

WISE Academies

(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

for the year ended 31 August 2023

WISE Academies
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Members	M E W Stephenson *^ R Bradshaw D R Sandbach O.B.E. G T Yarrow Dame I Hays
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 Education Director	N Fountain
Headteacher/ Regional Education Director	P Martindale
Headteacher	C Robson
Headteacher	L Saunders
Headteacher	R Walton
Headteacher	E Potts
Headteacher	C Hodgson (resigned 31 December 2022)
Headteacher	M Brewster (from 27 February 2023)
Headteacher	S Drake
Headteacher	G Mellefont
Headteacher	J Phazey
Headteacher	D Todd
Executive Headteacher	D Ward (resigned 31 August 2023)
Headteacher	F Troughton (from 1 September 2023)
Headteacher	J Holmes (from 1 September 2023)
Headteacher	L Sanderson (from 1 September 2023)
Finance Director	F Hardie
Director of Operations	G Robinson
Human Resources Director	V Stonebridge (from 1 October 2022)

WISE Academies
REFERENCE AND ADMINISTRATIVE DETAILS (continued)

Principal and Registered Office	Borodin Avenue Sunderland SR5 4NX
Company Registration Number	07521946
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 2023. 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 2023 operated with 13 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;
- Croftway Academy, Malvin's Close Academy and Morpeth Road Academy which were transferred from a MAT in September 2018, and
- Ashley Academy which was sponsored from 1 September 2022.

The academies within the Trust have a combined pupil capacity of 4,010 in the age range 4 – 11, which includes 85 special school places; 355 FTE nursery places; 68 FTE 2-year old places and two additionally resourced provisions of 16 places and 10 places respectively.

The combined roll was 3,547 in the school census on October 2023. This includes 3,137 pupils in the age range 4 – 11 and 332 children aged 3 accessing nursery provision (full time and part time) with an additional 78 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. There have been no changes to membership of either the Board of Trustees or Company Members 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.

There continues to be a range of opportunities for Trustees and Members to access development opportunities and these activities include a broad coverage of the responsibilities of those responsible for governance.

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). There are also two Regional Education Directors within the organisational structure who participate in Trustees' meetings to strengthen accountability and communication focussing on their respective areas of responsibility.

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 are one of the mechanisms for holding Regional Hub Leads to account for the performance of the academies within their area of responsibility.

Throughout the reporting period, there have been some instances of meetings being conducted by means of virtual meetings via video-conferencing but mostly were held as traditional meetings. The use of video-conferencing is specifically provided for within the Articles of Association

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, HR 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 9f 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 2022 to March 2023:

Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
4	4

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	4
1% - 50%	-
51% - 99%	-
100%	-

Percentage of pay bill spent on facility time

Total cost of facility time	£nil
Total pay bill	£18,447k
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%
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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 both the Town End Research School (formerly Town End Associate Research School) and the Great North Stronger Practice Hub. The mission of our Research School is to break the link between family income and educational achievement and build and strengthen networks of schools to help them access good quality, evidence-based education research and implement it in everyday classroom practice. Our Stronger Practice Hub is part of the Department for Education's Early Years Education Covid-19 Recovery Package which aims to address the impact of the pandemic on young children by sharing effective practice and building lasting local networks.

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 addition of Ashley Academy at the start of the reporting year also saw the Trust enter into a partnership with South Tyneside Council to provide special educational needs places for Foundation Stage pupils with complex learning difficulties.

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 – 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 an Employee Engagement Forum

which is a communication and consultation group 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. These standard payment terms can be shortened on request to support smaller, local suppliers who may be more reliant upon maximising their cashflow.

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 Academy Trust 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 both of our Regional Education Directors. 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 Research School.

Education Endowment Foundation (EEF) and National Children's Bureau (NCB)

The EEF fund the Research Schools Network and we successfully applied for full Research School status in July 2023 joining the national network of 33 schools. Our partnership based working offers an opportunity for education settings and local leaders to work with the EEF and Research Schools Network in a sustained and structured manner. The NCB has been appointed the national delivery partner for the Early Years Stronger Practice Hub with the EEF supporting them as evidence partners. WISE Academies supported Haltwhistle Primary School with their successful application in July 2023 as lead setting for the Great North Early Years Stronger Practice Hub which will act as a guide supporting other nurseries and childminders in our region to adopt evidence-based practices guided by research.

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 2023 are summarised below:

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

- Within the reporting period Croftway Academy, Malvin's Close Academy and Haltwhistle Academy were inspected. All three schools achieved outstanding in all areas. This is a remarkable achievement.
- 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 50% of disadvantaged pupils compared with the National of 26%. Trust averages were 4% lower than national in reading, maths and combines and 6% lower in writing. When comparing disadvantaged pupils attainment in WISE to others nationally WISE compare favourably and 7% above the combined measure (50% v 43%).
- The Trust has performed well in phonics. The Y1 national average for this year was 79% and the Trust average was also 79%. The Y2 national average for this year was 87% and the Trust average was 92%. The results for disadvantaged pupils are more impressive. The Y1 national average for disadvantaged pupils was 62% and the Trust average was 72%. The Y2 national average for disadvantaged pupils for this year has not been published. The Trust disadvantaged pupils average was 90% (3% above the all pupils measure).
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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. Internal monitoring in other schools across the Trust has also shown that all of the schools in WISE have personal development offers for pupils that are at least good.
- Attendance has remained an extremely high priority across the Trust this year. The overall attendance across the Trust this year was 93.7%. The national average was 94% overall for primary and around 91.9% for disadvantaged. The FFT national for disadvantaged 91% meaning that our disadvantaged pupils are 0.9% higher than others nationally. Considering the percentages of disadvantage across WISE, the attendance figure is strong.
- Pupils across the Trust enjoy school. The pupil survey results were extremely positive with only 7% of pupils stating that they did not enjoy school. 97% 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 total reserves held of around £4.7 million across unrestricted and restricted general funds and meets its reserves policy.
- 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: census reporting and pupil data; GDPR compliance and HR/Payroll systems and processes. All audits were positive and further detail of each is set out on page 31 of this report.
- The Trust cash flow has been reported each month. Cash in hand is healthy with on average £6.5m in the bank and investments 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.

- 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 skills audit in period demonstrates that Trustees have the necessary skills to manage the Trust effectively.

Strategic aim 5: Be an employer of choice

- All staff are supported through a comprehensive well-being package of support. A whole range of supportive policies have been put in place to support staff wellbeing.
- The Employee Engagement Forum is an effective forum to hear staff feedback.
- WISE staff turnover data is significantly lower than other data in the education sector. The Trust's voluntary turnover was 10.3% and total turnover was 13.7%. The CIPD average was 35% and Awardco for the education sector reported an average of 38% in staff turnover.
- The staff survey showed that 97% of staff enjoyed working for WISE Academies.
- 91% of teachers and 87% of support staff say their professional development is well catered for.
- Staff absence was below the CIPD average sickness absence days. Trust was 6.79 days compared to the CIPD average of 7.8 days.

Strategic aim 6: Deliver high quality estate management

- The Estate Strategy identifies key priorities for estate improvement and capital investment. Capital reports have been submitted in relation to utilisation of capital funding and have been acceptable.
- All academy sites are compliant and safe. Health and Safety Audits that have taken place within the year have been positive and flag no areas of concern. There was 100% compliance on the statutory maintenance tracker.

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 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.
- Trust percentage of pupils accessing education either in school or remotely was 83%.

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

- The transfer of Ashley Academy into the Trust introduces our working with a fourth local Authority, South Tyneside. The school has been incorporated into the South of Tyne Hub currently and targeted marketing has taken place in South Tyneside to aid the ambition to establish a hub in this region. Marketing in Durham is also well underway and we are working through Due Diligence processes with a number of schools who wish to join WISE Academies.
- Our Due Diligence systems have been in place for more a number of years. They continue to be refined as more is learned around the risks associated when acquiring new schools.
- Effective oversight of all Trust schools has been maintained through the Hub structure and Hub Governance board. This approach is working effectively to ensure oversight, support and intervention where necessary. 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. Teams are kept under review to determine capacity and changes are made to ensure roles are manageable.
- Hub leaders meet headteachers and visit schools regularly. The Executive Team meet weekly to ensure that key knowledge is shared so that resources can be well deployed to support school improvement. Trust risks are reviewed on an ongoing basis with formal risk meetings occurring monthly.

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 Research School and Great North Early Years Stronger Practice Hub have been approved from September 2023. Both teams are very high profile with very few schools in the whole country achieving this status.
- The Trust website continues to be reviewed and has been enhanced with links to Town End Research School and the Great North Stronger Practice Hub. Trust Twitter page is in regular use and continues to grow in followers.
- The Trust has produced high quality marketing materials and publications.
- There are now three practicing Ofsted inspectors working in the Trust and a fourth person has indicated that she is willing to undertake the training for the role.

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

WISE Academies continues to build upon its reputation for success. The year closed with the awards of both successful applications to set up Town End Research School and the Great North Early Years Stronger Practice Hub where we will support and network with schools and educational provisions across both the Trust and the wider North East region. The schools within the Trust have persistently focussed on ensuring that all pupils learn to read, write fluently and calculate accurately and continue to deploy catch up strategies to counter the national adverse impact that pandemic lockdowns had on both learning and attendance. Academic outcomes at the end of the year demonstrate that strategies have been successful. Trust outcomes for 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. Three academies in the Trust have received an Ofsted inspection in the period with all three achieving outstanding grades in all areas.

Ofsted Inspections

Croftway Academy

Croftway Academy was inspected by Ofsted in January 2023 and achieved Outstanding in all judgements. It is one of very few schools in the country to make the journey from Inadequate to Outstanding in one Ofsted cycle. The inspection report observed that the school was inspirational and a place where pupils flourish. Inspectors commented on the excellent relationships throughout the school community and beyond with pupil behaviour being described as 'exemplary'. Inspectors noted the extra opportunities pupils have outside the classroom and that the classrooms are bustling, dynamic places to be. The curriculum is described as being 'extremely ambitious for all pupils starting from early years' with priority giving to reading. Mention was made of the significant impact caused by the disruption of the pandemic and the use of assessments to quickly address gaps in learning which aided pupils' confidence and pride in their work. Leaders are described as being 'tenacious' in seeking additional support from external agencies to support pupils with SEND in accessing learning. It was also noted that pupils speak with maturity about the importance of good mental health and how to stay safe.

Malvin's Close Academy

Malvin's Close Academy was inspected in January 2023 and achieved Outstanding in all judgements. This academy had received a Requiring Improvement judgement before it joined the Trust in 2018 and has undergone substantial improvement. Ofsted inspectors praised all areas of the school describing the school as transformed and 'a pivotal part of the community'. They commented on the curriculum being revamped and described it as being successful and organised with 'exciting activities planned to enhance pupils' experience'. Systems to assess gaps in pupils' knowledge were

noted as successful and prevent pupils from falling behind with pupils with SEND being supported 'exceptionally well'. The report observed that many pupils start school with low levels of literacy and speech and language challenges with the work that adults do in early years being expressed as 'invaluable' and 'first class'. Teaching pupils to read is a priority for leaders and the school's curriculum enabled pupils to learn about diversity and the world of work with links to local business and industry enhancing the curriculum. Trustees, governors and senior leaders were praised in creating a high-performing team where staff opinions are valued and the determination of leaders is shared by staff throughout the school. The report commented that pupils thrive in a 'can-do' environment, believing in themselves and each other and that their 'future life chances are improved by the dedication and commitment of all staff'.

Haltwhistle Academy

Before joining WISE Academies in September 2018, both Haltwhistle First School and Haltwhistle Middle School were part of a failing multi-academy trust. The schools were graded by Ofsted as Requiring Improvement (First School) and Inadequate (Middle School). On joining with WISE Academies, the Trust continued to support the local authority's process of moving from a three tier educational system to a two tier system and in August 2019, Haltwhistle Middle School closed and Haltwhistle First School became Haltwhistle Primary Academy.

Haltwhistle Primary Academy was inspected in February 2023 and achieved Outstanding in all judgements. The report described the school environment as aspirational with staff delivering a creative, dynamic curriculum that excites and enthuses pupils. Expectations are high around learning, behaviour and upholding the values of the school. The Early Years learning environment was flagged as being 'wonderful' with high-quality outdoor activities being a daily part of the curriculum. Leaders including governors and trustees were noted as having 'a relentless determination to create a school where pupils thrive', noting the many challenges that have been faced and overcome in their journey. The report commented on the curriculum being aspirational and ambitious with subjects 'meticulously organised' and pupils' personal development being at the heart of the curriculum, teaching children about the value of teamwork and respect. The curriculum is further enhanced with links to Lancaster University and Kielder Observatory and leaders provide an extensive offer of activities to help pupils develop their talents and interests.

Pupil Outcomes

Gold Level of Development

The Trust continues to work to combat the effect that the pandemic had on our youngest pupils. The national average of Good Level of Development (GLD), which pupils reach by the end of Reception, prior to the pandemic was 72%. This year, the overall Trust average was 64% compared to the national average of 65% with many individual schools achieving better than average results. Our disadvantaged pupils across the Trust outperformed the national average of 49% with an overall Trust average of 63% of disadvantaged pupils achieving the GLD within the Trust. Further details can be found in Table A.

Year 1 Phonics

The Trust continues to prioritise time and resource to ensure as many pupils as possible pass the Year 1 phonics check and the outcomes in 2023 are in line with the national average of 79%.

Disadvantaged pupils in the Trust perform particularly well in phonics. 72% 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 2023 national averages at the expected standard. In all measures, the Trust average outperformed the national average: i) reading 72% v's 68%; ii) writing 61% v's 60%, and iii) mathematics 73% v's 70%. Disadvantaged pupils achieving the expected standard also measure well above national averages with comparatives for each subject being: i) reading 63% v's 54%; ii) writing 53% v's 44%, and iii) mathematics 68% v's 56%. In terms of pupils achieving the greater depth standard, whole school Trust averages are broadly in line with the national averages of writing (7% against national average of 8%) and mathematics (15% against 16%), with reading outcomes being lower (16% against 19%). The achievement of our disadvantaged pupils in all greater depth measures is averaging along similar results to that of all pupils. 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	
	All Pupils	Disadvantaged	All Pupils	Disadvantaged
National Average	65%	49%	79%	62%
Trust Average Overall	64%	63%	79%	72%
Adderlane Academy	70%	62%	91%	80%
Ashley Academy	67%	56%	83%	68%
Bexhill Academy	55%	60%	65%	47%
Croftway Academy	66%	53%	68%	63%
Haltwhistle Academy	71%	75%	93%	83%
Hasting Hill Academy	64%	79%	83%	87%
Malvin's Close Academy	73%	54%	91%	86%
Morpeth Road Academy	60%	63%	43%	42%
Prudhoe West Academy	68%	64%	87%	70%
Shaftoe Trust Academy	73%	67%	100%	100%
Town End Academy	43%		85%	71%
Welbeck Academy	58%	50%	68%	67%

Table B1: KS1 Results 2022 –Expected Standard

		Expected Standard			
Key: R - Reading W- Writing M - Mathematics		2023 National Average (All Pupils)	All Pupils	2023 National Average (Dis- advantaged)	Disadvantaged Pupils
	Trust Average Overall	R	68%	72%	54%
W		60%	61%	44%	53%
M		70%	73%	56%	68%
Adderlane Academy	R	68%	76%	54%	86%
	W	60%	67%	44%	71%
	M	70%	76%	56%	71%
Ashley Academy	R	68%	53%	54%	33%
	W	60%	25%	44%	13%
	M	70%	62%	56%	54%
Bexhill Academy	R	68%	75%	54%	64%
	W	60%	79%	44%	69%
	M	70%	81%	56%	73%
Croftway Academy	R	68%	67%	54%	57%
	W	60%	52%	44%	48%
	M	70%	70%	56%	70%
Haltwhistle Academy	R	68%	68%	54%	56%
	W	60%	61%	44%	56%
	M	70%	71%	56%	67%
Hasting Hill Academy	R	68%	83%	54%	75%
	W	60%	71%	44%	56%
	M	70%	71%	56%	56%
Malvin's Close Academy	R	68%	72%	54%	50%
	W	60%	48%	44%	38%
	M	70%	70%	56%	46%
Morpeth Road Academy	R	68%	52%	54%	44%
	W	60%	48%	44%	37%
	M	70%	48%	56%	37%
Prudhoe West Academy	R	68%	80%	54%	71%
	W	60%	71%	44%	71%
	M	70%	89%	56%	85%
Shaftoe Trust Academy	R	68%	100%	54%	100%
	W	60%	64%	44%	50%
	M	70%	82%	56%	100%
Town End Academy	R	68%	71%	54%	57%
	W	60%	68%	44%	50%
	M	70%	82%	56%	79%
Welbeck Academy	R	68%	53%	54%	50%
	W	60%	39%	44%	36%
	M	70%	65%	56%	64%

Table B2: KS1 Results 2022 –Greater Depth

		Greater Depth		
Key: R - Reading W- Writing M - Mathematics		2023 National Average	All Pupils	Disadvantaged Pupils
Trust Average Overall	R	19%	16%	14%
	W	8%	7%	7%
	M	16%	15%	16%
Adderlane Academy	R	19%	29%	29%
	W	8%	14%	14%
	M	16%	29%	29%
Ashley Academy	R	19%	25%	17%
	W	8%	0%	0%
	M	16%	23%	17%
Bexhill Academy	R	19%	19%	14%
	W	8%	5%	5%
	M	16%	18%	18%
Croftway Academy	R	19%	24%	17%
	W	8%	0%	0%
	M	16%	11%	9%
Haltwhistle Academy	R	19%	7%	10%
	W	8%	0%	0%
	M	16%	4%	10%
Hasting Hill Academy	R	19%	33%	31%
	W	8%	13%	13%
	M	16%	29%	19%
Malvin's Close Academy	R	19%	22%	8%
	W	8%	7%	4%
	M	16%	12%	4%
Morpeth Road Academy	R	19%	0%	0%
	W	8%	0%	0%
	M	16%	2%	4%
Prudhoe West Academy	R	19%	11%	0%
	W	8%	0%	0%
	M	16%	24%	21%
Shaftoe Trust Academy	R	19%	18%	50%
	W	8%	18%	0%
	M	16%	18%	50%
Town End Academy	R	19%	18%	0%
	W	8%	0%	0%
	M	16%	21%	14%
Welbeck Academy	R	19%	10%	8%
	W	8%	0%	0%
	M	16%	8%	6%

Table C1: KS2 Results 2022 – Expected Standard

Key: R - Reading W - Writing M - Mathematics SPAG - Spelling, Punctuation and Grammar RWM - Combined Score	Expected Standard				
	2023 National Average (All Pupils)	All Pupils	2023 National Average (Dis- advantaged)	Disadvantage d Pupils	
Trust Average	R	73%	69%	60%	62%
Overall	W	73%	67%	58%	58%
	M	71%	67%	59%	61%
	SPAG	72%	65%		61%
	RWM	59%	55%	44%	50%
	Ashley Academy	R	73%	66%	60%
Ashley Academy	W	73%	59%	58%	38%
	M	71%	53%	59%	38%
	SPAG	72%	68%		48%
	RWM	59%	42%	44%	24%
	Bexhill Academy	R	73%	81%	60%
W		73%	90%	58%	81%
M		71%	73%	59%	56%
SPAG		72%	86%		81%
RWM		59%	61%	44%	37%
Croftway Academy	R	73%	84%	60%	85%
	W	73%	72%	58%	65%
	M	71%	78%	59%	77%
	SPAG	72%	78%		73%
	RWM	59%	71%	44%	65%
Haltwhistle Academy	R	73%	97%	60%	86%
	W	73%	90%	58%	86%
	M	71%	94%	59%	71%
	SPAG	72%	94%		86%
	RWM	59%	90%	44%	71%
Hasting Hill Academy	R	73%	49%	60%	37%
	W	73%	60%	58%	47%
	M	71%	57%	59%	37%
	SPAG	72%	49%		42%
	RWM	59%	31%	44%	21%
Malvin's Close Academy	R	73%	72%	60%	63%
	W	73%	78%	58%	2%
	M	71%	67%	59%	50%
	SPAG	72%	60%		42%
	RWM	59%	63%	44%	50%
Morpeth Road Academy	R	73%	38%	60%	27%
	W	73%	48%	58%	38%
	M	71%	33%	59%	27%
	SPAG	72%	31%		19%
	RWM	59%	22%	44%	19%
Shaftoe Trust Academy	R	73%	92%	60%	100%
	W	73%	83%	58%	100%
	M	71%	92%	59%	100%
	SPAG	72%	75%		100%
	RWM	59%	83%	44%	100%
Town End Academy	R	73%	69%	60%	55%
	W	73%	69%	58%	64%
	M	71%	69%	59%	73%
	SPAG	72%	59%		64%
	RWM	59%	59%	44%	55%
Welbeck Academy	R	73%	42%	60%	42%
	W	73%	44%	58%	40%
	M	71%	57%	59%	55%
	SPAG	72%	45%		41%
	RWM	59%	29%	44%	28%

Table C2: KS2 Results 2022 – Greater Depth

Key: R - Reading W - Writing M - Mathematics SPAG - Spelling, Punctuation and Grammar RWM - Combined Score	Greater Depth				
	2023 National Average	All Pupils	2023 National Average (Dis- advantaged)	Disadvantaged Pupils	
Trust Average	R	29%	24%		25%
Overall	W	13%	4%		0%
	M	24%	13%		10%
	SPAG	30%	18%		14%
	RWM	8%	4%	3%	5%
	Ashley Academy	R	29%	20%	
Ashley Academy	W	13%	7%		0%
	M	24%	14%		10%
	SPAG	30%	15%		10%
	RWM	8%	5%	3%	0%
Bexhill Academy	R	29%	20%		7%
	W	13%	15%		4%
	M	24%	8%		0%
	SPAG	30%	22%		7%
	RWM	8%	7%	3%	0%
Croftway Academy	R	29%	48%		38%
	W	13%	0%		0%
	M	24%	29%		23%
	SPAG	30%	34%		15%
	RWM	8%	0%	3%	0%
Haltwhistle Academy	R	29%	42%		57%
	W	13%	19%		14%
	M	24%	32%		43%
	SPAG	30%	39%		43%
	RWM	8%	10%	3%	14%
Hasting Hill Academy	R	29%	9%		11%
	W	13%	0%		0%
	M	24%	6%		0%
	SPAG	30%	3%		0%
	RWM	8%	0%	3%	0%
Malvin's Close Academy	R	29%	17%		0%
	W	13%	3%		13%
	M	24%	13%		13%
	SPAG	30%	22%		13%
	RWM	8%	0%	3%	0
Morpeth Road Academy	R	29%	4%		0%
	W	13%	0%		0%
	M	24%	2%		3%
	SPAG	30%	2%		0%
	RWM	8%	0%	3%	0
Shaftoe Trust Academy	R	29%	67%		100%
	W	13%	42%		67%
	M	24%	16%		0%
	SPAG	30%	16%		33%
	RWM	8%	8%	3%	0%
Town End Academy	R	29%	10%		9%
	W	13%	0%		0%
	M	24%	10%		9%
	SPAG	30%	14%		9%
	RWM	8%	0%	3%	
Welbeck Academy	R	29%	5%		4%
	W	13%	0%		0%
	M	24%	2%		2%
	SPAG	30%	9%		4%
	RWM	8%	0	3%	0%

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

Development of the Trust estate

WISE Academies has invested £651k in capital projects to improve and develop the estate across the year which has largely been funded by School Condition Allocation (SCA).

Trustees have an 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 health and safety, weather tightness, energy efficiency and accessibility of buildings. Priority areas are reviewed each year and the central Estates Team's management of the estate and use of capital funding is subject to scrutiny by the Board of Trustees and its committees.

Some of the major works this year have included:

- New Condition Surveys undertaken and items for rectification identified;
- Compliance works including water hygiene, electrical works, fire alarms and kitchen upgrades;
- Safety works including widening of footpath, installation of pedestrian barriers and perimeter fencing;
- Roofing and drainage issues;
- Phase one of remodelling Adderlane Academy to address life expired demountable classroom units and improve accessibility was completed to address enabling works in readiness for the major part of the project which is planned to commence next Spring.

Going Concern

The Board of Trustees have considered current performance and reserves, future developments and pupil numbers 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.

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 2022 to 31 August 2023 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 2023, total expenditure of £25,107k (2022: £21,441k) (excluding FRS102 adjustments made to the LGPS pension fund and depreciation) 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 £194k to support various capital projects.

The surplus of income over expenditure for the year was £2,548k. This surplus added to brought forward cumulative reserves excluding pension and fixed asset reserve of £3,911k (restricted general funds £966k and unrestricted general funds £3,025k) provides overall cumulative general reserves for the year ended 31 August 2023 of £4,684k, split as restricted general funds £1,350k and unrestricted general funds £3,334k.

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, £95k (2022: £87k) was received in respect of Devolved Formula Grants, £645k (2022: £674k) of School Condition Allocation (SCA) funding and for 2022-23, a new capital funding stream, Environmental Improvement Grant (EIG), £209k.

The Trust invested £750k (GAG surpluses: £138k; unrestricted funds £56k and £132k from capital grants and donations) to further improve the assets of the Trust together with utilising £424k of brought forward capital grants. Major projects completed during the year include:

- Adderlane Academy Phase one - £154k
- Energy Efficiency projects - £94k
- Fencing upgrades - £133k
- Other estate improvements, including outdoor learning and play, toilets, etc - £270k
- IT investment across the Trust - £25k
- Fixtures and fittings improvements across the Trust - £74k

The sponsoring of Ashley Academy involved the transfer of the land and buildings as assets donated on conversion. The estate was formally valued as £3.4m as at 1 September 2022 on transfer.

At 31 August 2023, the net book value of tangible fixed assets was £35,107k 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 2023, cash in hand and short term investments was £7,450k (2022: £6,443k).

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 27 to the Financial Statements, represents a significant potential risk given the variability in position and required contributions at each valuation. 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

	2023	2022
Total staff costs / GAG income	128.4%	136.0%
Total staff costs / Total Revenue income	81.4%	90.1%
Working Capital / Total Reserves	15.2%	15.7%
Liquidity Ratio	3.6	3.3

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 2023 were £41,383k (2022: £33,093k), this includes restricted general funds (excluding pension) of £1,350k (2022: £966k), restricted fixed asset funds of £36,699k (2022: £33,844k), with the level of unrestricted reserves being £3,334k (2022: £3,025k).

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

Trustees have approved the utilisation of reserves during 2023-24 to fund specific projects: £120k to support several improvements at Welbeck Academy, including the refurbishment of toilets, playground improvements and furniture upgrades; £140k to support North View Academy strengthen staffing structures and engage with specialist counselling provision to support the needs of the pupils; £50k in each of Malvin's Close Academy and Morpeth Road Academy to support further focused teaching and learning strategies for the children most in need of this action and £11k at Town End Academy to fund the installation of a new hall projector. 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 2023, the cash balance of £7,450k included funds of £4,517k that are being held in a combination of interest bearing accounts and short term investments attracting interest rates between 2.45% and 3.5% as at 31 August 2023.

Principal Risks and Uncertainties

The Trust is subject to a number of risks and uncertainties in common with other academies and has in place a Risk Management process to identify risks and record and monitor each risk together with their mitigation on the Trust Risk Register, which classifies risk alongside our nine Strategic Aims: Educational Standards; SMSC Development; Financial; Governance; HR; Estate Management; IT; Growth. The register is reviewed at each meeting of the Audit Committee together with our Estates Compliance tracker to ensure the Trust's estate is well maintained. The key risks and uncertainties which the Trust is exposed to are listed below:

- Outcomes for pupils are too low resulting in poor performance in statutory tests. 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.

- Pupil attendance may not recover to pre-pandemic levels. Our full time Attendance Officer supports all academies to ensure procedures are implemented effectively. A working party has been set up with attendance leads across the Trust working together to share best practice and promote the importance of good school attendance and support those families who may face barriers preventing good school attendance.
- Adverse impact of increased costs to reserves. Trustees review the Reserves Policy each year to ensure that the organisation maintains an appropriate level of protection against rising costs due to current economic factors. Monthly management accounts reports are produced which track income and expenditure against budgeted expectations and include year end forecast information including cash positions.
- Key staff leaving the organisation due to alternative employment or retirement. The Trust continues to review and develop succession planning strategies to ensure it is able to staff the organisation with an effective workforce. The recruitment system has been reviewed and refined during the year to streamline the process and we have set up a new starter forum to further understand what makes us an employer of choice. The employee engagement forum has met during the year to hear the views and connect with staff from a variety of different roles across the Trust.
- Disruption or loss of service due to IT systems being comprised. All staff within the Trust are given training to ensure we comply with RPA insurance requirements for cybercrime mitigation. Anti-virus software is installed and Windows updates are applied. Pupil access to IT continues to move from Windows devices to Chromebooks and iPads. System back-ups are systematically ran and tested rigorously. Hardware is available to draw upon in the case of any server failure to restore service quickly.

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

UK Greenhouse gas emissions and energy use data for the period	1 September 2022 to 31 August 2023	1 September 2022 to 31 August 2022
Energy consumption used to calculate emissions (kWh)	4,368,2120	4,480,682
Energy consumption break down (kWh) <ul style="list-style-type: none"> • gas • electricity • transport fuel 		
Scope 1 emissions in metric tonnes CO ₂ e <ul style="list-style-type: none"> • Gas consumption • Owned transport – mini-buses 	570.16 <u>0.32</u>	598.66 <u>0.39</u>
Total Scope 1	570.48	599.05
Scope 2 emissions in metric tonnes CO ₂ e <ul style="list-style-type: none"> • Purchased electricity 	245.97	226.14
Scope 3 emissions in metric tonnes CO ₂ <ul style="list-style-type: none"> • Business travel in employee owned vehicles 	13.49	7.21
Total gross emissions in metric tonnes CO ₂	829.93	832.40
Intensity Ratio Tonnes CO ₂ e per pupil	0.26	0.29

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 2023 UK Government’s Conversion Factors for Company Reporting.

Intensity Measurement

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

Measures Taken to Improve Energy Efficiency

Using School Condition Allocation (SCA) and Environmental Improvement Grant (EIG) funding streams, 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 completed energy efficiency projects across schools upgrading lighting systems and windows.

The Trust continued to promote the use of virtual meeting platforms during the year to provide an opportunity 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. Trustees have reviewed a plan of Trust Key Priorities for 2023-24 that are linked to this Business plan.

The priorities include actions to ensure our academies provide an excellent standard of education for all pupils including the implementation of our WISE Teaching and Learning Principles; focus on writing; develop effective assessment frameworks to identify gaps in mathematics; clearly define WISE curriculum expectations and Trust Quality Assurance systems.

Academies are working towards achieving a Mental Health Award and strategies continue to be developed to improve Trust-wide attendance and reduce persistent absence levels. Across the Trust we are standardising behaviour sanctions to apply consistent reporting and enable the identification of patterns and support where necessary.

Centrally, we plan to upgrade the Trust finance system and review the membership of our Board with a view of increasing capacity for educational skilled link Trustees to support growth of Hubs. To support growth, we continue to develop and implement the Trust marketing strategy and work positively with Local Authorities in our growth target areas.

To support our aim of being an employer of choice, we plan to review and develop a process for staff appraisals which applies consistency in all roles and ensures the opportunity of effective CPD across those roles with clear career pathways. Following feedback from the employee engagement forum, we plan to implement staff recognition systems and continue to consider staff wellbeing and workload in line with DfE recommendations.

Our Estates Management systems will be strengthened with further use of IT systems to ensure statutory compliance is closely monitored and any priority works are routed following high quality surveys. We have already confirmed during the Autumn term that none of our buildings contain RAAC which was a key priority within this area.

Priorities for the Strategic IT plan include the further development of our infrastructure to support future growth potential and ensure all settings comply with DfE Digital Standards and KCSIE requirements around filtering and monitoring.

The trust has also planned to prioritise the effective launch and development of both the Town End Research School and Great North Early Years Stronger Practice Hub to ensure they are well regarded in the region and nationally for the provision of high quality training and support.

The plan also includes actions to ensure the Trust works effectively with the DfE to deliver the Trust and School Improvement Offer for schools across Middlesbrough and Hartlepool.

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 _____ 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:

Trustee	Meetings Attended	Out of a Possible
M E W Stephenson (Chair of Trustees)	5	6
Z E Carr O.B.E. (Accounting Officer)	5	6
J G Wood C.B.E.	4	6
R Symonds	4	6
N Vokes	2	6
P Smith	4	6
C Collins	6	6
D Pearson	4	6
R Ward	3	6

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. During 2022/23 the Board of Trustees and other levels of governance have also focussed heavily upon pupil attendance data which is an area of increasing importance across the education sector.

The Trustees have a clear focus on a culture of continuous improvement and the structure includes key roles within the Trust to deliver this vision including Regional Educational Directors and curriculum support roles. This is in addition to education specialists such as early years support and the activities of the Associate Research School. 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 and Attendance Support. 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. This model has proved effective during the Ofsted inspections that took place during the reporting period where those responsible for governance at each tier contributed to the conversation with inspectors.

The rigorous approach to ensuring all aspects of safeguarding compliance continued to be very high profile throughout the governance structure. This was reflected in the comprehensive policies and procedures approved by Trustees. The role of Trustees, Audit Committee and the named Trustee with responsibility for safeguarding were set out in the Strategic Safeguarding Plan. At individual academy level the responsibilities of Senior Leadership, academy staff and Local Governing Body were outlined in the plan.

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 has a well-established multi-tier governance structure (Members, Board of Trustees, Regional 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. During the year one of the Regional Boards was re-designated to reflect the extended area of coverage through the addition of another academy into the Trust.

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 Members hold the Board of Trustees accountable for how they have discharged their duties during the course of the year.

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:

Trustee	Meetings Attended	Out of a Possible
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:

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

Governance Reviews

During 2022 it was agreed that one of the areas to be scrutinised by internal auditors would be the governance of the Trust. This followed on from the comprehensive Governance Action Plan during the previous year which had been formulated following a review of governance.

The coverage of the internal assurance exercise relating to governance included: -

- Register of Pecuniary Interests
- Related Parties
- Website Review (to ensure conformity with governance information that needed to be published)
- Induction procedures for new Trustees or local governors
- Trustee/local governor competencies
- Compliance with expectations of Academy Trust Handbook in relation to governance matters
- Policies
- Roles and responsibilities
- Financial requirements
- Delegated authorities

At the start of the reporting year there was a WISE Governance Conference which was attended by Members, Trustees, those serving on Regional Boards and local governors. This was a successful event which enabled those responsible for governance at all levels in the organisation to engage in communication and develop a shared understanding of the Trust's history, priorities and future development. There were two guest speakers at the WISE Governance Conference. The first was Katherine Cowell (Regional Director, Department for Education) who gave us some of the latest updates from around the academies sector and the wider educational landscape. The other guest speaker was Stella Jones who talked to us about the Trust's successful application to become a full Research School from September 2023 (superseding the current Associate Research School) and which would run for at least three years.

One of the reasons that the WISE Governance Conference was arranged was in response to feedback received via a survey of Local Governing Bodies where it was suggested that this would be a mechanism for greater cohesion between the levels of governance. As an additional measure in response to the survey of Local Governing Bodies, the Chairs' Forum was reinstated 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, as well as estates safety and management, 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. WISE Academies also used a portion of its Trust Capacity Funding to engage with a procurement specialist team from another MAT who supported the Trust to ensure value for money continues to be a high priority principle in a growing Trust. The following activities were supported during the year:

- 3 year spend analysis to identify trends and patterns of expenditure across the Trust, highlighting high spend areas
- Delivery of a 'Best Procurement Practices' webinar to the senior leadership team of the Trust to develop their understanding of public sector procurement and its regulations
- Supported the competitive procurement processes for Supply Staff and Workplace Solutions, awarding a total of seven contracts (six for Supply Staff and one for Workplace Solutions)
- Embedded social value in the procurement activities to drive positive social value impact that is accessible to schools and staff supporting pupils to learn 'beyond the classroom'

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 2023 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 2023 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 2022/23, in particular, the audits completed in the current period included:

- a review of census reporting and pupil data which examined the policies and procedures in place covering data collection, recording, analysis and reporting together with the application of system controls to ensure the quality of data input into systems agreed to source. The review also checked that current funding agreed to underlying pupil data and school registers and that data submissions were subject to senior review and were submitted on a timely manner
- a review of General Data Protection Regulation (GDPR) processes and policies including staff training; CCTV usage; IT policy; ICO registration and data security practices including IT resilience, cyber security and disaster recovery plans
- a review of HR and Payroll processes and policies to ensure that controls over recruitment and remuneration of staff are robust; monthly payroll reports agree to the accounting system; new starters are correctly input into the HR system and required evidence of identity, references and DBS checks had been carried out and recorded; processes around staff leaving

the organisation result in correct final salary payments; a sample check to ensure staff are issued with correct contracts of employment and a review of amendments made to the HR system in relation to standing data changes, particularly bank account details; absence, overtime claims and any changes in pay scale

- a review of previous report findings and progress

The above reviews identified no high risk findings, two medium risk findings and seven low risk findings. Both medium risk findings resulted from the review of census information: Early Years Pupil Premium numbers from one local authority had not been received ahead of the census return data which risked a loss of funding. The local authority was contacted and WISE Academies were advised that funding to the school would not be affected as the LA would fund based on school data which was more current. The other finding reported that a school had missed reporting their Early Years Pupil Premium numbers from their Spring census which risked a loss in funding. This local authority advised that funding would be made based on school data. Training has since been rolled out and this particular school have also since implemented the Trust-wide MIS system which brings a consistent reporting approach across all WISE Academies' census returns. Both issues have been resolved. All seven low risk areas have since been resolved and corrective action taken during the year.

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 _____ and signed on its behalf
by:

M E W Stephenson
Chair of Trustees

Z Carr
Accounting Officer

WISE Academies
STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of WISE Academies I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding, including for estates safety and management, under the funding agreement 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 2022, including responsibilities for estates safety and management.

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 2022.

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:

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 2022 to 2023
- 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 _____ 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 2023 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cashflows 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 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 2023 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 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 most significant laws and regulations that have an indirect impact on the financial statements are those in relation to the Education Inspection Framework under the Education Act 2005 (as amended), Keeping Children Safe in Education under the Education Act 2002, the UK General Data Protection Regulation (UK GDPR) and the Data Protection Act 2018. We performed audit procedures to inquire of management and those charged with governance whether the charitable company is in compliance with these law and regulations and inspected correspondence with regulatory authorities.

The audit engagement team identified the risk of management override of controls 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 judgments 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.

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
December 2023

Conclusion

We have carried out an engagement in accordance with the terms of our engagement letter dated 14 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 2022 to 31 August 2023 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 2022 to 31 August 2023 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 Academy Trust Handbook extant from 1 September 2022, for ensuring that expenditure disbursed and income received are 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.

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 2022 to 31 August 2023 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 Academy Trust Handbook 2022 published by the Education and Skills Funding Agency and high level financial control areas where we identified a risk of material 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 14 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

Chartered Accountants

1 St James' Gate

Newcastle upon Tyne

NE1 4AD

December 2023

WISE Academies
STATEMENT OF FINANCIAL ACTIVITIES (including Income and Expenditure Account) for the
year ended 31 August 2023

	Note	Unrestricted funds £000	Restricted general funds £000	Restricted fixed asset funds £000	Total 2023 £000	Total 2022 £000
Income from:						
Donations and capital grants	2	-	30	949	979	850
Donated Assets	2	-	-	-	-	52
Transfer of Ashley Academy	2	-	(403)	3,420	3,017	-
Charitable Activities:						
Funding for the Academy Trust's educational operations	3	1,166	24,694	-	25,860	21,554
Other trading activities	4	32	-	-	32	38
Investment income	5	72	-	-	72	1
Total		<u>1,270</u>	<u>24,321</u>	<u>4,369</u>	<u>29,960</u>	<u>22,495</u>
Expenditure on:						
Raising funds		32	-	-	32	38
Charitable activities:						
Academy Trust's educational operations		873	24,799	1,708	27,380	24,989
Total	6	<u>905</u>	<u>24,799</u>	<u>1,708</u>	<u>27,412</u>	<u>25,027</u>
NET INCOMING / OUTGOING RESOURCES BEFORE TRANSFERS		365	(478)	2,661	2,548	(2,532)
Gross transfers between funds	18	<u>(56)</u>	<u>(138)</u>	<u>194</u>	<u>-</u>	<u>-</u>
NET INCOME/(EXPENDITURE) FOR THE YEAR		309	(616)	2,855	2,548	(2,532)
OTHER RECOGNISED GAINS AND LOSSES						
Remeasurement of net defined benefit obligation	27	-	5,742	-	5,742	16,804
NET MOVEMENT IN FUNDS		309	5,126	2,855	8,290	14,272
RECONCILIATION OF FUNDS						
Total funds brought forward		3,025	(3,776)	33,844	33,093	18,821
TOTAL FUNDS CARRIED FORWARD		<u>3,334</u>	<u>1,350</u>	<u>36,699</u>	<u>41,383</u>	<u>33,093</u>

The notes on pages 46 to 78 form part of these financial statements.

	Notes	2023 £000	2022 £000
Fixed Assets			
Intangible Assets	13	6	13
Tangible Assets	14	<u>35,107</u>	<u>32,643</u>
		35,113	32,656
Current Assets			
Debtors	15	1,204	1,007
Cash at bank and in hand		3,450	6,433
Short term investments		<u>4,000</u>	<u>-</u>
		8,654	7,440
Current Liabilities			
Creditors: amounts falling due within one year	16	(2,374)	(2,248)
Net Current Assets		<u>6,280</u>	<u>5,192</u>
Total Assets less Current Liabilities		41,393	37,848
Creditors: Amounts falling due after one year			
Salix Loan	17	(10)	(13)
Net Assets excluding Pension Liability		<u>41,383</u>	<u>37,835</u>
Defined Benefit Pension Scheme Liability	27	-	(4,742)
Total Net Assets		<u>41,383</u>	<u>33,093</u>
Funds of the Academy Trust:			
Restricted Funds	18		
Fixed Asset fund		36,699	33,844
General fund		1,350	966
Pension reserve		-	(4,742)
Total Restricted Funds		<u>38,049</u>	<u>30,068</u>
Unrestricted Income Funds	18		
General Fund		<u>3,334</u>	<u>3,025</u>
Total Funds		<u>41,383</u>	<u>33,093</u>

The financial statements on pages 46 to 78 were approved by the board of trustees and authorised for issue on December 2023 and are signed on their behalf by:

M E W Stephenson
Chairperson

The notes on pages 46 to 78 form part of these financial statements

	Notes	2023 £000	2022 £000
Cash flows from operating activities			
Net cash provided by operating activities	22	716	(523)
Cash flows from investing activities	23	301	(305)
Cash flows from financing activities		<u>-</u>	<u>-</u>
Change in cash and cash equivalents in the reporting period		<u>1,017</u>	<u>(828)</u>
Cash and cash equivalents at 1 September 2022		<u>6,433</u>	<u>7,261</u>
Cash and cash equivalents at 31 August 2023	25	<u>7,450</u>	<u>6,433</u>

The notes on pages 46 to 78 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 2022 to 2023 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 long-term 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.

Short Term Investments

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

Short term investments are recognised at the value of investments held at the period end, with any known interest accrued.

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.

1 ACCOUNTING POLICIES (continued)

Financial assets and liabilities

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

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

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

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

Taxation

The academy trust is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

Accordingly, the academy trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

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.

1 ACCOUNTING POLICIES (continued)

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 and the effect of the asset ceiling are recognised immediately as other comprehensive income.

The LGPS assets are managed by the scheme trustees at scheme level, and the determination / allocation of assets to each individual employer in the scheme is managed by the scheme actuary. The assets are allocated to each employer for accounting purposes based on the valuation of the assets at the latest triennial valuation as adjusted for subsequent contributions received from the employer, asset returns and benefit payments made (either on a cash basis or actuarial basis).

The retirement benefit obligation recognised represents the deficit or surplus in the defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

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.

1 ACCOUNTING POLICIES (continued)

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 2022 has been used by the actuary in valuing the pensions liability at 31 August 2023. 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. Determining the existence of a minimum funding requirement for the Local Government Pension Scheme to be included in the asset ceiling in measuring and recognising a surplus in the scheme. This judgement is based on an assessment of the nature of the scheme as a statutory scheme and its inherent implied continuance as well as the operation of the primary and secondary contributions.

2. DONATIONS AND CAPITAL GRANTS

	Unrestricted funds £000	Restricted general funds £000	Restricted fixed asset funds £000	Total 2023 £000	Total 2022 £000
DfE / ESFA capital grant	-	-	949	949	761
Donated Assets	-	-	-	-	52
Transfer of Ashley Academy	-	(403)	3,420	3,017	-
Local Authority capital grants	-	-	-	-	6
Other donations	-	30	-	30	83
	-	(373)	4,369	3,996	902
2022 total split by fund:					
Restricted general funds	-	83	-	83	
Restricted fixed asset funds:	-	-	819	819	
	-	83	819	902	

3. FUNDING FOR CHARITABLE ACTIVITIES

	Unrestricted funds	Restricted funds	Total	Total
	£000	£000	2023 £000	2022 £000
DfE/ESFA REVENUE GRANTS				
General annual grant (GAG)	-	16,408	16,408	14,279
Start Up Grants	-	-	-	70
Other DfE/ESFA grants				
Pupil Premium	-	2,201	2,201	1,927
Teachers' Pay grant	-	-	-	21
Teachers' Pension grant	-	-	-	59
UIFSM	-	329	329	256
PE Sports grant	-	236	236	217
Supplementary grant	-	746	746	195
Rates Relief	-	79	79	73
Trust Capacity Funding	-	268	268	-
Others	-	133	133	98
	-			
		20,400	20,400	17,195
OTHER GOVERNMENT GRANTS				
Local authority grants	-	3,814	3,814	2,853
COVID 19 ADDITIONAL FUNDING				
Catch up premium	-	238	238	206
School-led tutoring	-	242	242	202
		480	480	408
OTHER FUNDING				
Catering income	279	-	279	240
Other miscellaneous income	887	-	887	858
	1,166	-	1,166	1,098
TOTAL FUNDING	1,166	24,694	25,860	21,554
2022 total split by fund:	1,098	20,456	21,554	

4. OTHER TRADING ACTIVITIES

	Unrestricted funds	Restricted funds	Total	Total
	£000	£000	2023 £000	2022 £000
Other income	32	-	32	38
	<u>32</u>	<u>-</u>	<u>32</u>	<u>38</u>
2022 total split by fund:	<u>38</u>	<u>-</u>	<u>38</u>	

5. INVESTMENT INCOME

	Unrestricted funds	Restricted funds	Total	Total
	£000	£000	2023 £000	2022 £000
Bank Interest	72	-	72	1
	<u>72</u>	<u>-</u>	<u>72</u>	<u>1</u>
2022 total split by fund:	<u>1</u>	<u>-</u>	<u>1</u>	

6. EXPENDITURE

	Staff Costs	Non Pay Premises Costs	Expenditure Other	Total	Total
	£000	£000	£000	2023 £000	2022 £000
Expenditure on raising funds:					
Direct Costs	32	-	-	32	38
Academy Trust's educational operations:					
Direct costs	17,561	-	1,490	19,051	16,264
Allocated support costs	<u>3,468</u>	<u>1,502</u>	<u>3,359</u>	<u>8,329</u>	<u>8,725</u>
	<u>21,061</u>	<u>1,502</u>	<u>4,849</u>	<u>27,412</u>	<u>25,027</u>
2022 total split by category:	<u>19,418</u>	<u>1,093</u>	<u>4,516</u>	<u>25,027</u>	

Expenditure on raising funds was £32k of which £32k (2022: £38k) was unrestricted and £nil (2022: £nil) was restricted general funds.

Net income/(expenditure) for the period includes:	2023	2022
	£000	£000
Operating lease rentals	31	31
Depreciation	1,701	1,654
Amortisation of intangible fixed assets	7	9
Fees payable to RSM UK Audit LLP for :		
- Audit fees (including grant assurance reports)	41	36
Net interest on defined benefit pension liability (note 27)	184	325

7. CHARITABLE ACTIVITIES

	2023	2022
	£000	£000
Direct costs – educational operations	19,051	16,264
Support costs – educational operations	8,329	8,725
	27,380	24,989
Analysis of support costs – educational operations		
Support staff costs (including FRS102 section 27 pension charge of £413k (2022: £1,598k))	3,468	4,395
Depreciation	1,701	1,654
Amortisation	7	9
Technology costs	31	46
Premises costs	1,502	1,093
Legal costs – conversion	0	15
Legal costs – other	78	88
Other support costs (including FRS102 section 27 pension charge of £184k (2022: £325k))	1,504	1,366
Governance costs	38	59
	8,329	8,725

8. GOVERNANCE COSTS

	2023	2022
	£000	£000
Legal and professional fees	16	4
Auditor's remuneration		
Audit of financial statements (including grant assurance reports)	41	36
Other audit costs	17	19
Release of prior year over-accrual	(36)	-
	38	59

9. STAFF NUMBERS AND COSTS

	2023	2022
	£000	£000
a) STAFF COSTS		
Staff costs during the period were:		
Wages and salaries	14,832	12,916
Social security costs	1,382	1,193
Pension costs	3,525	4,365
Apprenticeship Levy	60	49
	19,799	18,523
Supply staff costs	1,167	825
Staff restructuring costs	95	70
	21,061	19,418
Staff restructuring costs comprise:		
Redundancy payments	43	8
Severance payments	52	62
	95	70

b) SEVERANCE PAYMENTS

The academy trust made 6 severance payments in the year, disclosed in the following bands:

	Number
£0 - £25,000	5
£25,001 - £50,000	1
	6

c) SPECIAL STAFF SEVERANCE PAYMENTS

There were no non-statutory / non-contractual payments included in staff restructuring costs (2022: £21k. Individually, the payments were: £11k; £6k; £3k and £1k).

d) STAFF NUMBERS

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

	2023	2022	2023	2022
	Average	Average	Average	Average
	Headcount	Headcount	FTE	FTE
Teachers	168	161	153	147
Administration and support	416	405	241	230
Management	54	48	50	46
	<hr/>	<hr/>	<hr/>	<hr/>
Total	638	614	444	423

e) HIGHER PAID STAFF

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

	2023	2022
	Number	Number
£60,000 - £70,000	11	6
£70,001 - £80,000	4	2
£80,001 - £90,000	2	3
£90,001 - £100,000	4	1
£110,001 - £120,000	-	1
£120,001 - £130,000	1	0
	<hr/>	<hr/>
	22	13

f) 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 £1,702,927 (2022: £1,443,491).

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:

	2023	2022
	£000	£000
Adderlane Academy	37	37
Ashley Academy (from 1 September 2022)	127	-
Bexhill Academy	109	107
Croftway Academy	112	114
Hasting Hill Academy	72	69
Haltwhistle Primary Academy	71	66
Malvin's Close Academy	124	121
Morpeth Road Academy	116	117
North View Academy	58	55
Prudhoe West Academy	72	68
Shaftoe Trust Academy	36	33
Town End Academy	72	68
Welbeck Academy	143	145
	<u>1,149</u>	<u>1,000</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 £129,306 (2022: £118,911)

Employers' pension contributions £30,620 (2022: £28,158)

During the year ended 31 August 2023, travel and subsistence expenses totalling £2,040 (2022: £1,375) were reimbursed to 1 trustee (2022: 1).

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

12. TRUSTEES' AND OFFICERS' INSURANCE

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

13. INTANGIBLE FIXED ASSETS

	Computer Software £000	Total £000
Cost		
At 1 September 2022	77	77
Additions	-	-
	<hr/>	<hr/>
At 31 August 2023	<u>77</u>	<u>77</u>
Amortisation		
Opening	64	64
Charged in year	7	7
At 31 August 2023	<hr/>	<hr/>
	<u>71</u>	<u>71</u>
	<hr/>	<hr/>
	<u>13</u>	<u>13</u>
Carrying Amount		
At 31 August 2022	13	13
	<hr/>	<hr/>
At 31 August 2023	<u>6</u>	<u>6</u>

14. TANGIBLE FIXED ASSETS

	Land and buildings	Furniture and equipment	Computer Hardware	Total
	£000	£000	£000	£000
Cost				
At 1 September 2022	37,940	1,024	1,222	40,186
Assets transferred from LA on conversion	3,420	-	-	3,420
Additions	651	74	25	750
Disposals	(28)	(89)	(72)	(189)
	<u>41,983</u>	<u>1,009</u>	<u>1,175</u>	<u>44,167</u>
Depreciation				
At 1 September 2022	5,948	694	901	7,543
Charged in year	1,369	140	192	1,701
Disposals	(24)	(89)	(71)	(184)
At 31 August 2023	<u>7,293</u>	<u>745</u>	<u>1,022</u>	<u>9,060</u>
Net book value				
At 31 August 2022	<u>31,992</u>	<u>330</u>	<u>321</u>	<u>32,643</u>
At 31 August 2023	<u>34,690</u>	<u>264</u>	<u>153</u>	<u>35,107</u>

Included within land & buildings is £29,199k (2022: £27,360k) relating to leasehold land & buildings.

15. DEBTORS

	2023	2022
	£000	£000
Trade Debtors	34	116
VAT Recoverable	164	113
Other Debtors	27	11
Prepayments and accrued income	979	767
	<u>1,204</u>	<u>1,007</u>

16. CREDITORS: Amounts falling due within one year

	2023	2022
	£000	£000
Trade creditors	101	203
Other creditors	75	72
Accruals and deferred income	2,198	1,973
	<u>2,374</u>	<u>2,248</u>

Deferred income	2023 £000
Deferred income at 1 September 2022	309
Released from previous years	(309)
Resources deferred in the year	<u>375</u>
Deferred income at 31 August 2023	<u><u>375</u></u>

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

	£000
UIFSM 1st Instalment for 2023-24	201
School Fundraising Income	76
TPPG 2023-24	27
Early Years Deprivation Fund 2023-24	16
Governance Services Autumn term 2023	8
Miscellaneous project funding 2023-24	11
Prudhoe West 2023-24 project funding	10
Shaftoe Trust 2023-24 resource	20
2023-24 School trip contributions	<u>6</u>
	<u><u>375</u></u>

17. CREDITORS: Amounts falling due in greater than one year

	2023	2022
	£000	£000
Salix Loan	<u>10</u>	<u>13</u>
	<u><u>10</u></u>	<u><u>13</u></u>

18. FUNDS

	At 1 September 2022	Income	Expenditure	Gains, losses and transfers	At 31 August 2023
	£000	£000	£000	£000	£000
RESTRICTED GENERAL FUNDS					
General Annual Grant (GAG)	858	16,408	(15,885)	(138)	1,243
Start Up Grant	1	-	(1)	-	-
Pupil Premium	-	2,201	(2,201)	-	-
Other DfE/ESFA grants	-	2,271	(2,271)	-	-
Other Government Grants	-	3,814	(3,814)	-	-
Other Restricted Reserves	107	30	(30)	-	107
Pension reserve	(4,742)	(403)	(597)	5,742	-
	<u>(3,776)</u>	<u>24,321</u>	<u>(24,799)</u>	<u>5,604</u>	<u>1,350</u>
RESTRICTED FIXED ASSET FUNDS					
DfE/ESFA capital grants	5,269	949	(491)	-	5,727
Capital Expenditure from revenue transfers	1,000	-	(412)	194	782
Capital Expenditure from Start up Grants	16	-	(1)	-	15
Donated Assets	94	-	(65)	-	29
Transfer/sponsored LA funds	9,679	3,420	(312)	-	12,787
Transfer from existing academy	17,786	-	(427)	-	17,359
	<u>33,844</u>	<u>4,369</u>	<u>(1,708)</u>	<u>194</u>	<u>36,699</u>
TOTAL RESTRICTED FUNDS	<u>30,068</u>	<u>28,690</u>	<u>(26,507)</u>	<u>5,798</u>	<u>38,049</u>
UNRESTRICTED FUNDS	<u>3,025</u>	<u>1,270</u>	<u>(905)</u>	<u>(56)</u>	<u>3,334</u>
TOTAL FUNDS	<u>33,093</u>	<u>29,960</u>	<u>(27,412)</u>	<u>5,742</u>	<u>41,383</u>

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

18. FUNDS (continued)

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

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

The pension reserve is the liability arising from the deficit on the Local Government Pension Scheme as detailed in note 27.

Other DfE/ ESFA grants received and spent during the year relate largely to Sports Grant (£236k) and UIFSM (£329k) which have been fully expended in year, supplementary grants to support pay awards and increasing pension costs during 2022/23 (£746k) and post Covid recovery and tutoring funding totalling £480k to support additional tutoring and catch up strategies. During the year, the Trust applied for Trust Capacity Funding to provide growth strategies and £268k was received to cover these costs which included leadership development; early years and curriculum development; safeguarding and attendance lead capacity and investment in central services, training and governance services.

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 £949k in respect of Devolved Formula Capital Grants (£95k), Environmental Improvement Grants (£209k) and Schools Condition Allocation (£645k), and transfers from restricted and unrestricted funds in the year to match against capital expenditure incurred. The sponsoring of Ashley Academy involved the transfer of the land and buildings as assets donated on conversion. The estate was formally valued as £3.4m as at 1 September 2022 on transfer.

Unrestricted income largely relates to various activities generating funds, e.g. income for school meals, wraparound care provisions, contributions towards school trips, insurance receipts and interest earned.

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the GAG that it could carry forward at 31 August 2023.

A comparative funds note detailing the closing position at 31 August 2022 is listed overleaf:

Prior Year Funds 2021-22	At 1 September 2021	Income	Expenditure	Gains, losses and transfers	At 31 August 2022
	£000	£000	£000	£000	£000
RESTRICTED GENERAL FUNDS					
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>
RESTRICTED FIXED ASSET FUNDS					
DfE/ESFA capital grants	4,924	767	(422)	-	5,269
Capital Expenditure from GAG	1,396	-	(551)	155	1,000
Capital Expenditure from Start up and Growth Grants	19	-	(3)	-	16
Donated Assets	97	52	(55)	-	94
Transfer from LA	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>
TOTAL RESTRICTED FUNDS	<u>16,147</u>	<u>21,358</u>	<u>(24,288)</u>	<u>16,851</u>	<u>30,068</u>
UNRESTRICTED FUNDS	<u>2,674</u>	<u>1,137</u>	<u>(739)</u>	<u>(47)</u>	<u>3,025</u>
TOTAL FUNDS	<u>18,821</u>	<u>22,495</u>	<u>(25,027)</u>	<u>16,804</u>	<u>33,093</u>

18. FUNDS (continued)**ANALYSIS OF ACADEMIES BY
FUND BALANCE**

	2023 £000	2022 £000
Adderlane Academy	56	55
Ashley Academy	-	1
Bexhill Academy	300	297
Croftway Academy	300	300
Hasting Hill Academy	224	221
Haltwhistle Primary Academy	47	7
Malvin's Close Academy	300	300
Morpeth Road Academy	350	283
North View Academy	440	296
Prudhoe West Academy	176	147
Shaftoe Trust Academy	-	-
Town End Academy	250	231
Welbeck Academy	420	395
Central Trust Funds	<u>1,821</u>	<u>1,458</u>
Total before fixed assets and pension reserve	<u>4,684</u>	<u>3,991</u>
Restricted fixed asset fund	36,699	33,844
Pension reserve	<u>-</u>	<u>(4,742)</u>
TOTAL RESERVES	<u>41,383</u>	<u>33,093</u>

Reserves at each academy should aim to be maintained generally around levels equivalent to 10% of total income to a maximum of £300k to support the strategic aims of the Trust. Trustees have discretion to release reserves to support particular improvements in our academies. The above reserves include ring-fenced amounts for the following projects during 2023-24:

- Welbeck Academy reserves include £120k to fund several improvement projects within the school: refurbishment of toilets; playground rescoping and installation of Early Years outdoor area; Key Stage 1 SEND provision and classroom furniture upgrade.
- North View Academy have allocated £140k of reserves to support leadership capacity and development during 2023-24 and specialist counselling services for pupils.
- Morpeth Road Academy requested additional funding of £50k to provide additional teaching staff to boost capacity around focussed teaching and learning strategies for the pupils most in need of support.
- Town End Academy have been approved the release of £11k reserves to purchase a new hall projector.

A summary of reserve transfers to support the reserves policy is as follows: Central Trust Funds £223k; Ashley Academy £56k; Shaftoe Trust Academy £3k; Welbeck Academy £51k; Malvin's Close Academy £(244)k; Bexhill Academy £(36)k; Morpeth Road Academy £(31)k and North View Academy £(22)k.

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 2023 £000	Total 2022 £000
Adderlane Academy	502	92	17	100	711	713
Ashley Academy	1,935	105	138	426	2,604	67
Bexhill Academy	1,529	228	99	238	2,094	2,065
Croftway Academy	1,643	250	108	227	2,228	2,041
Hasting Hill Academy	977	164	66	233	1,440	1,417
Haltwhistle Primary Academy	991	188	62	245	1,486	1,402
Malvin's Close Academy	1,589	268	122	322	2,301	2,160
Morpeth Road Academy	1,713	262	93	275	2,343	2,376
North View Academy	1,188	89	44	170	1,491	1,438
Prudhoe West Academy	1,098	150	52	219	1,519	1,447
Shaftoe Trust Academy	483	104	19	105	711	681
Town End Academy	1,024	149	64	227	1,464	1,351
Welbeck Academy	2,292	336	179	356	3,163	3,086
Central Services	597	702	4	249	1,552	1,197
WISE Academies	<u>17,561</u>	<u>3,087</u>	<u>1,067</u>	<u>3,392</u>	<u>25,107</u>	<u>21,441</u>

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances at 31 August 2023 are represented by:

	Unrestricted Funds	Restricted general funds	Restricted fixed asset funds	Total funds
	£000	£000	£000	£000
Intangible fixed assets	-	-	6	6
Tangible fixed assets	-	-	35,107	35,107
Current assets	3,334	3,734	1,586	8,654
Current liabilities	-	(2,374)	-	(2,374)
Salix Loan > 1 year	-	(10)	-	(10)
Pension scheme asset	-	-	-	-
TOTAL NET ASSETS AT 31 August 2023	3,334	1,350	36,699	41,383

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	-	(2,248)	-	(2,248)
Salix Loan > 1 year	-	(13)	-	(13)
Pension scheme liability	-	(4,742)	-	(4,742)
TOTAL NET ASSETS AT 31 August 2022	3,025	(3,776)	33,844	33,093

20. CAPITAL COMMITMENTS

	2023 £000	2022 £000
Contracted for, but not provided in the financial statements	-	93
	<u>-</u>	<u>93</u>

21. COMMITMENTS UNDER OPERATING LEASES**OPERATING LEASES**

At 31 August 2023 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2023 £000	2022 £000
Amounts due within one year	29	22
Amounts due between one and five years	52	38
Amounts due after five years	-	-
	<u>81</u>	<u>60</u>

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

	2023	2022
	£000	£000
Net income /(expenditure) for the reporting period (as per the statement of financial activities)	2,548	(2,532)
Adjusted for:		
Amortisation (note 13)	7	9
Depreciation (note 14)	1,701	1,654
Capital grants from DfE and other capital income	(979)	(850)
Interest receivable (note 5)	(72)	(1)
Loss on Disposal of Fixed Assets (note 14)	5	-
Defined benefit pension scheme cost less contributions payable (note 27)	413	1,598
Defined benefit pension scheme finance costs (note 27)	184	325
Transfer of assets from LA following conversion of Ashley Academy	(3,017)	
(Increase) in debtors	(197)	(77)
Increase / (Decrease) in creditors	123	(649)
Net cash (used in)/ provided by operating activities	716	(523)

23. CASHFLOWS FROM INVESTING ACTIVITIES

	2023	2022
	£000	£000
Interest received	72	1
Purchase of intangible fixed assets	-	(-)
Purchase of tangible fixed assets	(750)	(1,104)
Capital grants from DfE/ ESFA	979	850
Donated IT equipment	(-)	(52)
	<u>301</u>	<u>(305)</u>
Net cash used in investing activities	<u>301</u>	<u>(305)</u>

24. ANALYSIS OF CHANGES IN NET FUNDS

	At 31 August	At 31
	2023	August
	£000	2022
		£000
Cash in hand and in bank	3,450	6,433
Short term investments	4,000	-
	<u>7,450</u>	<u>6,433</u>
TOTAL	<u>7,450</u>	<u>6,433</u>

25. ANALYSIS OF CHANGES IN NET FUNDS

	At 1	Cash	Transfer of	At 31
	September	flows	subsidiaries	August
	2022			2023
	£000	£000	£000	£000
Cash	6,433	1,017	-	7,450
	<u>6,433</u>	<u>1,017</u>	<u>-</u>	<u>7,450</u>
TOTAL	<u>6,433</u>	<u>1,017</u>	<u>-</u>	<u>7,450</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 Scheme. Both are multi-employer defined benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2020 and of the LGPS to the period ended 31 March 2022.

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

The LGPS obligation reflects employees of the Academy Trust who transferred as part of the conversion of a maintained school who were already members of the scheme and new employees who were eligible to and did join the Scheme whose cumulative retirement benefit was transferred to the Academy Trust in the year. The obligation in respect of employees who transferred represents their cumulative service to the date of transfer.

During the year Ashley Academy transferred in to the academy trust. The obligation in respect of employees who transferred with Ashley Academy to the academy trust representing their cumulative service to the predecessor employer was recognised in the SoFA as part of the loss on transfer as set out in note 28.

Teachers' Pension SchemeIntroduction

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 2023 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 2020 in accordance with The Public Service Pensions (Valuations and Employer Cost Cap) Directions 2023 and the Employer Contribution Rate was assessed using agreed assumptions in line with the Directions and was accepted at the original assessed rate as there was no cost control mechanism breach.

The valuation report was published by the Department for Education on 26 October 2023. The key elements of the valuation are:

27. PENSION AND SIMILAR OBLIGATIONS (continued)

- total scheme liabilities for service (the capital sum needed at 31 March 2020 to meet the stream of future cash flows in respect of benefits earned) of £262 billion
- value of notional assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) of £222 billion
- notional past service deficit of £39.8 billion (2016 £22 billion)
- discount rate is 1.7% in excess of CPI (2016 2.4% in excess of CPI) (this change has had the greatest financial significance)

As a result of the valuation, new employer contribution rates have been set at 28.6% of pensionable pay from 1 April 2024 until 31 March 2027 (compared to 23.68% under the previous valuation including a 0.08% administration levy).

The pension costs paid to TPS in the year amounted to £2,030k (2022: £1,786k).

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 2023 was £1,406k (2022: £1,244k) of which employer's contributions totalled £1,082k (2022: £981k) and employees' contribution totalled £324k (2022: £263k). The agreed rates for future years are 17.4% for employers' contributions 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 and on 21 July 2022, the Department for Education reaffirmed its commitment to the guarantee, with a parliamentary minute published on GOV.UK.

27. PENSION AND SIMILAR OBLIGATIONS (continued)Principal actuarial assumptions

	At 31 Aug 2023	At 31 Aug 2022
	%	%
Rate of increase in salaries	4.1	4.2
Rate of increase for pensions in payment/inflation	2.6	2.7
Discount rate for scheme liabilities	5.0	4.0
Inflation assumption (CPI)	2.6	2.7

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

	At August 2023	At August 2022
	Years	Years
Retiring today		
Males	21.0	21.8
Females	24.1	25.0
Retiring in 20 years		
Males	22.2	23.5
Females	25.5	26.7

27. PENSION AND SIMILAR OBLIGATIONS (continued)

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

	Fair value at 31 August 2023 £000	Fair value at 31 August 2022 £000
Equities	11,721	10,726
Property	2,344	2,213
Government bonds	296	319
Corporate bonds	4,302	3,708
Multi Asset Credit	1,047	877
Cash	387	359
Other	<u>2,663</u>	<u>1,735</u>
Total market value of assets	<u>22,760</u>	<u>19,937</u>

The actual return / (loss) on scheme assets was £397,000 (2022: £(269,000)).

Amounts recognised in the statement of financial activities

	2023 £000	2022 £000
Current service cost	(1,495)	(2,579)
Net interest cost	(184)	(325)
Past service Cost	<u>-</u>	<u>-</u>
Total operating charge	<u>(1,679)</u>	<u>(2,904)</u>

27. PENSION AND SIMILAR OBLIGATIONS (continued)

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

	2023	2022
	£000	£000
At 1 September	24,679	39,107
On conversion	-	-
Current service cost	1,495	2,579
Interest cost	1,056	663
Employee contributions	324	263
Actuarial (gains) / losses	(7,187)	(17,411)
Benefits paid	(265)	(522)
Net increase in liabilities from disposals and acquisitions	1,689	-
Past service cost	-	-
Plan introductions, benefit changes, curtailments and settlements	-	-
At 31 August	<u>21,791</u>	<u>24,679</u>

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

	2023	2022
	£000	£000
At 1 September	19,937	19,484
On conversion	-	-
Interest income	872	338
(Loss) / return on plan assets (excluding net interest on the net defined pension liability)	(475)	(607)
Employer contributions	1,082	981
Employee contributions	324	263
Benefits paid	(265)	(522)
Net increase in liabilities from disposals and acquisitions	1,286	-
Plan introductions, benefit changes, curtailments and settlements	-	-
At 31 August	<u>22,761</u>	<u>19,937</u>

	2023 £000
Present value of defined benefit obligations	21,791
Fair value of plan assets	22,761
Net asset	970
Restriction to level of asset ceiling	(970)
Net asset recognised in the balance sheet	0

The value of the Trust's share of net assets has been restricted due to the effect of the asset ceiling being the maximum value of the present of the economic benefits available in the form of the unconditional right to reduced contributions from the plan. A corresponding charge has been made to other comprehensive income in the period.

28. School transferred from local authority on conversion

On 1 September 2022 Ashley Academy converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to WISE Academy Trust from the South Tyneside Local Authority for £nil consideration.

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

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

	Unrestricted Funds £000	Restricted General Funds £000	Restricted Fixed Asset Funds £000	Total funds £000
Tangible Fixed Assets			3420	3,420
School Funds				0
LGPS pension deficit		(403)		(403)
Net assets	0	(403)	3420	3,017

29. 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.