out in note 28.

**12. TRUSTEES' AND OFFICERS' INSURANCE**

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

**13. INTANGIBLE FIXED ASSETS**

	Computer Software £000	Total £000
<b>Cost</b>		
At 1 September 2021	77	77
Additions	-	-
At 31 August 2022	<u>77</u>	<u>77</u>
<b>Amortisation</b>		
Opening	55	55
Charged in year	9	9
At 31 August 2022	<u>64</u>	<u>64</u>
	<u>13</u>	<u>13</u>
<b>Carrying Amount</b>		
At 31 August 2021	22	22
At 31 August 2022	<u>13</u>	<u>13</u>

**14. TANGIBLE FIXED ASSETS**

	Land and buildings	Furniture and equipment	Computer Hardware	Total
	£000	£000	£000	£000
<b>Cost</b>				
At 1 September 2021	37,038	956	1,073	<b>39,067</b>
Additions	902	73	182	<b>1,157</b>
Disposals	-	(5)	(33)	<b>(38)</b>
At 31 August 2021	<u>37,940</u>	<u>1,024</u>	<u>1,222</u>	<u><b>40,186</b></u>
<b>Depreciation</b>				
At 1 September 2021	4,675	558	693	<b>5,926</b>
Charged in year	1,273	140	241	<b>1,654</b>
Disposals	-	(4)	(33)	<b>(37)</b>
At 31 August 2022	<u>5,948</u>	<u>694</u>	<u>901</u>	<u><b>7,543</b></u>
<b>Net book value</b>				
At 31 August 2021	<u>32,363</u>	<u>398</u>	<u>380</u>	<u><b>33,141</b></u>
At 31 August 2022	<u>31,992</u>	<u>330</u>	<u>321</u>	<u><b>32,643</b></u>

Included within land & buildings is £27,360k (2021: £27,969k) relating to leasehold land & buildings.

**15. DEBTORS**

	<b>2022</b>	2021
	<b>£000</b>	£000
Trade Debtors	<b>116</b>	44
VAT Recoverable	<b>113</b>	170
Other Debtors	<b>11</b>	22
Prepayments and accrued income	<b>767</b>	694
	<b><u>1,007</u></b>	<u>930</u>

**16. CREDITORS: Amounts falling due within one year**

	<b>2022</b>	2021
	<b>£000</b>	£000
Trade creditors	<b>203</b>	716
Other Creditors	<b>85</b>	86
Accruals and deferred income	<b>1,973</b>	2,108
	<b><u>2,261</u></b>	<u>2,910</u>

Included in Other Creditors is £13k relating to Salix loans.

---

<b>Deferred income</b>	2022 £000
Deferred income at 1 September 2021	340
Released from previous years	(340)
Resources deferred in the year	<u>309</u>
Deferred income at 31 August 2022	<u>309</u>

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

	£000
Early Years funding for Autumn term 2022	17
UIFSM 1st Instalment for 2022-23	152
School Fundraising Income	79
Governance Services Autumn term 2022	14
Prudhoe West 2022-23 project	10
Shaftoe Trust 2022-23 resource	20
2022-23 School trip contributions	<u>17</u>
	<u>309</u>

**17. FUNDS**

	At 1 September 2021	Income	Expenditure	Gains, losses and transfers	At 31 August 2022
	£000	£000	£000	£000	£000
<b>RESTRICTED GENERAL FUNDS</b>					
General Annual Grant (GAG)	1,130	14,279	(14,443)	(108)	858
Start Up Grant	-	70	(69)	-	1
Pupil Premium	-	1,927	(1,927)	-	-
Other DfE/ESFA grants	-	1,327	(1,327)	-	-
Other Government Grants	-	2,853	(2,853)	-	-
Other Restricted Reserves	107	83	(83)	-	107
Pension reserve	(19,623)	(-)	(1,923)	16,804	(4,742)
	<u>(18,386)</u>	<u>20,539</u>	<u>(22,625)</u>	<u>16,696</u>	<u>(3,776)</u>
<b>RESTRICTED FIXED ASSET FUNDS</b>					
DfE/ESFA capital grants	4,924	767	(422)	-	5,269
Capital Expenditure from revenue transfers	1,396	-	(551)	155	1,000
Capital Expenditure from Start up Grants	19	-	(3)	-	16
Donated Assets	97	52	(55)	-	94
Transfer/sponsored LA funds	9,927	-	(248)	-	9,679
Transfer from existing academy	18,170	-	(384)	-	17,786
	<u>34,533</u>	<u>819</u>	<u>(1,663)</u>	<u>155</u>	<u>33,844</u>
<b>TOTAL RESTRICTED FUNDS</b>	<u>16,147</u>	<u>21,358</u>	<u>(24,288)</u>	<u>16,851</u>	<u>30,068</u>
<b>UNRESTRICTED FUNDS</b>	<u>2,674</u>	<u>1,137</u>	<u>(739)</u>	<u>(47)</u>	<u>3,025</u>
<b>TOTAL FUNDS</b>	<u>18,821</u>	<u>22,495</u>	<u>(25,027)</u>	<u>16,804</u>	<u>33,093</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.



**17. FUNDS (continued)**

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 Sports Grant (£217k) and UIFSM (£256k) which have been fully expended in year, teachers' pay and pension grants to support pay awards and increasing pension costs during 2021/22 (£80k) and post Covid recovery funding totalling £408k to support additional tutoring and catch up strategies. The Trust received a pre-opening grant of £70k to support the sponsorship of Ashley Academy which joined the Trust from 1 September 2022.

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

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

Restricted fixed asset funds are made up of funds received from the DfE/ESFA during the year of £761k in respect of Devolved Formula Capital Grants and SCA grants; donated assets of £52k; capital funding grants of £6k from local authorities, and transfers from restricted and unrestricted funds in the year to match against capital expenditure incurred.

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

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the GAG that it could carry forward at 31 August 2022.

A comparative funds note detailing the closing position at 31 August 2021 is listed overleaf:

Prior Year Funds 2020-21	At 1 September 2020	Income	Expenditure	Gains, losses and transfers	At 31 August 2021
	£000	£000	£000	£000	£000
<b>RESTRICTED GENERAL FUNDS</b>					
General Annual Grant (GAG)	1,322	13,569	(13,684)	(77)	1,130
Pupil Premium	-	1,861	(1,861)	-	-
Other DfE/ESFA grants	-	1,769	(1,769)	-	-
Other Government Grants	-	3,008	(3,008)	-	-
Other Restricted Reserves	107	33	(33)	-	107
Pension reserve	(17,157)	-	(1,543)	(923)	(19,623)
	<u>(15,728)</u>	<u>20,240</u>	<u>(21,898)</u>	<u>(1,000)</u>	<u>(18,386)</u>
<b>RESTRICTED FIXED ASSET FUNDS</b>					
DfE/ESFA capital grants	3,862	1,258	(196)	-	4,924
Capital Expenditure from GAG	1,667	-	(527)	256	1,396
Capital Expenditure from Start up and Growth Grants	24	-	(5)	-	19
Donated Assets	-	116	(19)	-	97
Transfer from LA	9,221	942	(236)	-	9,927
Transfer from existing academy	18,611	-	(441)	-	18,170
	<u>33,385</u>	<u>2,316</u>	<u>(1,424)</u>	<u>256</u>	<u>34,533</u>
<b>TOTAL RESTRICTED FUNDS</b>	<u>17,657</u>	<u>22,556</u>	<u>(23,322)</u>	<u>(744)</u>	<u>16,147</u>
<b>UNRESTRICTED FUNDS</b>	<u>2,666</u>	<u>730</u>	<u>(543)</u>	<u>(179)</u>	<u>2,674</u>
<b>TOTAL FUNDS</b>	<u>20,323</u>	<u>23,286</u>	<u>(23,865)</u>	<u>(923)</u>	<u>18,821</u>

**17. FUNDS (continued)**

<b>ANALYSIS OF ACADEMIES BY FUND BALANCE</b>	2022 £000	2021 £000
Adderlane Academy	55	64
Start up grant (Ashley Primary conversion 01.09.2022)	1	-
Bexhill Academy	297	300
Croftway Academy	300	213
Hasting Hill Academy	221	239
Haltwhistle Primary Academy	7	-
Malvin's Close Academy	300	300
Morpeth Road Academy	283	300
North View Academy	296	271
Prudhoe West Academy	147	138
Shaftoe Trust Academy	-	-
Town End Academy	231	224
Welbeck Academy	395	420
Town End Teaching School	124	78
Central Trust Funds	<u>1,334</u>	<u>1,364</u>
Total before fixed assets and pension reserve	<u>3,991</u>	<u>3,911</u>
Restricted fixed asset fund	33,844	34,533
Pension reserve	<u>(4,742)</u>	<u>(19,623)</u>
<b>TOTAL RESERVES</b>	<u>33,093</u>	<u>18,821</u>

Reserves at each academy should be maintained around levels equivalent to 10% of total income to a maximum of £300k to support the strategic aims of the Trust.

Welbeck Academy includes £120k reserves which are ring-fenced to support the proposed installation of a MUGA pitch in 2022-23.

During the period, reserves were released from Central Trust funds to the academies to support a minimum of at least one teaching support resource following the return to normal teaching after the pandemic lockdowns during 2020 and 2021. This totalled £255k.

Shaftoe Trust Academy received grant funding (£25k) to support the improvement of its Early Years' learning environment. A further £22k was transferred from Central Trust funds to complete the works.

A summary of reserve transfers to support the reserves policy is as follows: Central Trust Funds £265k; Malvin's Close £(188)k and Croftway £(77)k.

Specific plans for the utilisation of reserves during 2021-22 include: £120k Welbeck Academy MUGA pitch and £157k to support additional staffing support throughout the Blyth schools.

**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 2022 £000	Total 2021 £000
Adderlane Academy	514	83	19	97	713	674
Ashley Start Up Grant	35	7	-	25	67	-
Bexhill Academy	1,542	210	96	217	2,065	2,043
Croftway Academy	1,490	229	76	246	2,041	2,081
Hasting Hill Academy	970	173	67	207	1,417	1,415
Haltwhistle Primary Academy	909	183	68	242	1,402	1,299
Malvin's Close Academy	1,538	247	94	281	2,160	2,069
Morpeth Road Academy	1,806	235	87	248	2,376	2,427
North View Academy	1,151	98	34	155	1,438	1,398
Prudhoe West Academy	1,036	149	68	194	1,447	1,421
Shaftoe Trust Academy	466	90	23	102	681	732
Town End Academy	915	151	84	201	1,351	1,335
Welbeck Academy	2,275	324	167	320	3,086	2,853
Town End Teaching School	61	5	-	47	113	124
Central Services	277	651	1	155	1,084	1,027
<b>WISE Academies</b>	<b>14,985</b>	<b>2,835</b>	<b>884</b>	<b>2,737</b>	<b>21,441</b>	<b>20,898</b>

**18. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

Fund balances at 31 August 2022 are represented by:

	Unrestricted Funds	Restricted general funds	Restricted fixed asset funds	Total funds
	£000	£000	£000	£000
Intangible fixed assets	-	-	13	13
Tangible fixed assets	-	-	32,643	32,643
Current assets	3,025	3,227	1,188	7,440
Current liabilities	-	(2,261)	-	(2,261)
Pension scheme liability	-	(4,742)	-	(4,742)
<b>TOTAL NET ASSETS AT 31 August 2022</b>	<b>3,025</b>	<b>(3,776)</b>	<b>33,844</b>	<b>33,093</b>

Fund balances at 31 August 2021 are represented by:

	Unrestricted Funds	Restricted general funds	Restricted fixed asset funds	Total funds
	£000	£000	£000	£000
Intangible fixed assets	-	-	22	22
Tangible fixed assets	-	-	33,141	33,141
Current assets	2,674	4,147	1,370	8,191
Current liabilities	-	(2,910)	-	(2,910)
Pension scheme liability	-	(19,623)	-	(19,623)
<b>TOTAL NET ASSETS AT 31 August 2021</b>	<b>2,674</b>	<b>(18,386)</b>	<b>34,533</b>	<b>18,821</b>

**19. CAPITAL COMMITMENTS**

	2022 £000	2021 £000
Contracted for, but not provided in the financial statements	<u>93</u>	<u>576</u>
	<u>93</u>	<u>576</u>

**20. COMMITMENTS UNDER OPERATING LEASES****OPERATING LEASES**

At 31 August 2022 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	<b>2022</b> <b>£000</b>	2021 £000
Amounts due within one year	<b>22</b>	24
Amounts due between one and five years	<b>38</b>	49
Amounts due after five years	<u>-</u>	<u>-</u>
	<u><b>60</b></u>	<u>73</u>

**21. RECONCILIATION OF NET INCOME TO CASH FLOW FROM OPERATING ACTIVITIES**

	<b>2022</b>	2021
	<b>£000</b>	£000
Net expenditure for the reporting period (as per the statement of financial activities)	<b>(2,532)</b>	(579)
Adjusted for:		
Amortisation (note 13)	<b>9</b>	15
Depreciation (note 14)	<b>1,654</b>	1,409
Capital grants from DfE and other capital income	<b>(850)</b>	(1,291)
Interest receivable (note 5)	<b>(1)</b>	(1)
Loss on Disposal of Fixed Assets (note 14)	<b>-</b>	6
Defined benefit pension scheme cost less contributions payable (note 27)	<b>1,598</b>	1,259
Defined benefit pension scheme finance costs (note 27)	<b>325</b>	284
(Increase)/ Decrease in debtors	<b>(77)</b>	230
(Decrease)/ Increase in creditors	<b>(649)</b>	1,349
Net cash (used in)/ provided by operating activities	<b>(523)</b>	2,681

**22. CASHFLOWS FROM FINANCING ACTIVITIES**

	<b>2022</b>	2021
	<b>£000</b>	£000
Repayments of borrowing	-	-
Cash inflows from new borrowing	-	-
Net cash provided by / (used in) financing activities	-	-

**23. CASHFLOWS FROM INVESTING ACTIVITIES**

	2022 £000	2021 £000
Interest received	1	1
Purchase of intangible fixed assets	-	(7)
Purchase of tangible fixed assets	(1,104)	(2,248)
Capital grants from DfE/ ESFA	850	1,291
Haltwhistle Primary donated asset	-	(942)
Donated IT equipment	(52)	(116)
	<u>(305)</u>	<u>(2,021)</u>
Net cash used in investing activities	<u>(305)</u>	<u>(2,021)</u>

**24. ANALYSIS OF CHANGES IN NET FUNDS**

	At 31 August 2022 £000	At 31 August 2021 £000
Cash in hand and at bank	<u>6,433</u>	<u>7,261</u>

**25. ANALYSIS OF CHANGES IN NET DEBT**

	At 1 September 2021 £000	Cash flows £000	Acquisition / disposal of subsidiaries £000	New finance leases £000	Other non- cash change s £000	At 31 August 2022 £000
Cash	<u>7,261</u>	<u>(828)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,433</u>
<b>TOTAL</b>	<u>7,261</u>	<u>(828)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,433</u>



**26. 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.

**27. PENSION AND SIMILAR OBLIGATION**

The academy trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Tyne and Wear Pension Fund. Both are multi-employer defined benefit schemes.

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

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

**Teachers' Pension Scheme**Introduction

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

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

Valuation of the Teachers' Pensions Scheme

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

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

**27. PENSION AND SIMILAR OBLIGATIONS (continued)**

The next valuation result is due to be implemented from 1 April 2024.

The pension costs paid to TPS in the year amounted to £1,786k (2021: £1,763k).

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

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

**Local Government Pension Scheme**

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The Trust is a member of the Tyne and Wear Pension Fund (TWPF). The total contribution made for the year ended 31 August 2022 was £1,244k (2021: £1,189k) of which employer's contributions totalled £981k (2021: £934k) and employees' contribution totalled £263k (2021: £255k). The agreed rates for future years are, for employers' contributions: 17.5% (TWPF) and 21.4% (NCCPF), and between 5.5 and 12.5 per cent for employees.

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

**Allowance for high inflation between 30 September 2021 and 31 August 2022**

A gain (or loss) is recognised in the Defined Benefit Obligation (DBO) when actual pension increases are lower (or higher) than those assumed. The policy to date has been to recognise the pension increase order laid during the relevant accounting period. The last pension increase order was 3.1% in April 2022, and this has been allowed for in these figures. However, due to current levels of high inflation we have been instructed to also make an allowance in the DBO for the expected impact of CPI inflation on the pension increase order for April 2023. This is a change in accounting policy from previous years. It is expected that the April 2023 pension increase order will reflect CPI inflation for the year ending 30 September 2022.

Therefore, we have made allowance for CPI inflation between 30 September 2021 and the accounting date, of 9.5%. This is recognised in Other Comprehensive Income. Allowance for CPI inflation for the period after the accounting date is included within our CPI inflation assumption and reflects market expectations at the accounting date.

**27. PENSION AND SIMILAR OBLIGATIONS (continued)**

Principal actuarial assumptions

	TWPF		NCCPF	
	At 31 Aug 2022 %	At 31 Aug 2021 %	At 31 Aug 2022 %	At 31 Aug 2021 %
Rate of increase in salaries	4.1	4.1	4.1	4.1
Rate of increase for pensions in payment/inflation	2.6	2.6	2.6	2.6
Discount rate for scheme liabilities	1.7	1.7	1.7	1.7
Inflation assumption (CPI)	2.6	2.6	2.6	2.6

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

	TWPF	TWPF	NCCPF	NCCPF
	At August 2022	At August 2021	At August 2022	At August 2021
	Years	Years	Years	Years
Retiring today				
Males	21.8	21.9	21.8	21.9
Females	25.0	25.1	25.0	25.1
Retiring in 20 years				
Males	23.5	23.6	23.5	23.6
Females	26.7	26.9	26.7	26.9

**27. PENSION AND SIMILAR OBLIGATIONS (continued)**

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

	<b>Fair value at 31 August 2022 £000</b>	Fair value at 31 August 2021 £000
Equities	10,727	10,830
Property	2,213	1,559
Government bonds	319	409
Corporate bonds	3,708	3,916
Multi Asset Credit	877	-
Cash	359	780
Other	1,734	1,988
Total market value of assets	<u>19,937</u>	<u>19,482</u>

The actual (loss) / return on scheme assets was £(269,000) (2021: £2,397,000).

Amounts recognised in the statement of financial activities

	<b>2022 £000</b>	2021 £000
Current service cost	(2,579)	(2,193)
Net interest cost	(325)	(284)
Past service Cost	-	-
Total operating charge	<u>(2,904)</u>	<u>(2,477)</u>

**27. PENSION AND SIMILAR OBLIGATIONS (continued)**

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

	2022 £000	2021 £000
At 1 September	39,105	33,365
On conversion	-	-
Current service cost	2,579	2,193
Interest cost	663	567
Employee contributions	263	255
Actuarial (gains) / losses	(17,411)	3,037
Benefits paid	(522)	(312)
Net increase in liabilities from disposals and acquisitions	-	-
Past service cost	-	-
Plan introductions, benefit changes, curtailments and settlements	-	-
At 31 August	<u>24,677</u>	<u>39,105</u>

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

	2022 £000	2021 £000
At 1 September	19,482	16,208
On conversion	-	-
Interest income	338	283
(Loss) / return on plan assets (excluding net interest on the net defined pension liability)	(607)	2,114
Employer contributions	981	934
Employee contributions	263	255
Benefits paid	(522)	(312)
Net increase in liabilities from disposals and acquisitions	-	-
Plan introductions, benefit changes, curtailments and settlements	-	-
At 31 August	<u>19,935</u>	<u>19,482</u>

**28. RELATED PARTIES**

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

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

Key management personnel disclosure is included in note 9.