

WISE Academies
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

for the year ended 31 August 2018



Company Registration No. 07521946 (England and Wales)

WISE Academies

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WISE Academies

REFERENCE AND ADMINISTRATIVE DETAILS

Members	M E W Stephenson *^ J G Wood * R Bradshaw T Grieveson (Resigned 19 June 2018) D R Sandbach (appointed 26 February 2018)
Trustees	M E W Stephenson (Chairperson from 1 September 2017) *^ J G Wood * N Vokes # R Symonds (jnr)# Z Carr (CEO and Accounting Officer) N Fountain #^ (Resigned 31 August 2018) P Smith # C Collins ^ D Pearson* (Appointed 1 September 2017) * * members of the Finance and General Purpose Committee # members of Audit Committee ^ members of Performance and Standards Committee
Company Secretary	Gary Robinson
Senior Management Team:	
Chief Executive Officer and Accounting Officer	Z Carr
Headteacher	N Fullard
Headteacher	L Saunders
Headteacher	J Walton
Headteacher/Regional Hub Director	P Martindale
Headteacher	E Potts
Headteacher	C Davison
Headteacher	R Walton
Headteacher	G Woodward (from 1 February 2018 until 30 September 2018)
Finance Director	F Hardie (Resigned 30 November 2017) K Gardner (Appointed 4 January 2018)
Director of Operations	G Robinson
Principal and Registered Office	Borodin Avenue Sunderland SR5 4NX
Company Registration Number	07521946 (England and Wales)

WISE Academies

REFERENCE AND ADMINISTRATIVE DETAILS

Independent Auditor

RSM UK Audit LLP
1 St James Gate
Newcastle upon Tyne
NE1 4AD

Bankers

Lloyds Bank Plc
102 Grey Street
Newcastle upon Tyne
NE1 6AG

Solicitors

Ward Hadaway
Sandgate House
102 Quayside
Newcastle upon Tyne
NE1 3DX

WISE Academies

TRUSTEES' REPORT

The trustees present their annual report together with the financial statements and auditors' report of the Charitable Company for the year ended 31 August 2018. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The trust currently operates with 7 first school/ primary academies in the North East area of England:

- Town End Academy and Bexhill Academy which have been part of the Trust since March 2011;
- Welbeck Academy which joined the Trust in September 2012;
- Hasting Hill Academy which joined in December 2012;
- Adderlane Academy which joined in December 2016;
- Prudhoe West Academy which joined in July 2017; and
- Shaftoe Trust Academy which was sponsored in February 2018.

The academies within the Trust have a combined pupil capacity of 2,011 and a roll of 1,850 in the school census on October 2018.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

The Academy Trust is a company limited by guarantee and an exempt charity. The Charitable Company's memorandum and articles of association are the primary governing documents of the Academy Trust. The Trustees of WISE Academies are also the Directors of the Charitable Company for the purposes of company law. The Charitable Company is known as WISE Academies.

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

Members' liability

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

Trustees' indemnities

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

Method of recruitment and appointment or election of trustees

The Trust's Governing Body (the Trustees) was subject to re-constitution in January 2015. The effect of this re-constitution was to ensure that the Board is no larger than necessary to secure the range of skills necessary to promote effective governance of the Trust. The Board of Trustees now comprises the CEO,

WISE Academies

TRUSTEES' REPORT (continued)

up to nine Trustees appointed by Members and up to three Co-opted Trustees. The Articles of Association require there to be a minimum of three Trustees to be responsible for the statutory and constitutional affairs of the academy and its management.

Policies and procedures adopted for the induction and training of trustees

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

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

Organisational structure

The company is set up as a multi academy model, and the Board of Trustees meets six times per year to discuss its strategic objectives with the Chief Executive Officer, who is the Accounting Officer of the multi Academy Trust.

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

Arrangements for setting pay and remuneration of key management personnel

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

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

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

Trade union facility time

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

WISE Academies

TRUSTEES' REPORT (continued)

Related Parties and other Connected Charities and Organisations

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

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

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

During the course of the year there was one additional academy added to the MAT. This was a former voluntary controlled maintained school and the land/buildings are owned by a charitable organisation, Shaftoe Charities. WISE Academies has therefore worked with the Trustees of Shaftoe Charities in relation to the sponsorship of Shaftoe Trust Academy and has entered into an agreement with the charity for the lease of the site. Shaftoe Charities also make a number of donations at their discretion which benefit Shaftoe Trust Academy.

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

- J Wood – Tolent Construction Ltd
- N Vokes – Chief Executive of Sunderland North Community Business Centre (SNCBC), Director of Community Opportunities
- R Symonds Jnr – Head Of Finance Operations - Grainger Plc (Residential Landlord)
- N Fountain – St Paul's CE Primary School and Prince Bishops Teaching School Alliance
- M Stephenson – formerly Associate Dean, University of Sunderland
- P Smith – Jonathon Davey Associates; Governor of Hetton School and Easington Lane Primary School
- Z Carr – Spouse works for Capital Electric Ltd.
- C Collins – Vice-chair at Hetton Nursery; Consultancy – Christine Collins Consultancy

Four of the academies within the group (Welbeck, Hasting Hill, Adderlane and Shaftoe Trust Academies) are sponsored academies. Like other academies in the group, these settings benefit from the sharing of expertise which helps our academies to move forward to deliver a quality education to our pupils. This principle is supported by the provision of central services where professionals are appropriately deployed to advance the rapid progress that is made in each setting.

WISE Academies

TRUSTEES' REPORT (continued)

OBJECTIVES AND ACTIVITIES

Objects and aims

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

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

Objectives, strategies and activities

The main objectives of the academies during the year ended 31 August 2018 are summarised below:

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

Public benefit

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

STRATEGIC REPORT

Achievements and Performance

Trust performance across all key stages has been strong. Many pupils come into our schools below age related expectations, however they make good progress in Early Years, resulting in the Trust average by the end of Reception being in line with the national average in the 'Good Level of Development' measure. This rate of progress is maintained over Key Stage 1 resulting in the percentage of pupils who are reaching the expected standards in reading, writing, mathematics being above national averages. The percentage of pupils who exceed the expected standard at Key Stage 1 also compares favourably with national averages. By the end of Key Stage 2, once again, all Trust measures are above the national averages at the expected standard with the combined reading, writing and mathematics measure being 10% higher. Also, the percentage of pupils who exceed the expected standard at Key Stage 2 in the combined measure is above the national average.

WISE Academies

TRUSTEES' REPORT (continued)

In line with the national agenda, the performance of pupils from disadvantaged backgrounds has been a particular focus for the Trust this year and data for this group has been considered separately. This group has performed well and in many areas they exceed the national average for all pupils.

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

Early Years Good Level of Development & Y1 Phonics Results 2018

	Reception GLD %			Year 1 Phonics %		
	2018 National Average %	Whole School %	PP Pupils %	2018 National Average %	Whole School %	PP Pupils %
Adderlane Academy	71%	71	56	82%	91	80
Bexhill Academy		67	63		83	53
Hasting Hill Academy		74	67		83	80
Prudhoe West Academy		81	75		84	58
Shaftoe Trust Academy		65	60		57	66
Town End Academy		71	58		80	86
Welbeck Academy		70	69		78	76
Trust Average		71	65		79	72

WISE Academies

TRUSTEES' REPORT (continued)

KS1 Results 2018

KS1		KS1 Exp+ %			KS1 Greater Depth %		
		2017 National Average %	Whole School %	PP Pupils %	2017 National Average	Whole School %	PP Pupils %
Adderlane Academy	R	76	75	80	24	25	20
	W	68	80	80	13	25	20
	M	75	75	70	18	25	20
	GAPS	-	79	80	-	26	20
	RWM Comb	64	68	60	9	26	20
Bexhill Academy	R	76	69	63	24	17	16
	W	68	71	68	13	17	16
	M	75	71	63	18	17	26
	GAPS	-	64	63	-	17	5
	RWM Comb	64	60	63	9	9	5
Hasting Hill Academy	R	75	81	75	26	18	25
	W	70	73	69	16	13	13
	M	76	83	87	22	25	31
	GAPS	-	72	70	-	18	15
	RWM Comb	64	68	70	9	18	20
Prudhoe West Academy	R	75	89	78	26	41	22
	W	70	88	67	16	29	11
	M	76	91	78	22	39	33
	GAPS	-	82	56	-	25	11
	RWM Comb	64	84	56	9	25	11
Shaftoe Trust Academy	R	75	71	75	26	33	50
	W	70	76	75	16	24	50
	M	76	76	75	22	24	50
	GAPS	-	71	75	-	19	50
	RWM Comb	64	71	75	9	24	50
Town End Academy	R	75	77	50	26	23	30
	W	70	73	50	16	17	20
	M	76	80	50	22	23	20
	GAPS	-	73	50	-	17	20
	RWM Comb	64	73	50	9	17	20

WISE Academies

TRUSTEES' REPORT (continued)

KS1 Results 2018 (cont.)

KS1		KS1 Exp+ %			KS1 Greater Depth %		
		2018 National Average %	Whole School %	PP Pupils %	2018 National Average	Whole School %	PP Pupils %
Welbeck Academy	R	75	73	66	26	17	10
	W	70	61	54	16	14	5
	M	76	75	71	22	19	10
	GAPS	-	64	59	-	17	7
	RWM Comb	64	61	52	9	12	2
Trust Average	R	75	76	69	26	25	21
	W	70	75	65	16	20	14
	M	76	79	70	22	25	23
	GAPS	-	72	63	-	20	13
	RWM Comb	64	69	59	9	19	13

Key

R – Reading

W – Writing

M – Mathematics

GAPS – Grammar, punctuation and spelling

RWM Comb – Reading, writing and mathematics combined score

KS2 Results 2018

KS2		KS2 Exp+ %			KS2 Greater Depth %			KS1-2 Progress whole school	KS1-2 Progress PP pupils
		2018 National Average %	Whole School %	PP Pupils %	2018 National Average	Whole School %	PP Pupils %		
Bexhill Academy	R	75	88	90	28	42	5	4.9	3.83
	W	78	88	86	20	28	25	3.1	2.8
	M	76	93	90	24	23	5	3.0	2.95
	GAPS	78	88	90	34	33	20	-	-
	RWM Comb	64	86	85	10	12	0	-	-
Hasting Hill Academy	R	75	92	88	28	46	42	3.7	2.57
	W	78	90	79	20	23	25	0.7	0.38
	M	76	72	71	24	18	25	-1.7	-2.28
	GAPS	78	92	90	34	49	45	-	-
	RWM Comb	64	67	61	10	13	8	-	-

WISE Academies

TRUSTEES' REPORT (continued)

KS2 Results 2018 (cont.)

KS2		KS2 Exp+ %			KS2 Greater Depth %			KS1-2 Progress whole school	KS1-2 Progress PP pupils
		2018 National Average %	Whole School %	PP Pupils %	2018 National Average	Whole School %	PP Pupils %		
Shaftoe Trust Academy	R	75	100	100	28	64	0	3.38	3.85
	W	78	93	80	20	36	0	1.48	-0.6
	M	76	79	40	24	21	0	-0.09	-8.89
	GAPS	78	93	80	34	43	0	-	-
	RWM Comb	64	79	40	10	21	0	-	-
Town End Academy	R	75	83	67	28	41	40	3.52	3.37
	W	78	83	67	20	24	13	1.81	0.19
	M	76	86	73	24	17	13	0.58	-0.67
	GAPS	78	83	73	34	28	13	-	-
	RWM Comb	64	79	67	10	10	0	-	-
Welbeck Academy	R	75	67	73	28	11	4	1.4	2.54
	W	78	74	73	20	26	19	0.67	1.83
	M	76	71	73	24	7	4	-0.13	1.08
	GAPS	78	54	48	34	20	15	-	-
	RWM Comb	64	59	67	10	2	4	-	-
Trust Average	R	75	86	80	28	41	23	3.4	3.1
	W	78	86	76	20	27	21	1.6	1.3
	M	76	80	77	24	17	12	0.4	0.3
	GAPS	78	82	75	34	35	23	-	-
	RWM Comb	64	74	70	10	12	3	-	-

Key

R – Reading

W – Writing

M – Mathematics

GAPS – Grammar, punctuation and spelling

RWM Comb – Reading, writing and mathematics combined score

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

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 2017 to 31 August 2018 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities.

WISE Academies

TRUSTEES' REPORT (continued)

The Trust also receives grants for fixed assets from the DfE/ESFA. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2015), such grants are shown in the Statement of Financial Activities as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned. During the year, £52k was received in respect of Devolved Capital Formula Grants and the Trust was successful in securing a CIF grant of £840k for Town End Academy for the replacement of the roof & windows.

All of the expenditure shown in the Statement of Financial Activities is in furtherance of the Trust's objectives. The Trust invested £245k (GAG surpluses totalling £133k; £26k from restricted funds and £85k from Devolved Capital and CIF Funds) to further improve the assets of the Trust. The main projects completed during the year included improvements in Town End outdoor play area (£11k), fixture and fittings improvements across the estate (£47k) and IT upgrades across the Trust amounting to £88k. Environmental Improvement Grant funding of £18k has been invested in the fence at Shaftoe Trust Primary School (£18k) and £8k of Growth funds being invested in the continued roll out of the financial system across the Trust. In addition to this funds have been invested in the planning of the 2 year old extension at Prudhoe West Academy, the roof and windows works at Town End Academy (funded by CIF) and the extension of Head Office, these are all assets under construction (total spend in year £71k).

At 31 August 2018 the net book value of tangible fixed assets was £11,582k and movements in tangible fixed assets are shown in note 14 to the Financial Statements which include the transfer of long leasehold land and buildings in relation to the Shaftoe conversion on 1 February 2018. The detail of the transferring assets and liabilities are shown in note 30 to the Financial Statements. The valuations of the transferring assets have been made on the basis of Depreciated Replacement Cost (DRC), a standard approach for this type of property not traded on the open market and is in line with UK GAAP FRS 102. The assets were used exclusively for providing education and the associated support services to the students of the Trust.

Key Performance Indicators

	2018	2017
Total staff costs / GAG income	114.5%	110.3%
Total staff costs / Total Revenue income	78.4%	76.3%
Working Capital / Total Reserves	24.0%	16.7%
Liquidity Ratio	3.4	3.2

Financial Risk Management Objectives

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

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

The Trust recognises that the defined benefit scheme deficit (Local Government Pension Scheme), which is set out in note 28 to the financial statements, represents a significant potential liability. However the Trust considers that, as each individual Academy is able to meet its known annual contribution commitments for the foreseeable future, the risk from this liability is minimised. Also, Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of Academy closure, outstanding local government pension scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

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TRUSTEES' REPORT (continued)

Reserves policy

The Reserves Policy has been prepared with reference to the following documents: Charities and Reserves (CC19) from the Charities Commission; Academies' Financial Handbook and ESFA Accounts Direction and considers the key factors around the management of public funds; consideration of our principal risks and uncertainties; ensuring resources are available to drive school improvement whilst safeguarding value for money and supporting a growth strategy.

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

Prior year reserves at each academy should be maintained around levels equivalent to two month's revenue expenditure to support the key considerations as outlined above. Within the Trust only Adderlane Academy and Shaftoe Trust Academy have not achieved this, this is largely due to having zero reserves on transfer. Adderlane Academy have achieved a good surplus in year which has significantly increased their year end reserves balance and a surplus is planned for the current year. At a Trust level two months revenue expenditure is approximately £1,730k which is covered by reserves.

The Trust's total reserves at the Balance Sheet date of 31 August 2018 were £12,717k (2017: £10,305k), this includes restricted general funds (excluding pension) of £1,359k (2017: £1,067k), restricted fixed asset funds of £12,431k (2017: £10,602k), with the level of free reserves at the year end 31 August 2018 being £879k (2017: £666k).

£208k of restricted reserves held relates to the balance of grants received to support the re-brokerage of new academies in September 2018 and Trust growth, and ongoing projects will utilise this funding during 2018/19, supporting added capacity and leadership roles as required within our growing organisation.

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

Investment policy

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

Principal Risks and Uncertainties

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

The Trustees have reviewed the risk register in full during the year. The risk register identifies and aligns risks with our Business Plan, ensuring key risks are clearly identified and our Audit Committee has completed a detailed assessments of those risks.

A key strategic risk monitored throughout 2017/18 continues to be the challenge of maintaining performance in line with increasing expectations within areas of considerable deprivation and heightened risk factors due to low entrance levels of our children. As a Trust, we monitored closely, and shared good practice around, the improvements made to performance management arrangements to ensure initiatives were delivering a positive impact and invested in CPD programmes and teaching resources. A consistent assessment and moderation process is in place in all schools including our new joiners. In addition to this

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TRUSTEES' REPORT (continued)

from September 2018 we have employed three Teaching and Learning Directors across the Trust whose focus is on raising standards.

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

The viability of the Trust in a growing landscape remains a key risk this year with the Trust. The Trust has continued to expand with six academies being re-brokered from 1st September 2018 using the Due Diligence model that has been developed in-house which considers the various elements of risk within each potential venture.

The loss of senior management/key personnel remains a risk of the Trust especially as the Trust continues to grow. A leadership programme has been undertaken during in the year to further develop middle managers and succession planning has been reviewed across the Trust.

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

Going Concern

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

Fundraising

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

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

Plans for Future Periods

Following on from our further growth into Northumberland this year with the addition of Shaftoe Trust Academy, WISE Academies is continuing to develop its strategy of strengthening regional hubs in the areas it currently operates within. The Trust has re-brokered six further academies on 1st September 2018, five in Northumberland (Croftway, Malvin's Close and Morpeth Road in Blyth and Haltwhistle First and Middle in Haltwhistle) along with one in Sunderland (North View). Leading up to re-brokerage the Trust has working closely with the schools and also worked with all involved parties including pupils and their families; staff and governors; the wider local community and the Local Authority to ensure that the transition was felt to be as smooth as possible.

The Trust has also provisionally secured (dependent upon certain criteria being met) a further £179k of MAT development funds during 2018/19 to further support the development of the Trust's regionally growth structure and to support capacity with Head Office centralised functions.

WISE Academies

TRUSTEES' REPORT (continued)

Plans for the 2018/19 academic year include: further improvement of the Trust's estate to maximise accessibility of premises, ensuring compliance with requirements around the health, safety and welfare of pupils and other users of Trust buildings; further improvement to Financial reporting and systems as the Trust continues to expand; and the development of a HR function, with the recent recruitment of an HR Director, to support the growing workforce.

The overriding objective remains the drive to raise standards of attainment and progress at all levels and to ensure that the academies within the group are graded good or better in any inspection. This will continue to be achieved through rigorous monitoring, self-analysis and effective targeting of available resources to ensure the best possible outcomes. A key strength of the Trust is the range of expertise and talent available

within the workforce and this will continue to be deployed in a collaborative manner to provide challenge and support. This is reinforced through structured external scrutiny from appropriate educational professionals which will provide a consistent review framework across all settings.

Employee Consultation & Disabled Employees

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

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

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

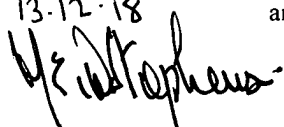
AUDITORS

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

Statement as to disclosure of information to auditors

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

The Trustees' Annual Report is approved by order of the board of trustees and the Strategic Report (included therein) is approved by the board of trustees in their capacity as the Trustees at a meeting on 13.12.18 and signed on its behalf by:



M E W Stephenson
Chair of Trustees

WISE Academies

GOVERNANCE REPORT

Scope of responsibility

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

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

Governance

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

Trustee	Meetings Attended	Out of a possible
M.E.W. Stephenson (Chair of Trustees)	4	6
J.G. Wood	5	6
Z.E. Carr (Accounting Officer)	6	6
R Symonds (jnr.)	2	6
N. Vokes	3	6
N Fountain (resigned 31 st August 2018)	4	6
P Smith	3	6
C Collins	3	6
D Pearson (appointed 1 st September 2017)	5	6

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

WISE Academies

GOVERNANCE STATEMENT (continued)

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

Trustee	Meetings Attended	Out of a possible
J.G. Wood	6	6
M.E.W. Stephenson	6	6
D. Pearson	6	6
Z.E. Carr	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).

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

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

A **Performance and Standards Committee** is also established with a focus of giving in-depth consideration to data relating to performance of the academies and the Trust as a whole including, but not limited to, data relating to attainment, progress and attendance. This in-depth consideration of performance is intended to complement the work of the Local Governing Bodies which would continue to focus exclusively on the local context. To provide additional perspective to the work of this committee, a school improvement professional who is not a Trustee but who serves on one of the Local Governing Bodies is also invited to attend meetings of the Performance & Standards Committee.

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

Trustee	Meetings Attended	Out of a possible
C Collins	1	2
M.E.W. Stephenson	2	2
N Fountain	2	2
Z.E. Carr	2	2

WISE Academies

GOVERNANCE STATEMENT (continued)

Governance reviews

During the year the number of academies within the Trust grew to seven. As a mechanism for effective communication between the different levels of governance, Trustees agreed to establish a Chairs' Forum. The intention was that this forum would enable Chairs of Local Governing Bodies within the growing Trust to be able to get together with the Chair of Trustees from time to time to discuss governance issues and exchange views. The initial meeting of the Chairs' Forum took place during the year.

The Trust continue to share good practice throughout the education sector and this included a Trustee of WISE Academies contributing to an Academy Ambassadors event to speak about the impact of the Board of Trustees in shaping school improvement. Trustees also supported participation in the Northern Alliance of Trusts which had been established with the aim of building capacity and improving educational standards in the North of England. The CEO was also re-elected to the Regional School Commissioner's Head Teacher Board and became a lead Ofsted inspector. In both roles, Trustees noted that this would provide valuable sector intelligence.

Trustees maintained strong oversight of safeguarding procedures and practices throughout the year receiving regular reports, reviewing policies to ensure consistency with national guidance and appointing a Trustee with specific responsibility for this area (in addition to a local safeguarding governor in each academy).

Throughout the year Trustees held Trust Leaders to account for delivery of the Strategic Trust Development Plan and evaluation of the Key Performance Indicators. A great deal of progress had been made and the Trust overall had a successful year, including in terms of outcomes achieved and Trust expansion.

During the year there was a great deal of strategic planning around further Trust growth which came to fruition with the addition of six additional academies through re-brokerage from other Trusts effective from 1st September 2018. In readiness for the transfer of three Blyth-based academies the Trustees deployed a senior leader from WISE Academies to lead the three settings and prepare for the transition to WISE Academies.

In view of the significant growth of the Trust and the geographical spread of academies across the North East it was agreed that Regional Hub Leader positions needed to be established within the structure working under the direction of the CEO from September 2018. Trustees have also overseen the expansion of the central support functions with additional areas of specialism necessary to support the expanded family of schools.

As in previous years, when appointments are made to the governance structure, close attention is paid to the need to ensure an appropriate range of skills and experience necessary to secure effective governance of the Trust.

Trustees took steps to ensure further clarity for all those responsible for governance to understand the roles of the various levels of governance through ongoing review and refinement of the scheme of delegation, matched against Ofsted expectations.

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

The committees are dynamic groups with clear operational remit expressed through their terms of reference. Specifically these are Finance & General Purposes Committee, Audit Committee and a Performance & Standards Committee. These committees ensure detailed scrutiny takes place at the

WISE Academies

GOVERNANCE STATEMENT (continued)

appropriate committee with a full account of discussions presented to the Board of Trustees as part of a planned cycle of meetings.

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

Review of Value for Money

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

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

- Trust Procurement Exercise for Teaching Supply

WISE Academies undertook a procurement exercise to secure a three preferred suppliers for the provision of teaching supply staff. This exercise resulted in a discounted flat rate being negotiated dependent upon level of staff with an average 3% saving.

- General Trust Procurement exercises over £2k

The financial regulations of WISE Academies require a minimum of three written quotations for procurement events that exceed £2,000. Cumulatively, across the Trust, the net effect of this procedure has resulted in goods and services being procured representing savings of 24.4% when comparing the awarded Purchase Orders to the value of the highest quotes obtained.

- Renegotiated Staff Absence Insurance package

WISE Academies continue to procure Staff Absence insurance on a Trust-wide basis. The annual renewal cost of this policy was competitively tested again this year due to the estimated cumulative value exceeding £100k. The exercise resulted in the policy being renewed on a continuous basis, with therefore no loss of open claims as at 31 March 2018. A 5% cluster discount was also applied to both the renewing policy and any additional policies required following subsequent academy conversions during the period.

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

WISE Academies

GOVERNANCE STATEMENT (continued)

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in WISE Academies for the year ended 31 August 2018 and up to the date of approval of the annual report and financial statements.

Capacity to handle risk

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal on-going process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year ending 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The risk and control framework

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

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

The Board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor. However the trustees have appointed 3S Accountancy Services, an independent accountancy firm, to carry out a programme of internal checks.

The reviewer reports to the Board, through the Audit Committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities. The reviewer's role includes giving advice on financial matters and performing a range of checks on the Academy Trust's financial systems. The Audit Committee agreed an annual internal audit programme that considered areas of risk to be reviewed during 2017/18, in particular, the audits completed in the current period included:

- a review of the new MIS system Scholarpack
- a review of the Payroll systems and procedures
- a review of cash accounting and cash handling across the Trust

WISE Academies

GOVERNANCE STATEMENT (continued)

Review of effectiveness

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

- the work of 3S Accountancy Services
- the work of the external auditor
- the work of the executive managers within the Academy Trust who have responsibility for the development and maintenance of the internal control framework

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

Approved by order of the members of the Board of Trustees on 13/12/18 and signed on its behalf by:



M E W Stephenson
Chair of Trustees



Z Carr
Accounting Officer

WISE Academies

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of WISE Academies I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2017.

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 2017.

I confirm that no instances of material irregularity, impropriety or funding non-compliance have been discovered to date. If any instances are identified after the date of this statement, these will be notified to the board of trustees and ESFA.



Z Carr
Accounting Officer

Date: 13/12/18

WISE Academies

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business.

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

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

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

Approved by order of the members of the Board of Trustees on 13.12.18 and signed on its behalf by:



M E W Stephenson
Chair of Trustees

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

Opinion on financial statements

We have audited the financial statements of WISE Academies (the “charitable company”) for the year ended 31 August 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards, including FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland” (United Kingdom Generally Accepted Accounting Practice), and the Academies: Accounts Direction 2017 to 2018 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 2018 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 2017 to 2018 issued by the Education and Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF WISE ACADEMIES (continued)

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of Trustees

As explained more fully in the Statement of Trustees' responsibilities set out on page 22, 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.

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF WISE ACADEMIES (continued)

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

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



CLAIRE LEECE (Senior Statutory Auditor)

For and on behalf of RSM UK AUDIT LLP, Statutory Auditor

Chartered Accountants

1 St James' Gate

Newcastle upon Tyne

NE1 4AD

14/12/18.....

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

Conclusion

We have carried out an engagement in accordance with the terms of our engagement letter dated 20 June 2017 and further to the requirements of the Education and Skills Funding Agency ('ESFA') as included in the Academies Accounts Direction 2017 to 2018, to obtain limited assurance about whether the expenditure disbursed and income received by WISE Academies during the period 1 September 2017 to 31 August 2018 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 2017 to 31 August 2018 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Basis for conclusion

The framework that has been applied is set out in the Academies Accounts Direction 2017 to 2018 Part 9: Regularity Reporting. We are independent of WISE Academies in accordance with the ethical requirements that are applicable to this engagement and we have fulfilled our ethical requirements in accordance with these requirements. We believe the assurance evidence we have obtained is sufficient to provide a basis for our conclusion.

Responsibilities of WISE Academies' accounting officer and trustees

The accounting officer is responsible, under the requirements of WISE Academies' funding agreement with the Secretary of State for Education dated 1 March 2011 and the Academies Financial Handbook extant from 1 September 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. The accounting officer is also responsible for preparing the Statement of Regularity, Propriety and Compliance. The trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the proper conduct and financial operation of WISE Academies and appointment of the accounting officer.

Reporting Accountant's responsibilities for reporting on regularity

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2017 to 2018.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity. A limited assurance engagement is more limited in scope than a reasonable assurance engagement and the procedures performed vary in nature and timing from, and are less in extent than for a reasonable assurance engagement; consequently a limited assurance engagement does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

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

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 2017 to 31 August 2018 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Our work included identification and assessment of the design and operational effectiveness of the controls, policies and procedures that have been implemented to ensure compliance with the framework of authorities including the specific requirements of the funding agreement with the Secretary of State for Education, the Academies Financial Handbook 2017 published by the Education and Skills Funding Agency and high level financial control areas where we identified a material risk of irregularity is likely to arise. It also included areas assessed as presenting a higher risk of impropriety. We undertook detailed testing, on a sample basis, based on the identified areas where a material irregularity is likely to arise, or potential impropriety where such areas are in respect of controls, policies and procedures that apply to classes of transactions. Our work was undertaken with due regard to the 'Evidence to support conclusion on regularity' guidance in Academies Accounts Direction 2017 to 2018.

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

Use of our report

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

RSM UK Audit LLP

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

14/12/18

WISE Academies

STATEMENT OF FINANCIAL ACTIVITIES (including Income and Expenditure Account) for the year ended 31 August 2018

	Notes	Unrestricted funds £000	Restricted general funds £000	Restricted fixed asset funds £000	Total 2018 £000	Total 2017 £000
Income and endowments from:						
Donations and capital grants	2	-	13	890	903	36
Transfer from local authority on conversion	30	0	(224)	1,385	1,161	3,013
Charitable Activities:						
Funding for the Academy Trust's educational operations	3	457	9,815	-	10,272	8,213
Teaching schools	3	33	76	-	109	151
Other trading activities	4	39	-	-	39	46
Investment income	5	3	-	-	3	8
Total		532	9,680	2,275	12,487	11,467
Expenditure on:						
Raising funds		34	-	-	34	34
Charitable activities:						
Academy Trust's educational operations		264	9,697	605	10,566	8,538
Teaching schools		21	80	-	101	120
Total	6	319	9,777	605	10,701	8,692
NET INCOMING/(OUTGOING) RESOURCES BEFORE TRANSFERS		213	(97)	1,670	1,786	2,775
Gross transfers between funds	19	-	(159)	159	-	-
NET INCOME/(EXPENDITURE) FOR THE YEAR		213	(256)	1,829	1,786	2,775
OTHER RECOGNISED GAINS AND LOSSES						
Remeasurement of net defined benefit obligation	28	-	626	-	626	599
NET MOVEMENT IN FUNDS		213	370	1,829	2,412	3,374
RECONCILIATION OF FUNDS						
Total funds brought forward		666	(963)	10,602	10,305	6,931
TOTAL FUNDS CARRIED FORWARD		879	(593)	12,431	12,717	10,305

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

The notes on pages 31 to 64 form part of these financial statements.

WISE Academies

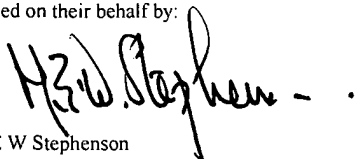
BALANCE SHEET

31 August 2018

Company Registration No. 07521946

	Notes	2018 £000	2017 £000
Fixed Assets			
Intangible Assets	13	37	39
Tangible Assets	14	11,582	10,556
Investments	15	-	-
		<u>11,619</u>	<u>10,595</u>
Current Assets			
Debtors	16	718	506
Cash at bank and in hand		<u>3,618</u>	<u>2,032</u>
		<u>4,336</u>	<u>2,538</u>
Current Liabilities			
Creditors: amounts falling due within one year	17	(1,286)	(798)
Net Current Assets		3,050	1,740
Net Assets (excluding pension scheme liability)		14,669	12,335
Defined Benefit Pension Scheme Liability	28	<u>(1,952)</u>	<u>(2,030)</u>
Total Net Assets		<u>12,717</u>	<u>10,305</u>
Funds of the Academy Trust:			
Restricted Funds	19		
Fixed Asset fund		12,431	10,602
General fund		1,359	1,067
Pension reserve		<u>(1,952)</u>	<u>(2,030)</u>
Total Restricted Funds		<u>11,838</u>	<u>9,639</u>
Unrestricted Income Funds	19		
General Fund		<u>879</u>	<u>666</u>
Total Funds		<u>12,717</u>	<u>10,305</u>

The financial statements on pages 28 to 64 were approved by the board of trustees and authorised for issue on 13 December 2018 and are signed on their behalf by:


M E W Stephenson
Chairperson

The notes on pages 31 to 64 form part of these financial statements.

WISE Academies

STATEMENT OF CASH FLOWS

for the year ended 31 August 2018

	Notes	2018 £000	2017 £000
Cash flows from operating activities			
Net cash provided by operating activities	23	926	572
Cash flows from investing activities	25	660	(415)
Cash flows from financing activities	24	-	-
Change in cash and cash equivalents in the reporting period		<u>1,586</u>	<u>157</u>
 Cash and cash equivalents at 1 September 2017		<u>2,032</u>	<u>1,875</u>
 Cash and cash equivalents at 31 August 2018	26	<u>3,618</u>	<u>2,032</u>

The notes on pages 31 to 64 form part of these financial statements.

WISE Academies

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 August 2018

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 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

WISE Academies meets the definition of a public benefit entity under FRS 102.

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

Going Concern

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

Incoming Resources

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

Grants Receivable

Grant income is included in the Statement of Financial Activities on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

WISE Academies

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 August 2018

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 are not deferred over the life of the asset on which they are expended. Unspent amounts of capital grant are reflected in the balance in the restricted fixed asset fund.

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

Sponsorship Income

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

Donations

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

Other Income

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

Interest Receivable

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

Expenditure

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

Expenditure on Raising Funds

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

WISE Academies

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 August 2018

1 ACCOUNTING POLICIES (continued)

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

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

- Purchased computer software 20% per annum

Tangible fixed assets

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

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

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

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

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

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

WISE Academies

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 August 2018

1 ACCOUNTING POLICIES (continued)

Liabilities

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

Provisions

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

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

Leased assets

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

Investments

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

Financial Instruments

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

Financial assets and liabilities

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

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

All financial assets and liabilities are initially measured at transaction price (including transaction costs), unless the arrangement constitutes a financing transaction. A financial asset or financial liability that is payable or receivable in one year is measured at the undiscounted amount expected to be received or paid net of impairment, unless it is a financing transaction.

WISE Academies

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 August 2018

1 ACCOUNTING POLICIES (continued)

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.

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 28, the TPS is a unfunded multi-employer scheme with no underlying assets to assign between employers, consequently there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

Actuarial gains and losses are recognised immediately as other comprehensive income.

WISE Academies

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 August 2018

1 ACCOUNTING POLICIES (continued)

Fund accounting

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

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

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

Critical Accounting Estimates and Areas of Judgement

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

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 28, will impact the carrying amount of the pension liability.

Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any difference between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

2. DONATIONS AND CAPITAL GRANTS

	Unrestricted funds	Restricted funds	Total 2018 £000	Total 2017 £000
DfE / ESFA capital grant	-	890	890	36
Other donations	-	13	13	-
	-	903	903	36
2017 total split by fund:		36	36	

WISE Academies

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 August 2018

3. FUNDING FOR ACADEMY TRUST'S EDUCATIONAL OPERATIONS

	Unrestricted funds	Restricted funds	Total	Total
	£000	£000	2018 £000	2017 £000
DfE/ESFA REVENUE GRANTS				
General annual grant (GAG)	-	7,142	7,142	5,826
Start up grants	-	-	-	135
Other DfE/ESFA grants	-	1,649	1,649	1,252
	-	8,791	8,791	7,213
OTHER GOVERNMENT GRANTS				
Local authority grants	-	1,024	1,024	663
OTHER FUNDING				
Catering income	107	-	107	84
Other miscellaneous income	383	-	383	294
	490	-	490	378
TEACHING SCHOOLS				
National College Grant	-	76	76	110
TOTAL FUNDING	490	9,891	10,381	8,364
2017 total split by fund:	378	7,986	8,364	

WISE Academies

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 August 2018

4. OTHER TRADING ACTIVITIES

	Unrestricted funds	Restricted funds	Total	Total
	£000	£000	2018 £000	2017 £000
Other income	39	-	39	46
	39	-	39	46
2017 total split by fund:	46	-	46	

5. INVESTMENT INCOME

	Unrestricted funds	Restricted funds	Total	Total
	£000	£000	2018 £000	2017 £000
Short term deposits	3	-	3	8
	3	-	3	8
2017 total split by fund:	8	-	8	

WISE Academies

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 August 2018

6. EXPENDITURE

	Staff Costs	Non Pay Premises Costs	Expenditure Other	Total	Total
	£000	£000	£000	2018 £000	2017 £000
Expenditure on raising funds:					
Direct Costs	34	-	-	34	34
Allocated Support Costs	-	-	-	-	-
Academy Trust's educational operations:					
Direct costs	6,505	-	517	7,022	5,681
Allocated support costs	1,603	536	1,405	3,544	2,857
Teaching School costs	37	-	64	101	120
	<u>8,179</u>	<u>536</u>	<u>1,986</u>	<u>10,701</u>	<u>8,692</u>
2017 total split by category:	<u>6,426</u>	<u>464</u>	<u>1,802</u>	<u>8,692</u>	

Expenditure on raising funds was £34k of which £34k (2017: £34k) was unrestricted and £nil (2017: £nil) was restricted general funds.

Net income/(expenditure) for the period includes:	2018 £000	2017 £000
Operating lease rentals	37	37
Depreciation	597	486
Amortisation of intangible fixed assets (included within Charitable Activities - Academy trust educational operations)	10	6
Fees payable to RSM UK Audit LLP and its associates for :		
- Audit fees	18	16
Net interest on defined benefit pension liability (note 28)	53	35

WISE Academies

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 August 2018

7. CHARITABLE ACTIVITIES

	2018 £000	2017 £000
Direct costs – educational operations	7,022	5,681
Support costs – educational operations	3,544	2,857
Teaching School costs	101	120
	<u>10,667</u>	<u>8,658</u>
Analysis of support costs – educational operations		
Support staff costs (including FRS102 section 28 pension charge of £271k (2017: £219k))	1,603	1,189
Depreciation	597	486
Amortisation	10	6
Technology costs	177	150
Premises costs	536	464
Other support costs (including FRS102 section 28 pension charge of £53k (2017: £35k))	553	503
Governance costs	<u>70</u>	<u>59</u>
	<u>3,544</u>	<u>2,857</u>

8. GOVERNANCE COSTS

	2018 £000	2017 £000
Legal and professional fees	47	40
Auditor's remuneration		
Audit of financial statements	18	16
Other audit costs	<u>5</u>	<u>3</u>
	<u>70</u>	<u>59</u>

WISE Academies

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 August 2018

9. STAFF NUMBERS AND COSTS

	2018 £000	2017 £000
a) STAFF COSTS		
Staff costs during the period were:		
Wages and salaries	6,199	4,844
Social security costs	547	433
Pension costs	1,247	967
Apprenticeship Levy	16	5
	8,009	6,249
Supply staff costs	145	158
Staff restructuring costs	25	19
	8,179	6,426
Staff restructuring costs comprise:		
Redundancy payments	20	15
Severance payments	5	4
	25	19

b) NON STATUTORY/ NON CONTRACTUAL STAFF SEVERANCE PAYMENTS

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £1k (2017: £nil). Individually, the payments were £1k (2017: £nil) and made on 21st September 2018.

c) STAFF NUMBERS

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

	2018 Average Headcount	2017 Average Headcount	2018 Average FTE	2017 Average FTE
Teachers	88	71	79	64
Administration and support	220	170	116	97
Management	31	25	28	23
Total	339	266	223	184

WISE Academies

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 August 2018

d) HIGHER PAID STAFF

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

	2018 Number	2017 Number
£60,001 - £70,000	1	3
£70,001 - £80,000	2	-
£90,001 - £100,000	-	1
£100,001 - £110,000	1	-
	<u>4</u>	<u>4</u>

e) KEY MANAGEMENT PERSONNEL

The key management personnel of the Academy Trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer national insurance and pension contributions) received by key management personnel for their services to the Academy Trust was £823,258 (2017: £642,023).

10. CENTRAL SERVICES

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

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

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

WISE Academies

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 August 2018

The actual amounts charged during the year were as follows:

	2018 £000	2017 £000
Adderlane Academy	28	22
Bexhill Academy	98	117
Hasting Hill Academy	71	89
Prudhoe West Academy	67	12
Shaftoe Trust Academy	19	-
Town End Academy	60	71
Welbeck Academy	117	127
	<u>460</u>	<u>438</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 £102,570 (2017: £96,723)

Employers' pension contributions £16,904 (2017: £15,940)

During the year ended 31 August 2018, travel and subsistence expenses totalling £1,929 (2016: £2,371) were reimbursed to 2 trustees (2017: 1).

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

12. TRUSTEES' AND OFFICERS' INSURANCE

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

WISE Academies

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 August 2018

13. INTANGIBLE FIXED ASSETS

	Computer Software £000	Total £000
Cost		
At 1 September 2017	45	45
Additions	8	8
	<hr/>	<hr/>
At 31 August 2018	53	53
	<hr/>	<hr/>
Amortisation		
Opening	6	6
Charged in year	10	10
At 31 August 2018	16	16
	<hr/>	<hr/>
Carrying Amount		
At 31 August 2017	39	39
	<hr/>	<hr/>
At 31 August 2018	37	37
	<hr/>	<hr/>

WISE Academies

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 August 2018

14. TANGIBLE FIXED ASSETS

	Land and buildings	Furniture and equipment	Computer Hardware	Assets Under Construction	Total
	£000	£000	£000	£000	£000
Cost					
At 1 September 2017	11,366	327	410	-	12,103
Assets transferred from LA on conversion	1,385	-	-	-	1,385
Additions	20	58	89	71	238
Disposals	-	-	-	-	-
At 31 August 2018	12,771	385	499	71	13,726
Depreciation					
At 1 September 2017	1,110	145	292	-	1,547
Charged in year	438	72	87	-	597
Disposals	-	-	-	-	-
At 31 August 2018	1,548	217	379	-	2,144
Net book value					
At 31 August 2017	10,256	182	118	-	10,556
At 31 August 2018	11,223	168	120	71	11,582

WISE Academies

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 August 2018

15. FIXED ASSET INVESTMENT

	2018 £
Market value	
At 1 September 2017 and at 31 August 2018	<u>1</u>
Historical cost:	
At 31 August 2018	<u>1</u>
At 31 August 2017	<u>1</u>

Holdings of more than 20%

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

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

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

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

16. DEBTORS

	2018 £000	2017 £000
Trade Debtors	4	3
VAT Recoverable	84	49
Prepayments and accrued income	<u>630</u>	<u>454</u>
	<u>718</u>	<u>506</u>

WISE Academies

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 August 2018

17. CREDITORS: Amounts falling due within one year

	2018 £000	2017 £000
Trade creditors	763	60
Accruals and deferred income	<u>523</u>	<u>738</u>
	<u>1,286</u>	<u>798</u>

Deferred income	2018 £000
Deferred income at 1 September 2017	201
Released from previous years	(201)
Resources deferred in the year	<u>152</u>
Deferred income at 31 August 2018	<u>152</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 18/19	119
ELP Project Income	4
Trip Income relating to 18/19	1
School Fundraising Income	12
Rates Relief 18/19	<u>16</u>
	<u>152</u>

WISE Academies

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 August 2018

18. FINANCIAL INSTRUMENTS

	2018 £000	2017 £000
Financial assets		
Debt instruments measured at amortised cost	<u>490</u>	<u>378</u>
	<u>490</u>	<u>378</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>991</u>	<u>597</u>
	<u>991</u>	<u>597</u>

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

WISE Academies

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 August 2018

19. FUNDS

	At 1 September 2017	Income	Expenditure	Gains, losses and transfers	At 31 August 2018
	£000	£000	£000	£000	£000
RESTRICTED FUNDS					
General Annual Grant (GAG)	691	7,142	(6,700)	(133)	1,000
Start up Grant	90	-	(57)	-	33
Pupil Premium	-	1,033	(1,033)	-	-
Other DfE/ESFA grants	179	692	(626)	(26)	219
Other Government Grants	-	1,024	(1,024)	-	-
Other Restricted Reserves	107	13	(13)	-	107
Pension reserve	(2,030)	(224)	(324)	626	(1,952)
	<u>(963)</u>	<u>9,680</u>	<u>(9,777)</u>	<u>467</u>	<u>(593)</u>
RESTRICTED FIXED ASSET FUNDS					
DfE/ESFA capital grants	415	890	(51)	19	1,273
Capital Expenditure from GAG	1,691	-	(347)	132	1,476
Capital Expenditure from Start up and Growth Grants	50	-	(13)	8	45
Transfer from LA	8,446	1,385	(194)	-	9,637
	<u>10,602</u>	<u>2,275</u>	<u>(605)</u>	<u>159</u>	<u>12,431</u>
TOTAL RESTRICTED FUNDS	<u>9,639</u>	<u>11,955</u>	<u>(10,382)</u>	<u>626</u>	<u>11,838</u>
UNRESTRICTED FUNDS	<u>666</u>	<u>532</u>	<u>(319)</u>	<u>-</u>	<u>879</u>
TOTAL FUNDS	<u>10,305</u>	<u>12,487</u>	<u>(10,701)</u>	<u>626</u>	<u>12,717</u>

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

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

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

WISE Academies

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 August 2018

19 FUNDS (continued)

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

Other DfE/ ESFA grants received and spent during the year relate largely to Re-brokerage grants (£115k Haltwhistle Academies and £70k North View Academy), of which £167k has been carried forward into 2018/19 and committed to successfully bringing the Academies into the Trust, the remaining Growth funding carried forward from 2017/18 and Teaching School grants including Core Grant and Schools Direct funding for Initial Teacher Training salaries.

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

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

Restricted fixed asset funds are made up of the valuation of land and property transferred from the Local Authority on conversion, of which £1,385k relate to in-year additions following the conversion of Shaftoe Trust Academy, together with funds received from the DfE/ESFA during the year of £52k in respect of Devolved Formula Capital Grants and £840k in regards to CIF funds, and transfers from restricted funds in the year to match against capital expenditure incurred.

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

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the GAG that it could carry forward at 31 August 2018.

A comparative funds note detailing the closing position at 31 August 2017 is listed overleaf:

WISE Academies

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 August 2018

Prior Year Funds 2016/17		At 1 September 2016	Income	Expenditure	Gains, losses and transfers	At 31 August 2017
		£000	£000	£000	£000	£000
RESTRICTED FUNDS	GENERAL FUNDS					
	General Annual Grant (GAG)	839	5,826	(5,596)	(378)	691
	Start up Grant	54	135	(71)	(28)	90
	Pupil Premium	-	931	(931)	-	-
	Other DfE/EFA grants	151	431	(382)	(21)	179
	Other Government Grants	-	663	(663)	-	-
	Other Restricted Reserves	-	140	(33)	-	107
	Pension reserve	(1,610)	(765)	(254)	599	(2,030)
		<u>(566)</u>	<u>7,361</u>	<u>(7,930)</u>	<u>172</u>	<u>(963)</u>
RESTRICTED FIXED ASSET FUNDS						
	DfE/EFA capital grants	432	36	(53)	-	415
	Capital Expenditure from GAG	1,615	-	(302)	378	1,691
	Capital Expenditure from Start up Grant and Growth Grants	10	-	(9)	49	50
	Transfer from LA	4,956	3,618	(128)	-	8,446
		<u>7,013</u>	<u>3,654</u>	<u>(492)</u>	<u>427</u>	<u>10,602</u>
TOTAL FUNDS	RESTRICTED FUNDS	<u>6,447</u>	<u>11,015</u>	<u>(8,422)</u>	<u>599</u>	<u>9,639</u>
UNRESTRICTED FUNDS						
		<u>484</u>	<u>452</u>	<u>(270)</u>	<u>-</u>	<u>666</u>
TOTAL FUNDS		<u>6,931</u>	<u>11,467</u>	<u>(8,692)</u>	<u>599</u>	<u>10,305</u>

WISE Academies

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 August 2018

A current 12 months and prior year 12 months combined position is as follows:

	At 1 September 2016	Income	Expenditure	Gains, losses and transfers	At 31 August 2018
	£000	£000	£000	£000	£000
RESTRICTED FUNDS					
General Annual Grant (GAG)	839	12,968	(12,296)	(511)	1,000
Start up Grant	54	135	(128)	(28)	33
Pupil Premium	-	1,964	(1,964)	-	-
Other DfE/EFA grants	151	1,123	(1,008)	(47)	219
Other Government Grants	-	1,687	(1,687)	-	-
Other Restricted Reserves	-	153	(46)	-	107
Pension reserve	(1,610)	(989)	(578)	1225	(1,952)
	<u>(566)</u>	<u>17,041</u>	<u>(17,707)</u>	<u>639</u>	<u>(593)</u>
RESTRICTED FIXED ASSET FUNDS					
DfE/EFA capital grants	432	926	(104)	19	1,256
Capital Expenditure from GAG	1,615	-	(649)	510	1,476
Capital Expenditure from Start up Grant and Growth Grants	10	-	(22)	57	45
Transfer from LA	4,956	5,003	(322)	-	9,637
	<u>7,013</u>	<u>5,929</u>	<u>(1,097)</u>	<u>586</u>	<u>12,431</u>
TOTAL RESTRICTED FUNDS	<u>6,447</u>	<u>22,970</u>	<u>(18,804)</u>	<u>1,225</u>	<u>11,838</u>
UNRESTRICTED FUNDS	<u>484</u>	<u>984</u>	<u>(589)</u>	<u>-</u>	<u>879</u>
TOTAL FUNDS	<u>6,931</u>	<u>23,954</u>	<u>(19,393)</u>	<u>1,225</u>	<u>12,717</u>

WISE Academies

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 August 2018

19 FUNDS (continued)

ANALYSIS OF ACADEMIES BY FUND BALANCE

	2018 £000
Adderlane Academy	74
Bexhill Academy	380
Hasting Hill Academy	241
Prudhoe West Academy	267
Shaftoe Academy (Start up Grant)	31
Shaftoe Trust Academy	35
Town End Academy	274
Welbeck Academy	479
Town End Teaching School	110
Central Services	347
Total before fixed assets and pension reserve	<u>2,238</u>
Restricted fixed asset fund	12,431
Pension reserve	<u>(1,952)</u>
TOTAL RESERVES	<u>12,717</u>

ANALYSIS OF ACADEMIES BY COST

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

	Teaching and Educational Support Staff Costs £000	Other Support Staff Costs £000	Educational Supplies £000	Other Costs (excluding depreciation and revaluation) £000	Total £000
Adderlane Academy	349	75	22	93	539
Bexhill Academy	1,209	207	81	274	1,771
Hasting Hill Academy	938	175	53	271	1,437
Prudhoe West Academy	830	178	59	225	1,292
Shaftoe Academy	317	52	16	104	489
Town End Academy	789	153	68	233	1,243
Welbeck Academy	1,773	195	135	417	2,520
Town End Teaching School	-	36	-	54	90
Central Services	300	332	-	81	713
WISE Academies	<u>6,505</u>	<u>1,403</u>	<u>434</u>	<u>1,752</u>	<u>10,094</u>

WISE Academies

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 August 2018

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances at 31 August 2018 are represented by:

	Unrestricted Funds	Restricted general funds	Restricted fixed asset funds	Total funds
	£000	£000	£000	£000
Intangible fixed assets	-	-	37	37
Tangible fixed assets	-	-	11,582	11,582
Current assets	879	2,645	812	4,336
Current liabilities	-	(1,286)	-	(1,286)
Pension scheme liability	-	(1,952)	-	(1,952)
TOTAL NET ASSETS AT 31 August 2018	879	(593)	12,431	12,717

Fund balances at 31 August 2017 are represented by:

	Unrestricted Funds	Restricted general funds	Restricted fixed asset funds	Total funds
	£000	£000	£000	£000
Intangible fixed assets	-	-	39	39
Tangible fixed assets	-	-	10,556	10,556
Current assets	666	1,865	7	2,538
Current liabilities	-	(798)	-	(798)
Pension scheme liability	-	(2,030)	-	(2,030)
TOTAL NET ASSETS AT 31 August 2017	666	(963)	10,602	10,305

WISE Academies

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 August 2018

21. CAPITAL COMMITMENTS

	2018 £000	2017 £000
Contracted for, but not provided in the financial statements	709	-
	<u>709</u>	<u>-</u>

22. COMMITMENTS UNDER OPERATING LEASES

OPERATING LEASES

At 31 August 2018 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2018 £000	2017 £000
Amounts due within one year	18	37
Amounts due between one and five years	34	49
Amounts due after five years	-	-
	<u>52</u>	<u>86</u>

WISE Academies

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 August 2018

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

	2018 £000	2017 £000
Net income for the reporting period (as per the statement of financial activities)	1,786	2775
Adjusted for:		
Net surplus on conversion to academy	(1,161)	(3,013)
Amortisation (note 13)	10	6
Depreciation (note 14)	597	486
Capital grants from DfE and other capital income	(903)	(36)
Interest receivable (note 5)	(3)	(8)
Defined benefit pension scheme cost less contributions payable (note 28)	271	219
Defined benefit pension scheme finance costs (note 28)	53	35
(Increase)/Decrease in debtors	(212)	(214)
Increase/ (Decrease) in creditors	488	159
Stocks, debtors and creditors transferred on conversion	-	163
Net cash (used in)/ provided by operating activities	<u>926</u>	<u>572</u>

24. CASHFLOWS FROM FINANCING ACTIVITIES

	2018 £000	2017 £000
Repayments of borrowing	-	-
Cash inflows from new borrowing	-	-
Net cash provided by / (used in) financing activities	<u>-</u>	<u>-</u>

WISE Academies

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 August 2018

25. CASHFLOWS FROM INVESTING ACTIVITIES

	2018 £000	2017 £000
Interest received	3	8
Purchase of intangible fixed assets	(8)	(22)
Purchase of tangible fixed assets	(238)	(437)
Capital grants from DfE/ ESFA	903	36
Net cash used in investing activities	660	(415)

26. ANALYSIS OF CHANGES IN NET FUNDS

	At 31 August 2018 £000	At 31 August 2017 £000
Cash in hand and at bank	3,618	2,032

27. MEMBERS' LIABILITY

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

28. PENSION AND SIMILAR OBLIGATIONS

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

The latest actuarial valuation of the TPS related to the period ended 31 March 2012 and of the LGPS 31 March 2016.

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

WISE Academies

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 August 2018

28. PENSION AND SIMILAR OBLIGATIONS (continued)

Teachers' Pension Scheme

Introduction

The Teachers' Pensions Scheme ("TPS") is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Regulations 2014.

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

Valuation of the Teachers' Pensions Scheme

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

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

The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The pension costs paid to TPS in the year amounted to £611k (2017: £478k).

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

WISE Academies

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 August 2018

28. PENSION AND SIMILAR OBLIGATIONS (continued)

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

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The Trust is a member of both Tyne and Wear Pension Fund (TWPF) and Northumberland County Council Pension Fund (NCCPF). Across both pension schemes, the total contribution made for the year ended 31 August 2018 was £483,901 (2017: £353,150) of which employer's contributions totalled £365,471 (2017: £271,490) and employees' contribution totalled £118,430 (2017: £81,660). The agreed rates for future years are, for employers' contributions: 16.2% (TWPF); 18.3% (NCCPF – Adderlane), 20.2% (NCCPF – Prudhoe West) and 23.5% (NCCPF – Shaftoe) 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.

The current valuation does not reflect the expected increase in benefits and therefore liability as a result of Guaranteed Minimum Pension ('GMP') equalisation between men and women which is required as a result of the removal of the Additional State Pension. Methodologies for a long-term solution are still being investigated by the Government as set out in the published (January 2018) outcome of the Government Consultation 'Indexation and Equalisation of GMP in Public Sector Pensions Schemes' and therefore the expected impact cannot be reliably estimated and consequently no provision/liability has been recognised.

Principal actuarial assumptions

	TWPF		NCCPF (Adderlane Academy)		NCCPF (Prudhoe West Academy)		NCCPF (Shaftoe Trust Academy)	
	At 31 Aug 2018 %	At 31 Aug 2017 %	At 31 Aug 2018 %	At 31 Aug 2017 %	At 31 Aug 2018 %	At 31 Aug 2017 %	At 31 Aug 2018 %	On conversion 1 Feb 2018 %
Rate of increase in salaries	3.5	3.4	3.5	3.5	3.5	3.5	3.6	3.7
Rate of increase for pensions in payment/inflation	2.0	1.9	2.0	2.0	2.0	2.0	2.1	2.2
Discount rate for scheme liabilities	2.8	2.5	2.8	2.5	2.8	2.5	2.8	2.6
Inflation assumption (CPI)	2.0	1.9	2.0	2.0	2.0	2.0	2.1	2.2

WISE Academies

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 August 2018

28. PENSION AND SIMILAR OBLIGATIONS (continued)

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

	TWPF	NCCPF
	At	At
	August	August
	2018	2018
	Years	Years
Retiring today		
Males	22.9	22.9
Females	26.4	25.0
Retiring in 20 years		
Males	25.1	25.1
Females	28.7	27.3

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

	Fair value at	Fair value at
	31 August	31 August
	2018	2017
	£000	£000
Equities	4,140	3,338
Property	443	392
Government bonds	499	356
Corporate bonds	622	532
Cash	96	150
Other	358	260
Total market value of assets	6,159	5,028

The actual return on scheme assets was £321,000 (2017: £834,000)

WISE Academies

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 August 2018

28. PENSION AND SIMILAR OBLIGATIONS (continued)

Amounts recognised in the statement of financial activities

	2018 £000	2017 £000
Current service cost	(636)	(489)
Net interest cost	<u>(53)</u>	<u>(35)</u>
Total operating charge	<u>(689)</u>	<u>(524)</u>

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

	2018 £000	2017 £000
At 1 September	7,058	4,360
On conversion	565	1,893
Current service cost	636	489
Interest cost	190	102
Employee contributions	119	77
Actuarial (gains)/ losses	(442)	168
Benefits paid	(95)	(41)
Net increase in liabilities from disposals and acquisitions	80	-
Past service cost	-	10
Plan introductions, benefit changes, curtailments and settlements	<u>-</u>	<u>-</u>
At 31 August	<u>8,111</u>	<u>7,058</u>

WISE Academies

NOTES TO THE FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 August 2018

28. PENSION AND SIMILAR OBLIGATIONS (continued)

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

	2018 £000	2017 £000
At 1 September	5,028	2,750
On conversion	341	1,128
Interest income	137	67
Return on plan assets (excluding net interest on the net defined pension liability)	184	767
Employer contributions	365	280
Employee contributions	119	77
Benefits paid	(95)	(41)
Net increase in liabilities from disposals and acquisitions	80	-
Plan introductions, benefit changes, curtailments and settlements	-	-
At 31 August	<u>6,159</u>	<u>5,028</u>

29. RELATED PARTIES

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

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

Key management personnel disclosure is included in note 9.

30. CONVERSIONS TO ACADEMY TRUST

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

Predecessor School	Academy	Conversion Date
Haydon Bridge Shaftoe Trust Primary School	Shaftoe Trust Academy	1 February 2018

WISE Academies

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 August 2018

30. CONVERSIONS TO ACADEMY TRUST (continued)

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

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

Shaftoe Trust Academy (1 February 2018)

	Unrestricted Funds £000s	Restricted General Funds £000s	Restricted Fixed Asset Funds £000s	Total £000s
Tangible Fixed Assets				
Leasehold land and buildings	-	-	1,385	1,385
Budget surplus on LA funds	-	-	-	-
LGPS pension deficit	-	(224)	-	(224)
Net assets/(liabilities)	-	(224)	1,385	1,161
Total Value of Transferred Net assets/(liabilities)	-	(224)	1,385	1,161

31. EVENTS AFTER THE END OF THE REPORTING PERIOD

On 1st September 2018 WISE Academies re-brokered six academies from other Academy Trusts, the six academies are as follows:

- Croftway Academy, Blyth (formerly Blyth Quays Trust)
- Morpeth Rd Academy, Blyth (formerly Blyth Quays Trust)
- Malvin's Close Academy, Blyth (formerly Blyth Quays Trust)
- North View Academy, Sunderland (formerly North View Academy Trust)
- Halwhistle Upper, Haltwhistle (formerly Bright Tribe)
- Halwhistle Lower, Haltwhistle (formerly Bright Tribe)

WISE Academies

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 August 2018

32. TEACHING SCHOOL ACCOUNT

	2017/18	2017/18	2017/18	2016/17	2016/17	2016/17
	£000	£000	£000	£000	£000	£000
Income						
Direct Income						
Other Income		76			110	
Other Income						
Fundraising and other trading activities		33			41	
Total Income			109			151
Expenditure						
Direct costs						
Direct staff costs	23			35		
Staff development	-			-		
Other direct costs	64			72		
Total direct costs		87			107	
Other costs						
Support staff costs	14			13		
Depreciation	-			-		
Other support costs	-			-		
Total other costs		14			13	
Total Expenditure			(101)			(120)
Transfers between funds excluding depreciation			-			-
Surplus/(Deficit) from all sources			8			31
Teaching school balances at 1 September 2017			102			71
Teaching school balances at 31 August 2018			110			102