

Company Registration No. 08537140 (England and Wales)

OADBY, WIGSTON AND LEICESTERSHIRE SCHOOLS ACADEMY TRUST

(A COMPANY LIMITED BY GUARANTEE)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2019

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COMPANIES HOUSE

OADBY, WIGSTON AND LEICESTERSHIRE SCHOOLS ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Members

Mr C Garner
Mrs F Weston
Mr S Mallon
Ms H Tait
Mr R Gohil

Trustees

Dr J Tedds (Chair)
Mr P Merry (CEO and Accounting Officer)
Mrs F Weston
Mr M Elton
Mrs A Goodman (Resigned 5 October 2019)
Mrs M James
Mrs C McGorum
Mr P Clarke
Mrs M Johnson (Resigned 8 February 2019)
Mr O Rahman (Appointed 4 December 2018)

Senior management team

- CEO	Mr P Merry
- Headteacher of School	Mrs H Bonser
- Headteacher of School	Mrs S Conlon
- Headteacher of School	Mrs V Pankhania
- Headteacher of School	Miss N Hackett
- Headteacher of School	Mr D Harding
- Finance	Mrs K Biddles
- HR DPO	Ms K McClaren

Company registration number

08537140 (England and Wales)

Principal and registered office

Langmoor Primary School
Kenilworth Drive
Oadby
Leicester
LE2 5HS

Academies operated

Glenmere Primary School
Langmoor Primary School
Little Hill Primary School
Fernvale Primary School
Hinckley Parks Primary School
New Lubbethorpe Primary School

Location

Wigston
Oadby
Wigston
Thurnby
Hinckley
Lubbethorpe

Principal

Mrs S Conlon
Mrs H Bonser
Mrs V Pankhania
Miss N Hackett
Mr D Harding
Mr P Merry

OADBY, WIGSTON AND LEICESTERSHIRE SCHOOLS ACADEMY TRUST

REFERENCE AND ADMINISTRATIVE DETAILS

Independent auditor	RSM UK Audit LLP Rivermead House 7 Lewis Court Grove Park Leicester Leicestershire LE19 1SD
Bankers	Lloyds Bank plc 54-56 Chestnut Ave Oadby Leicester LE2 5JG
Solicitors	Browne Jacobson LLP Mowbray House Castle Meadow Road Nottingham NG2 1BJ

OADBY, WIGSTON AND LEICESTERSHIRE SCHOOLS ACADEMY TRUST

TRUSTEES' REPORT

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the year ended 31 August 2019. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The Academy Trust operated five primary schools for pupils aged 4 to 11 years old in Leicestershire during the year under review. The Academy Trust has a combined pupil capacity of 1,680 and had a roll of 1,603 in the school census dated 1 October 2019.

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 act as Trustees for the charitable activities of Oadby, Wigston and Leicestershire Schools Academy Trust and are also the directors of the charitable company for the purposes of company law. The charitable company is known as Oadby, Wigston and Leicestershire Schools Academy Trust. The articles of association require the members of the charitable company to appoint at least four Trustees to be responsible for the statutory and constitutional affairs of the charitable company and the management of the Academy Trust.

Details of the Trustees who served throughout the year and up to the date these accounts are approved except as noted 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 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.

Trustees' indemnities

A trustee may benefit from any indemnity insurance purchased at the Trust's expense to cover the liability of the trustee 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 Academy Trust. Provided that such insurance shall not extend to any claim arising from any act or omission which the trustee knew to be a breach of trust or breach of duty or which was committed by the trustee in reckless disregard to whether it was 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 trustee in their capacity as a director of the Academy Trust.

Method of recruitment and appointment or election of Trustees

Trustees are appointed through nomination and election (Staff and Parent Trustee Positions) and Community Trustees were appointed or re-appointed at the inception of the Academy. Terms of office for a Trustee are based upon four years.

Policies and procedures adopted for the induction and training of Trustees

The training and induction provided for new Trustees will depend on their existing experience. Where necessary induction will provide training on charity and educational legal and financial matters. All new Trustees will be given a tour of the Academy. All Trustees are provided with copies of policies, procedures, minutes, accounts, budgets, plans and other documents that they will need to undertake their role as Trustees which will be made available online through The Learning Platform or documents will be sent as appropriate. As there are normally only one or two new Trustees a year, induction tends to be done informally and is tailored specifically to the individual.

OADBY, WIGSTON AND LEICESTERSHIRE SCHOOLS ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

Organisational structure

A unified management structure is utilised to run each of the Academies. The structure now consists of various levels: the members, the Trustees, Governors and the Executive Headteacher board, headteachers and senior managers. The aim of the management structure is to devolve responsibility and encourage involvement in decision making at all levels.

The Trustees are responsible for setting general policy, adopting an annual plan and approving the annual budget, monitoring each Academy by the use of budgets and making major decisions about the direction of the Academies, capital expenditure and staff appointments. Specific responsibilities of the committees are outlined below in the relevant terms of reference.

Our schools governance consists of parent, co-opted and staff Governors who are responsible for their schools and reporting to the trustees.

Arrangements for setting pay and remuneration of key management personnel

Pay and remuneration for key management staff is set out in Academies pay policy for Teachers which is annually reviewed and ratified by Trustees. The pay policy sets out the framework for making decisions on all teachers' pay including key management staff. The policy has been developed to comply with current legislation and the requirements of the School Teachers' Pay and Conditions Document (STPCD) and has been consulted on with staff and/or the recognised trade unions. The pay policy underpin the Academies Performance Management Policy which provides the opportunity for all staff to discuss their performance and development needs in relation to their job role and pay progression. Where eligible for pay progression, the recommendation made by the appraiser is based on the assessment of their performance against the agreed objectives. The final decision lies with the pay committee, made up of Trustees, and is based on the statutory criteria and guidance set out in the STPCD and the relevant teacher standards. No remuneration payments are made to Trustees.

Trade union facility time

Relevant union officials

Number of employees who were relevant union officials during the relevant period	6
Full-time equivalent employee number	1.00

Percentage of time spent on facility time

Percentage of time	Number of employees
0%	-
1%-50%	6
51%-99%	-
100%	-

Percentage of pay bill spent on facility time

Total cost of facility time	-
Total pay bill	-
Percentage of the total pay bill spent on facility time	-

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	-
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Related parties and co-operation with other organisations

The Academy Trust is a Multi Academy Trust ("MAT") which included five primary schools during the year under review: Glenmere Primary School, Langmoor Primary School, Little Hill Primary School, Fernvale Primary School and Hinckley Parks Primary School. New Lubbesthorpe Primary School joined the MAT on 1 September 2019. This is a new presumptive academy free school.

OADBY, WIGSTON AND LEICESTERSHIRE SCHOOLS ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

OBJECTIVES AND ACTIVITIES

Objects and aims

The principal object of the charitable company is the operation of Oadby, Wigston and Leicestershire Schools Academy Trust which provides education for pupils of different abilities between the ages of 4 and 11. All of the schools now have year six.

The main objectives of The Trust are summarised below:

- to ensure that every child enjoys the same high quality education in terms of resourcing, tuition and care;
- to raise the standard of educational achievement of all pupils;
- to improve the effectiveness of each Academy by keeping the curriculum and organisational structure under continual review;
- to provide value for money for the funds expended;
- to comply with all appropriate statutory and curriculum requirements;
- to conduct the Trust's business in accordance with the highest standards of integrity, probity and openness.

The Trust's main strategy is encompassed in its vision and mission statements promoting high levels of engagement, aspiration, achievement and enterprise across all of our schools.

Principles:

- The overriding principle is the success and wellbeing of the children educated within the Trust schools.
- There is an expectation of professional challenge, support and development between member schools.
- Trust between members is essential for the success of the collaboration.
- Trust is engendered by: confidentiality, openness and professionalism. The Head Teacher and teacher standards provide a framework for this professionalism.
- The Trust members will take account of data protection policies in all work they do.
- The Trust members abide by the principles of best value and the long term benefit and gain of all the member schools. The budget will support the priorities based on the action plan. The Trust will not hold great sums of money but it will be spent to benefit the children in the schools at that time.
- Our work is focused on raising standards of provision in all areas of the Ofsted criteria and securing school improvements. Collaboratively we aim to respond quickly and effectively supporting and working with the local committees, developing national priorities and local initiatives. Needs are identified across the Trust and responded to effectively both by the whole group and sub-groups.

Objectives, strategies and activities

As a result of such an environment we hope our children will:

- be confident and at ease with themselves and others;
- become independent, self-disciplined and self-motivated;
- have respect for themselves, each other and the environment;
- be keen to learn and able to set, and achieve, realistic goals of a high standard;
- be valued as an individual and as a member of the community, both within the school and beyond;
- become literate, numerate, communicative, creative and co-operative.

Public benefit

In settling our objectives and planning our activities the governors have given careful consideration to the Charity Commission's general guidance on public benefit. In line with the Academy Trust's charitable objectives there is a wide use of the schools facilities by the local community.

OADBY, WIGSTON AND LEICESTERSHIRE SCHOOLS ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

STRATEGIC REPORT

Key performance indicators

The Trustees at Oadby, Wigston and Leicestershire Schools Academy Trust review financial performance indicators through six budget monitoring exercises per year where the current financial position is scrutinised. This in turn is presented to Trustees and Governors at least three times a year plus a commentary.

The main key performance indicators are stated below:

Teaching and learning

- Children to achieve to their full potential i.e. 80% to achieve expected progress in reading, writing, and maths by end of KS2
- Phonics screening check 82% and above - equalling national at least
- At least 65% of children to attain age related standards by end of KS2 within Reading, Writing and Maths
- 65% of children to achieve combined KS2 related standards across trust
- 100% of teaching and learning to be good or better with no inadequate teaching
- GLD 80% - in line with national targets
- The Trust's KPIs will aim to always be above national results

Welfare, behaviour and safeguarding

- School attendance to be above national average
- To secure a safe, secure, stimulating environment
- All children to have access to opportunities beyond the curriculum, e.g. residential, school visits, theatre trips etc

Leadership and management

- All vacancies to be filled with good quality teachers
- To ensure appropriate CPD to grow and nurture own staff for succession planning
- Staff retention to be at 80%
- Staff attendance maintained at 95% plus
- All schools to be good or better as categorised by Ofsted

Governance

- 100% of skills coverage within Trustees
- Financial probity: no red flags
- Robust financial parameters maintained in all schools

Achievements and performance

Key Stage 2 OWLS SCHOOLS AND TRUST KS2 SUMMARY ASSESSMENT OUTCOMES 2018-19

	Combined		Reading		Writing		Maths	
	Are	Above	Are	Above	Are	Above	Are	Above
Fernvale Primary School	81.0%	16.0%	81.0%	26.0%	90.0%	19.0%	90.0%	29.0%
Glenmere Primary School	67.0%	20.0%	67.0%	27.0%	80.0%	30.0%	80.0%	27.0%
Hinckley Parks Primary School	62.0%	3.0%	64.0%	14.0%	85.0%	9.0%	83.0%	21.0%
Langmoor Primary School	73.0%	18.0%	76.0%	42.0%	88.0%	21.0%	82.0%	49.0%
Little Hill Primary School	67.0%	7.0%	78.0%	23.0%	90.0%	10.0%	82.0%	28.0%
National	65.0%	11.0%	73.0%	27.0%	78.0%	20.0%	79.0%	27.0%
Leicestershire	66.8%	11.6%	74.7%	28.0%	81.0%	21.8%	80.8%	28.8%
OWLS Trust	70.0%	13.0%	73.2%	26.4%	87.0%	18.0%	83.0%	31.0%

OADBY, WIGSTON AND LEICESTERSHIRE SCHOOLS ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

Key Stage 1 OWLS SCHOOLS AND TRUSTS KS1 SUMMARY ASSESSMENT OUTCOMES 2018-19

	Combined		Reading		Writing		Maths		Phonics
	Are	Above	Are	Above	Are	Above	Are	Above	
	%	%	%	%	%	%	%	%	%
Fernvale Primary School	76%	14%	83%	35%	76%	17%	86%	21%	81%
Glenmere Primary School	73%	10%	80%	37%	77%	17%	80%	30%	87%
Hinckley Parks Primary School	70%	7%	77%	18%	72%	9%	78%	18%	83%
Langmoor Primary School	70%	7%	80%	13%	73%	7%	77%	20%	77%
Little Hill Primary School	65%	7%	77%	20%	72%	7%	77%	20%	72%
National	65.0%	11.0%	75.5%	25.6%	69.9%	15.9%	76%	21.8%	81.9%
Leicestershire	65.3%	10.4%	75.6%	25.2%	69.6%	13.6%	76.2%	21.9%	83.4%
OWLS Trust	71.0%	9.0%	79.0%	25.0%	74.0%	11.4%	80%	22%	80%

EYFS OWLS 18/19 EYFS HEADLINES

	L	PD	PSE	CL	MATHS	GLD
Fernvale Primary School	80.0%	96.0%	93.0%	93.0%	86.0%	77.2%
Glenmere Primary School	83.0%	90.0%	97.0%	90.0%	86.0%	83.0%
Hinckley Parks Primary School	81.0%	100.0%	97.0%	100.0%	94.0%	81.0%
Langmoor Primary School	72.0%	83.0%	86.0%	83.0%	83.0%	72.0%
Little Hill Primary School	80.0%	89.0%	87.0%	89.0%	85.0%	80.0%
National	73.4%	87.1%	84.8%	82.2%	78.4%	71.8%
Leicestershire	74.1%	88.7%	85.8%	83.3%	80.1%	72.1%
OWLS Trust	79.2%	91.6%	92.0%	91.0%	86.8%	78.6%

Financial review

The vast majority of the Trust's income is obtained from the DfE/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 year ended 31 August 2019 and the associated expenditure is shown as restricted funds in the Statement of Financial Activities.

The Trust also receives grants for fixed assets from the DfE/ESFA and 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.

The Trust held fund balances at 31 August 2019 of £4,202k (2018: £5,424k) comprising £6,650k (2018: £6,732k) of restricted funds, which is mainly the fixed asset restricted fund, £665k (2018: £663k) of unrestricted general funds and a pension reserve deficit of £3,113k (2018: £1,971k).

Financial and risk management objectives and policies

The risks faced by the Trust are outlined in the Risk Register and although there is an annual assessment undertaken, the Trustees are continually aware and are monitoring any financial risks and related financial procedures within the Trust.

OADBY, WIGSTON AND LEICESTERSHIRE SCHOOLS ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

Reserves policy

The Academy Trust's "free reserves" are its funds after excluding restricted funds. "Free reserves" are therefore the resources the Academy Trust has or can make available to spend for any or all of the Academy Trust's purposes once it has met its commitments and covered its other planned expenditure. More specifically "free reserves" represent income to the Academy Trust which is to be spent at the Trustees' discretion in furtherance of any of the Academy Trust's objects but which is not yet spent, committed or designated.

The Trustees review the reserve levels of the Academy Trust in Finance Committee meetings which take place four - six times per year. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance, budgeted under contingency at all schools within the trust. In addition the Trust continues to grow and these funds ensure that capacity exists to take opportunities as they arise. The Trust's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is £665k (2018: £663k) which is considered adequate compared to its policy.

The Academy Trust aims to build a central free reserve to cover between 3 and 6 months expenditure.

The Academy Trust has restricted fixed assets fund, with a balance of £6,621k (2018: £6,712k) which is in respect of fixed assets and capital expenditure of the Academy Trust, which is not available for general purpose of the trust and will only be realised by disposing of the tangible assets.

The pension liability at 31 August 2019 is £3,113k (2018: £1,971k), which is shown separately in a restricted fund and the Trustees continue to review the contribution due based on the reports received from the scheme actuary ensuring the cash is available to meet contributions as they fall due.

Going concern

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

Investment policy

At present, the Academy Trust does not hold significant funding to warrant additional investment. Currently, the balance outlined above is held within our main school bank account and the balance is planned for development of our school buildings.

Plans for future periods

The Academy Trust will continue striving to improve the levels of performance of its students at all levels. The Trust has been granted Sponsorship status by the RSC and DFE. The school is working towards the opening of a Free School in the Lubbethorpe area. The Trust are working towards the signing of the funding agreement with the DFE. The Free School is scheduled to open September 2019. This is now open and operational with an EYFS and year one cohort.

The Academy Trust continues to review its growth pattern.

Principal risks and uncertainties

The Trust's main source of funding is from the Education and Skills Funding Agency and as such this minimises the Trust's exposure to cash flow or liquidity issues. Cash flow is managed on a monthly basis to reflect the profile of income received and expenditure requirements of the Trust.

The Trust faces a potential risk relating to safeguarding and the maintenance of relevant protocols in each of the schools in the Academy Trust. Safeguarding risks are managed by the completion of the annual Local Authority safeguarding return, trustees periodically checking on the schools and having a designated governor in place at each school.

OADBY, WIGSTON AND LEICESTERSHIRE SCHOOLS ACADEMY TRUST

TRUSTEES' REPORT (CONTINUED)

Fundraising

The Trust has regard to guidance: "Charity fundraising : a guide to trustee duties (CC20)".

The Trust agree and monitor, the charity's overall approach to fundraising. The Trust fundraising plan takes into account of risks, charity's values and its relationship with donors and the wider public, as well as its income needs and expectations.

The Trust has systems in place to oversee the fundraising which others carry out for the charity, so that remains, in the charity's best interests. It means delegating responsibly so that our charity's in-house and volunteer fundraisers, and any connected companies, know what is expected of them. If the Trust employ a commercial partner to raise funds for our charity, the arrangement is in the charity's best interests and complies with any specific legal rules and standards that apply.

The Trust protects our charity's reputation, money and other assets The Trust ensures that there is strong management of our charity's assets and resources so that the Trust can meet our legal Trustee duty to act in our charity's best interests and protect it from undue risk. The Trust ensure adequate consideration of the impact that our charity's fundraising has on its donors, supporters and the public, making sure that our charity receives all the money to which it is entitled, and taking steps to reduce risk of loss or fraud.

The Trust identifies and ensures compliance with the laws or regulations that apply specifically to our charity's fundraising, this includes data protection law, licensing, and working with commercial partners. The Trust ensures that its charity has access to sufficient information and appropriate advice and its fundraising complies with all relevant legal rules.

The Trust identifies and follows the recognised standards that apply to our charity's fundraising. (These are in the Fundraising Regulator's Code of Fundraising Practice. The Code outlines both the legal rules that apply to fundraising and the standards designed to ensure that fundraising is open, honest and respectful. The Commission expects all charities that fundraise to fully comply with the Code).

The Trust is open and accountable: This includes complying with any relevant statutory accounting and reporting requirements on fundraising and using reporting to demonstrate that our charity is well run and effective. The Trust is able to effectively explain our fundraising work to members of the public and our charity's donors and supporters.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

There are no funds held as custodian trustee on behalf of others.


AUDITOR

RSM UK Audit LLP indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an Annual General Meeting.

Statement as to disclosure of information to auditor

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

The Trustees' 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 directors at a meeting on 25.11.19..... and signed on its behalf by:



Dr J Tedds

Chair

OADBY, WIGSTON AND LEICESTERSHIRE SCHOOLS ACADEMY TRUST

GOVERNANCE STATEMENT

Scope of responsibility

As Trustees we acknowledge we have overall responsibility for ensuring that Oadby, Wigston And Leicestershire Schools Academy Trust 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 CEO, 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 Oadby, Wigston And Leicestershire Schools Academy Trust 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 4 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustees	Meetings attended	Out of possible
Dr J Tedds (Chair)	4	4
Mr P Merry (CEO and Accounting Officer)	4	4
Mrs F Weston	4	4
Mr M Elton	1	4
Mrs A Goodman (Resigned 5 October 2019)	3	4
Mrs M James	4	4
Mrs C McGorum	4	4
Mr P Clarke	1	4
Mrs M Johnson (Resigned 8 February 2019)	1	2
Mr O Rahman (Appointed 4 December 2018)	2	3

There has been one key change in the composition of the board of trustees, the introduction of Mr O Rahman. The board has evaluated the performance of each of the academies within the Trust, reporting this to the RSC. Skills audits and coverage of the Trust expertise has been reviewed and a vacancy within the Trustees is being addressed. The board's performance, including assessment of its own effectiveness and any particular challenges that have arisen for the board include opening a new Free School and securing governance across each of our academies. The Board of Trustees receive reports from each of the academies termly which the CEO presents. An annual report is provided reviewing the academic year, presented by the CEO. This information and data is used by the board to evaluate performance.

Governance reviews

The Academy Trust carries out an annual review of its Governance, the latest review took place during October 2019. Changes to the structure of the Trustees and governing bodies and format of meetings were reviewed and planned for the year 2019/20.

OADBY, WIGSTON AND LEICESTERSHIRE SCHOOLS ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

The finance committee is a sub-committee of the main Board of Trustees.

Attendance at meetings in the year was as follows:

Trustees	Meetings attended	Out of possible
Dr J Tedds (Chair)	2	3
Mr P Merry (CEO and Accounting Officer)	3	3
Mrs F Weston	3	3
Mr M Elton	1	3
Mrs A Goodman (Resigned 5 October 2019)	1	3
Mrs M James	3	3
Mrs C McGorum	3	3
Mr O Rahman (Appointed 4 December 2018)	2	2

Review of value for money

As Accounting Officer the CEO 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:

- The Academy Trust continually reviews the progress of all their pupils throughout the year. This progress is audited throughout the year in conjunction with our Teaching School alliance – the process involves identifying the progress of classes and groups within them such as Pupil Premium Pupils, ethnic groups, etc. Any areas for concern are identified and an action plan is agreed with each of the Academy's Senior Leadership Team. The partner produces written reports to all Academy governors and reports to the MAT Trustees.
- The individual academies annually review their staffing as part of the budget setting process. Where schools are growing additional staff has been deployed. The quality of teaching is monitored by the School leadership team and discussed with an OFSTED trained inspector.
- The CEO and Head Teachers work very closely together to support and challenge each other.
- The Trust use reviewed services for areas such as payroll and HR. They discussed this with other local academies before choosing to a preferred provider.
- The Trust has worked to procure a financial software package to monitor the Trusts funding. By working together they will be able to make considerable savings for individual academies in the trusts.
- Bursars from the Trust attend/feed into the Trust meetings to give updates on financial management. It is a standing item for all the meetings.
- The Trust employs a firm of accountants to provide support for the bursars and for the Accounting Officers.

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 Oadby, Wigston and Leicestershire Schools Academy Trust for the year ended 31 August 2019 and up to the date of approval of the annual report and financial statements.

OADBY, WIGSTON AND LEICESTERSHIRE SCHOOLS ACADEMY TRUST

GOVERNANCE STATEMENT (CONTINUED)

Capacity to handle risk

The Trustees have 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 ended 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the 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 governing body;
- regular reviews by the Trustees 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 Trustees considered the need to have in place a process for independent checking of financial controls, systems, transactions and risks. In fulfilment of this requirement the decision was taken to appoint Leicestershire County Council as internal auditors. The academy will benefit from internal auditors who will give advice on financial matters and perform a range of checks on the Academy Trust's financial systems. Following each visit the internal auditors will provide a report for the governing body on the operation of the systems of control and on the discharge of the governing body's financial responsibilities.

Review of effectiveness

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

- the work of the internal auditor
- the work of the external auditor
- the financial management and governance self-assessment process
- 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 Trustees and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of the Board of Trustees on 25.11.19 and signed on its behalf by:



Dr J Tedds
Chair of Trustees



Mr P Merry
CEO and Accounting Officer



OADBY, WIGSTON AND LEICESTERSHIRE SCHOOLS ACADEMY TRUST

STATEMENT OF REGULARITY, PROPRIETY AND COMPLIANCE

As accounting officer of Oadby, Wigston and Leicestershire Schools Academy Trust 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 all funding received by the academy trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

I confirm that I and the Academy Trust's 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 2018.

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.

Mr P Merry
Accounting Officer

 25.11.19

OADBY, WIGSTON AND LEICESTERSHIRE SCHOOLS ACADEMY TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees who are also the directors of Oadby, Wigston and Leicestershire Schools Academy Trust 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 2018 to 2019;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 that grants received from 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 25.11.19 and signed on its behalf by:



Dr J Tedds
Chair of Trustees

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OADBY, WIGSTON AND LEICESTERSHIRE SCHOOLS ACADEMY TRUST

Opinion

We have audited the financial statements of Oadby, Wigston and Leicestershire Schools Academy Trust (the "charitable company") for the year ended 31 August 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the 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 2018 to 2019 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 2019 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 2018 to 2019 issued by the Education and Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

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.

Opinions 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 incorporated 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 incorporated Strategic Report included within the Trustees Report have been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF OADBY, WIGSTON AND LEICESTERSHIRE SCHOOLS ACADEMY TRUST (CONTINUED)

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 and the incorporated 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 14, the Trustees (who act as trustees for the charitable activities of the charitable company are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

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

RSM UK Audit LLP

Gareth Jones (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
Rivermead House
7 Lewis Court
Grove Park
Leicester
Leicestershire, LE19 1SD

9/12/19

OADBY, WIGSTON AND LEICESTERSHIRE SCHOOLS ACADEMY TRUST

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2019

		Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total 2019	Total 2018
	Notes	£'000	£'000	£'000	£'000	£'000
Income and endowments from:						
Donations and capital grants	4	5	-	120	125	526
Donations - transfer from local authority on conversion		-	-	-	-	902
Charitable activities:						
- Funding for educational operations	5	-	6,599	-	6,599	6,117
Other trading activities	6	392	-	-	392	310
Investments	7	1	-	-	1	1
Total		<u>398</u>	<u>6,599</u>	<u>120</u>	<u>7,117</u>	<u>7,856</u>
Expenditure on:						
Raising funds	8	214	-	-	214	236
Charitable activities:						
- Educational operations	9	-	7,086	256	7,342	6,706
Total		<u>214</u>	<u>7,086</u>	<u>256</u>	<u>7,556</u>	<u>6,942</u>
Net income/(expenditure)		184	(487)	(136)	(439)	914
Transfers between funds	20	(182)	137	45	-	-
Other recognised gains/(losses)						
Actuarial (losses)/gains on defined benefit pension schemes	25	-	(783)	-	(783)	381
Net movement in funds		2	(1,133)	(91)	(1,222)	1,295
Reconciliation of funds						
Total funds brought forward		<u>663</u>	<u>(1,951)</u>	<u>6,712</u>	<u>5,424</u>	<u>4,129</u>
Total funds carried forward		<u>665</u>	<u>(3,084)</u>	<u>6,621</u>	<u>4,202</u>	<u>5,424</u>

OADBY, WIGSTON AND LEICESTERSHIRE SCHOOLS ACADEMY TRUST

BALANCE SHEET

AS AT 31 AUGUST 2019

		2019	2018
	Notes	£'000	£'000
Fixed assets			
Tangible assets	14	6,606	6,702
Current assets			
Debtors	15	115	91
Cash at bank and in hand		935	973
		1,050	1,064
Current liabilities			
Creditors: amounts falling due within one year	16	(331)	(358)
Net current assets		719	706
Total assets less current liabilities		7,325	7,408
Creditors: amounts falling due after more than one year	17	(10)	(13)
Net assets excluding pension liability		7,315	7,395
Defined benefit pension scheme liability	25	(3,113)	(1,971)
Net assets		4,202	5,424
Funds of the Academy Trust:			
Restricted funds	20		
- Restricted fixed asset funds		6,621	6,712
- Restricted income funds		29	20
- Pension reserve		(3,113)	(1,971)
Total restricted funds		3,537	4,761
Unrestricted income funds	20	665	663
Total funds		4,202	5,424

The financial statements on pages 17 to 42 were approved by the Board of Trustees and authorised for issue on 25.11.19 and are signed on their behalf by:



Dr J Tedds
Chair of Trustees

OADBY, WIGSTON AND LEICESTERSHIRE SCHOOLS ACADEMY TRUST

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 AUGUST 2019

	Notes	2019 £'000	£'000	2018 £'000	£'000
Cash flows from operating activities					
Net cash (used in)/provided by operating activities	23		(57)		105
Cash funds transferred on conversion			-		110
			(57)		215
Cash flows from investing activities					
Dividends, interest and rents from investments		1		1	
Capital grants from DfE and ESFA		120		521	
Purchase of tangible fixed assets		(99)		(523)	
Net cash provided by/(used in) investing activities			22		(1)
Cash flows from financing activities					
Repayment of other loan		(3)		(2)	
Net cash used in financing activities			(3)		(2)
Net (decrease)/increase in cash and cash equivalents in the reporting period			(38)		212
Cash and cash equivalents at beginning of the year			973		761
Cash and cash equivalents at end of the year			935		973

OADBY, WIGSTON AND LEICESTERSHIRE SCHOOLS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies

General information

Oadby, Wigston and Leicestershire Schools Academy Trust (the 'Academy Trust') 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 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 financial statements 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 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006. The Academy Trust is a public benefit entity under FRS 102 and has therefore applied the relevant public benefit requirements of 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 charitable 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.

Income

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

Grants are 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.

General Annual Grant is recognised in full in the Statement of Financial Activities in the period for which it is receivable, and any abatement in respect of the period is deducted from income and recognised as a liability.

OADBY, WIGSTON AND LEICESTERSHIRE SCHOOLS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies (Continued)

Income (continued)

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

Donations

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

Other income

Other income, including the hire of facilities, educational outsourcing and educational operations is recognised at fair value of the consideration received or receivable in the period it is receivable and to the extent the Academy Trust has provided the goods or services.

Donated fixed assets

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

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 are allocated on the portion of the asset's use.

All resources expended are inclusive of irrecoverable VAT.

Expenditure on raising funds

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

Charitable activities

These are costs incurred on the Academy Trust's educational operations to further its charitable aims for the benefit of the beneficiaries, including support costs and costs relating to the governance of the Academy Trust apportioned to charitable activities.

OADBY, WIGSTON AND LEICESTERSHIRE SCHOOLS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies (Continued)

Tangible fixed assets and depreciation

Assets costing £1,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment. Subsequent costs are capitalised only when it is probable that such costs will generate future economic benefits. All other costs of repairs and maintenance are charged to the Statement of Financial Activities as incurred.

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 there are specific conditions attached to the funding that require the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the Statement of Financial Activities and carried forward in the Balance Sheet. Depreciation on the relevant assets is charged directly to the restricted fixed asset fund in the Statement of Financial Activities. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land, so as to write off the cost of assets on a straight line basis over their expected useful lives to their residual value as follows:

Long leasehold buildings	10 years or 50 years
Computer equipment	4 years
Fixtures, fittings and equipment	4 years

Included within long leasehold buildings are leasehold improvements which are depreciated on a straight-line basis over the expected useful life of 10 years.

Residual value is calculated at prices prevailing at the reporting date, after estimated cost of disposal, for the asset as if it were at the age and in the condition expected at the end of its useful life.

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

Liabilities

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

Leased assets

Rentals payable under operating leases are charged on a straight line basis over the period of the lease.

OADBY, WIGSTON AND LEICESTERSHIRE SCHOOLS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies (Continued)

Financial instruments

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

Financial assets and liabilities

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

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

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

Derecognition of financial assets and liabilities

A financial asset is derecognised only when the contractual rights to cash flow expire or are settled, or substantially all the risks and the rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

Taxation

The Academy Trust is considered to pass the tests set out in Paragraph 1 Schedule 6 of the 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 of the 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 unit method. The TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently there is insufficient information available to use defined benefit accounting, it is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

OADBY, WIGSTON AND LEICESTERSHIRE SCHOOLS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

1 Accounting policies (Continued)

Pension benefits (continued)

The LGPS is a funded scheme multi-employer scheme and the assets are held separately. 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 reporting date. The amounts charged to net income are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other comprehensive income.

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

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 fixed asset funds are resources which are to be applied to specific capital purposes imposed by funders where the asset acquired or created is held for a specific purpose.

Restricted general funds comprise all other restricted funds received with restrictions imposed by the funder/donor and include grants from the Education and Skills Funding Agency and the Department for Education.

Short-term employment benefits

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

2 Critical accounting estimates and areas of judgement

Accounting 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.

Critical accounting estimates and assumptions

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.

OADBY, WIGSTON AND LEICESTERSHIRE SCHOOLS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

2 Critical accounting estimates and areas of judgement (Continued)

Pension scheme

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 or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 25, 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 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability. The carrying value of the defined benefit pension scheme liability at the year end was £3,113k.

Depreciation

The assessment of the useful economic lives and the method of depreciating fixed assets requires judgement. Depreciation is charged to the Statement of Financial Activities based on the useful economic life selected, which requires an estimation of the period and profile over which the Academy Trust expects to consume the future economic benefits embodied in the assets. The carrying value of tangible fixed assets at the year end was £6,606k

Critical areas of judgement

The judgements (apart from those involving estimation) that have the most significant effect on the amounts recognised in the financial statements are disclosed below:

Leasing

In categorising leases as finance leases or operating leases, management makes judgements as to whether significant risks and rewards of ownership have transferred to the Academy Trust as lessee, or whether the Academy Trust is a lessor.

OADBY, WIGSTON AND LEICESTERSHIRE SCHOOLS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

3 Comparative year information

Year ended 31 August 2018	Unrestricted Funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Funds £'000	Total 2018 £'000
Income and endowments from:				
Donations and capital grants	4	1	521	526
Donations - transfer from local authority on conversion	110	(429)	1,221	902
Charitable activities:				
- Funding for educational operations	-	6,117	-	6,117
Other trading activities	310	-	-	310
Investments	1	-	-	1
Total	425	5,689	1,742	7,856
Expenditure on:				
Raising funds	236	-	-	236
Charitable activities:				
- Educational operations	-	6,508	198	6,706
Total	236	6,508	198	6,942
Net income/(expenditure)	189	(819)	1,544	914
Transfers between funds	(34)	12	22	-
Other recognised gains/(losses)				
Actuarial gains on defined benefit pension schemes	-	381	-	381
Net movement in funds	155	(426)	1,566	1,295

4 Donations and capital grants

	Unrestricted funds £'000	Restricted funds £'000	Total 2019 £'000	Total 2018 £'000
Capital grants	-	120	120	521
Other donations	5	-	5	5
	5	120	125	526

OADBY, WIGSTON AND LEICESTERSHIRE SCHOOLS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

5 Funding for the Academy Trust's educational operations

	Unrestricted funds £'000	Restricted funds £'000	Total 2019 £'000	Total 2018 £'000
DfE / ESFA grants				
General annual grant (GAG)	-	5,600	5,600	5,436
Other DfE group grants	-	781	781	572
	-	6,381	6,381	6,008
Other government grants				
Local authority grants	-	177	177	109
Other incoming resources	-	41	41	-
	-	6,599	6,599	6,117

6 Other trading activities

	Unrestricted funds £'000	Restricted funds £'000	Total 2019 £'000	Total 2018 £'000
Hire of facilities	60	-	60	52
Educational outsourcing	51	-	51	44
Educational operations	281	-	281	214
	392	-	392	310

7 Investment income

	Unrestricted funds £'000	Restricted funds £'000	Total 2019 £'000	Total 2018 £'000
Interest from short term deposits	1	-	1	1

OADBY, WIGSTON AND LEICESTERSHIRE SCHOOLS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

8 Expenditure

	Staff costs £'000	Non Pay Expenditure Premises £'000	Other £'000	Total 2019 £'000	Total 2018 £'000
Expenditure on raising funds					
- Direct costs	-	-	214	214	236
Academy's educational operations					
- Direct costs	4,443	-	227	4,670	4,220
- Allocated support costs	1,212	813	647	2,672	2,486
	<u>5,655</u>	<u>813</u>	<u>1,088</u>	<u>7,556</u>	<u>6,942</u>

Net income/(expenditure) for the year includes:

	2019 £'000	2018 £'000
Operating lease rentals	7	9
Depreciation of tangible fixed assets	194	175
Loss on disposal of fixed assets	1	12
Net interest on defined benefit pension liability	58	54
Fees payable to RSM UK Audit LLP and its associates in respect of both audit and non-audit services are as follows:		
- Audit	27	25
- Other services	5	6
	<u>7</u>	<u>6</u>

9 Charitable activities

	2019 £'000	2018 £'000
All from restricted funds:		
Direct costs		
Educational operations	4,670	4,220
Support costs		
Educational operations	2,672	2,486
	<u>7,342</u>	<u>6,706</u>
	<u>7,342</u>	<u>6,706</u>
	2019 £'000	2018 £'000
Analysis of support costs		
Support staff costs	1,214	1,130
Depreciation	194	187
Premises costs	619	560
Other support costs	610	578
Governance costs	35	31
	<u>2,672</u>	<u>2,486</u>
	<u>2,672</u>	<u>2,486</u>

OADB, WIGSTON AND LEICESTERSHIRE SCHOOLS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

10 Staff

Staff costs

Staff costs during the year were:

	2019 £'000	2018 £'000
Wages and salaries	4,107	3,713
Social security costs	342	311
Pension costs	1,052	944
Staff costs - employed	5,501	4,968
Agency staff costs	154	160
Staff restructuring costs	-	29
	5,655	5,157
Staff development and other staff-related costs	48	31
Total staff expenditure	5,703	5,188
Staff restructuring costs comprise:		
Severance payments	-	29

Staff numbers

The average number of persons employed by the Academy Trust during the year was as follows:

	2019 Number	2018 Number
Teachers	66	65
Administration and support	166	154
Management	7	7
	239	226

Higher paid staff

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

	2019 Number	2018 Number
£60,001 - £70,000	1	-
£70,001 - £80,000	1	-
£80,001 - £90,000	1	1

OADBY, WIGSTON AND LEICESTERSHIRE SCHOOLS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

10 Staff (Continued)

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 pension contributions and employer national insurance contributions) received by key management personnel for their services to the Academy Trust was £607k (2018: £521k).

11 Central services

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

- Financial services
- Legal services
- Administration services

The Academy Trust charges 5% (2018: 5%) of grant income for these services to each academy.

The amounts charged during the year were as follows:

	2019 £'000	2018 £'000
Glenmere Primary School	40	38
Langmoor Primary School	42	41
Little Hill Primary School	75	73
Fernvale Primary School	39	40
Hinckley Parks Primary School	84	81
	<u>280</u>	<u>273</u>

12 Trustees' remuneration and expenses

During the year, one trustee was paid remuneration or received other benefits from their employment with the Academy Trust. The CEO only receives remuneration in respect of services he provides undertaking the roles of principal and staff member under his contract of employment and not in respect of his services as trustee. Other trustees did not receive any payments from the Academy Trust in respect of their role as trustees.

P Merry, the CEO, received remuneration of £89k in 2019 (2018: £87k) and is accruing benefits under the Teachers' Pension Scheme. The contributions paid in the year amounted to £15k (2018: £14k).

During the year ended 31 August 2019, travel expenses of £129 (2018: £1,157) were reimbursed to one Trustee (2018: one).

Other related party transactions involving the Trustees are set out in note 26.

OADBY, WIGSTON AND LEICESTERSHIRE SCHOOLS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

13 Trustees and officers insurance

In accordance with normal commercial practice, the Academy Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Academy Trust business. The insurance provides cover up to £3,000k (2018: £3,000k) on any one claim and the cost for the year ended 31 August 2019 was £1k (2018: £1k). The cost of this insurance is included in the total insurance cost.

14 Tangible fixed assets

	Long leasehold buildings £'000	Computer equipment £'000	Fixtures, fittings and equipment £'000	Total £'000
Cost				
At 1 September 2018	7,032	66	59	7,157
Additions	13	61	25	99
Disposals	-	(2)	-	(2)
At 31 August 2019	7,045	125	84	7,254
Depreciation				
At 1 September 2018	381	39	35	455
On disposals	-	(1)	-	(1)
Charge for the year	148	27	19	194
At 31 August 2019	529	65	54	648
Net book value				
At 31 August 2019	6,516	60	30	6,606
At 31 August 2018	6,651	27	24	6,702

The long leasehold buildings are leased from the local councils of the individual academies and are leased over periods of up to 125 years for a peppercorn rent. No such charge has been made in the current year (2018: £nil).

15 Debtors	2019 £'000	2018 £'000
Trade debtors	11	9
VAT recoverable	44	39
Prepayments and accrued income	60	43
	<u>115</u>	<u>91</u>

OADBY, WIGSTON AND LEICESTERSHIRE SCHOOLS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

16 Creditors: amounts falling due within one year	2019	2018
	£'000	£'000
Other loans (see note 17)	2	2
Other taxation and social security	85	79
Other creditors	93	84
Accruals and deferred income (see note 18)	151	193
	<u>331</u>	<u>358</u>
	<u><u>331</u></u>	<u><u>358</u></u>
17 Creditors: amounts falling due after more than one year	2019	2018
	£'000	£'000
Other loans	10	13
	<u>10</u>	<u>13</u>
Analysis of loans		
Not wholly repayable within five years by instalments	1	4
Wholly repayable within five years	11	11
	<u>12</u>	<u>15</u>
Less: included in current liabilities	(2)	(2)
	<u>10</u>	<u>13</u>
Amounts included above	<u>10</u>	<u>13</u>
Instalments not due within five years	<u>1</u>	<u>4</u>
	<u><u>1</u></u>	<u><u>4</u></u>
Loan maturity		
Debt due in one year or less	2	2
Due in more than one year but not more than two years	2	2
Due in more than two years but not more than five years	7	7
Due in more than five years	1	4
	<u>12</u>	<u>15</u>
	<u><u>12</u></u>	<u><u>15</u></u>

Included within other loans is an interest free Salix energy efficiency loan. The loan is repayable over 8 years and the repayments will be made in 6 monthly instalments of £1k by way of a reduction in the monthly General Annual Grant payments issued by the Education and Skills Funding Agency.

OADBY, WIGSTON AND LEICESTERSHIRE SCHOOLS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

18 Deferred income	2019	2018
	£'000	£'000
Deferred income is included within:		
Creditors due within one year	101	135
	<u> </u>	<u> </u>
Deferred income at 1 September 2018	135	98
Released from previous years	(135)	(98)
Resources deferred in the year	101	135
	<u> </u>	<u> </u>
Deferred income at 31 August 2019	101	135
	<u> </u>	<u> </u>

At 31 August 2019 £76k (2018: £124k) of deferred income related to grants received in advance, £23k (2018: £11k) related to trip income received in advance and £2k (2018: £nil) related to other sundry income received in advance.

19 Financial instruments	2019	2018
	£'000	£'000
Carrying amount of financial assets		
Debt instruments measured at amortised cost	40	29
	<u> </u>	<u> </u>
Carrying amount of financial liabilities		
Measured at amortised cost	(155)	(156)
	<u> </u>	<u> </u>

OADBY, WIGSTON AND LEICESTERSHIRE SCHOOLS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

20 Funds

	Balance at 1 September 2018 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2019 £'000
Restricted general funds					
General Annual Grant (GAG)	-	5,600	(5,741)	141	-
Other DfE / ESFA grants	20	781	(768)	(4)	29
Other government grants	-	177	(177)	-	-
Other restricted funds	-	41	(41)	-	-
Pension reserve	(1,971)	-	(359)	(783)	(3,113)
	<u>(1,951)</u>	<u>6,599</u>	<u>(7,086)</u>	<u>(646)</u>	<u>(3,084)</u>
Restricted fixed asset funds					
Inherited on conversion	5,408	-	(118)	-	5,290
DfE group capital grants	733	120	(99)	4	758
Capital expenditure from GAG	117	-	(30)	41	128
Donated fixed assets	454	-	(9)	-	445
	<u>6,712</u>	<u>120</u>	<u>(256)</u>	<u>45</u>	<u>6,621</u>
Total restricted funds	<u>4,761</u>	<u>6,719</u>	<u>(7,342)</u>	<u>(601)</u>	<u>3,537</u>
Unrestricted funds					
General funds	663	398	(214)	(182)	665
	<u>663</u>	<u>398</u>	<u>(214)</u>	<u>(182)</u>	<u>665</u>
Total funds	<u>5,424</u>	<u>7,117</u>	<u>(7,556)</u>	<u>(783)</u>	<u>4,202</u>

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2019.

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

Restricted general funds

This fund represents grants received for the Academy's operational activities and development. This includes the pension reserve which represents the potential liabilities due by the academy at the year end. From time to time, additional funds are applied as set out above for specific purposes laid down by the grant provider and to be used in the short term.

Restricted fixed asset fund

This fund represents the net book value of fixed assets that the Academy have purchased out of grants received and have been transferred on conversion.

Unrestricted funds

Unrestricted funds represent other incoming resources to the Trust applied for the general purposes of the Trust at the discretion of the Trustees.

OADBY, WIGSTON AND LEICESTERSHIRE SCHOOLS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

20 Funds (Continued)

Funds prior year

	Balance at 1 September 2017 £'000	Income £'000	Expenditure £'000	Gains, losses and transfers £'000	Balance at 31 August 2018 £'000
Restricted general funds					
General Annual Grant (GAG)	-	5,436	(5,448)	12	-
Other DfE / ESFA grants	74	572	(626)	-	20
Other government grants	-	109	(109)	-	-
Other restricted funds	-	1	(1)	-	-
Pension reserve	(1,600)	(429)	(323)	381	(1,971)
	<u>(1,526)</u>	<u>5,689</u>	<u>(6,507)</u>	<u>393</u>	<u>(1,951)</u>
Restricted fixed asset funds					
Transfer on conversion	4,317	1,221	(130)	-	5,408
DfE group capital grants	252	521	(40)	-	733
Capital expenditure from GAG	115	-	(20)	22	117
Donated fixed assets	463	-	(9)	-	454
	<u>5,147</u>	<u>1,742</u>	<u>(199)</u>	<u>22</u>	<u>6,712</u>
Total restricted funds	<u>3,621</u>	<u>7,431</u>	<u>(6,706)</u>	<u>415</u>	<u>4,761</u>
Unrestricted funds					
General funds	<u>508</u>	<u>425</u>	<u>(236)</u>	<u>(34)</u>	<u>663</u>
Total funds	<u>4,129</u>	<u>7,856</u>	<u>(6,942)</u>	<u>381</u>	<u>5,424</u>

OADBY, WIGSTON AND LEICESTERSHIRE SCHOOLS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

20 Funds (Continued)

Total funds analysis by academy

	2019 £'000	2018 £'000
Fund balances at 31 August 2019 were allocated as follows:		
Glenmere Primary School	76	70
Langmoor Primary School	254	219
Little Hill Primary School	143	84
Fernvale Primary School	30	55
Hinckley Parks Primary School	56	91
Central services	135	164
Total before fixed assets fund and pension reserve	694	683
Restricted fixed asset fund	6,621	6,712
Pension reserve	(3,113)	(1,971)
Total funds	4,202	5,424

Total cost analysis by academy

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

	Teaching and educational support staff £'000	Other support staff costs £'000	Educational supplies £'000	Other costs excluding depreciation £'000	Total 2019 £'000	Total 2018 £'000
Glenmere Primary School	701	1	28	259	989	896
Langmoor Primary School	950	6	18	256	1,230	1,255
Little Hill Primary School	1,413	-	18	442	1,873	1,780
Fernvale Primary School	792	-	8	227	1,027	984
Hinckley Parks Primary School	1,585	1	25	416	2,027	1,805
Central services	176	6	-	141	323	236
	5,617	14	97	1,741	7,469	6,956

OADBY, WIGSTON AND LEICESTERSHIRE SCHOOLS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

21 Analysis of net assets between funds

	Unrestricted Funds £'000	Restricted General Funds £'000	Restricted Fixed Asset Funds £'000	Total Funds £'000
Fund balances at 31 August 2019 are represented by:				
Tangible fixed assets	-	-	6,606	6,606
Current assets	665	370	15	1,050
Creditors falling due within one year	-	(331)	-	(331)
Creditors falling due after one year	-	(10)	-	(10)
Defined benefit pension liability	-	(3,113)	-	(3,113)
Total net assets	665	(3,084)	6,621	4,202
	Unrestricted Funds £'000	Restricted funds: General £'000	Fixed asset £'000	Total Funds £'000
Fund balances at 31 August 2018 are represented by:				
Tangible fixed assets	-	-	6,702	6,702
Current assets	663	391	10	1,064
Creditors falling due within one year	-	(358)	-	(358)
Creditors falling due after one year	-	(13)	-	(13)
Defined benefit pension liability	-	(1,971)	-	(1,971)
Total net assets	663	(1,951)	6,712	5,424

22 Commitments under operating leases

At 31 August 2019 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2019 £'000	2018 £'000
Amounts due within one year	7	8
Amounts due between one and five years	8	13
	15	21

OADBY, WIGSTON AND LEICESTERSHIRE SCHOOLS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

23 Reconciliation of net (expenditure)/income to net cash flow from operating activities

	2019 £'000	2018 £'000
Net (expenditure)/income for the reporting period (as per the statement of financial activities)	(439)	914
Adjusted for:		
Net surplus on conversion to academy	-	(902)
Capital grants from DfE and other capital income	(120)	(521)
Interest receivable	(1)	(1)
Defined benefit pension scheme costs less contributions payable	301	269
Defined benefit pension scheme finance cost	58	54
Depreciation of tangible fixed assets	194	175
Loss on disposal of fixed assets	1	12
Movements in working capital:		
(Increase)/decrease in debtors	(24)	19
(Decrease)/increase in creditors	(27)	86
Net cash (used in)/provided by operating activities	(57)	105

24 Members' liability

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

25 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 Leicestershire County Council. Both are multi-employer defined benefit schemes.

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

Included within creditors at 31 August 2019 is an amount of £93k (2018: £84k) relating to pension contributions payable.

Teachers' Pension Scheme

Introduction

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

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis - these contributions along with those made by employers are credited to the Exchequer.

OADBY, WIGSTON AND LEICESTERSHIRE SCHOOLS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

25 Pension and similar obligations (Continued)

Valuation of the Teachers' Pension 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 2016 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 except it has been prepared following the Government's decision to pause the operation of the cost control mechanisms at the time when legal challenges were still pending. The valuation report was published in April 2019.

The key results of the valuation and subsequent consultation are:

- Total scheme liabilities for service (pensions currently payable and the estimated cost of future benefits) of £218 billion
- Value of notional assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) of £196 billion
- Notional past service deficit of £22 billion
- Discount rate is 2.4% in excess of CPI

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

The pension costs paid to the TPS in the period amounted to £410k (2018: £367k).

The TPS is a multi-employer pension plan and there is insufficient information to account for the scheme as a defined benefit plan so it is accounted for as a defined contribution plan.

Local Government Pension Scheme

The LGPS is a funded defined-benefit pension scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 25.3% for employers and 5.5% to 12.5% 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.

Total contributions made	2019 £'000	2018 £'000
Employer's contributions	341	308
Employees' contributions	81	79
	<hr/>	<hr/>
Total contributions	422	387
	<hr/>	<hr/>

OADBY, WIGSTON AND LEICESTERSHIRE SCHOOLS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

25 Pension and similar obligations (Continued)

Principal actuarial assumptions

The following information is based upon a full actuarial valuation of the fund at 31 March 2016 updated to 31 August 2019 by a qualified independent actuary.

	2019 %	2018 %
Rate of increase in salaries	3.3	3.4
Rate of increase for pensions in payment/inflation	2.3	2.4
Discount rate for scheme liabilities	1.8	2.8

The assumed life expectations on retirement age 65 are:

	2019 Years	2018 Years
Retiring today		
- Males	21.2	22.1
- Females	23.4	24.3
Retiring in 20 years		
- Males	22.2	23.8
- Females	24.7	26.2

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

	2019 Fair value £'000	2018 Fair value £'000
Equities	1,838	1,613
Bonds	982	703
Property	253	234
Other assets	95	52
Total fair value of assets	3,168	2,602

The actual return on scheme assets was £181,000 (2018: £109,000).

Amount recognised in the Statement of Financial Activities

	2019 £'000	2018 £'000
Current service cost	642	577
Net interest cost	58	54
Total operating charge	700	631

OADBY, WIGSTON AND LEICESTERSHIRE SCHOOLS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

25 Pension and similar obligations (Continued)

Changes in the present value of defined benefit obligations	2019 £'000
At 1 September 2018	4,573
Current service cost	555
Interest cost	136
Employee contributions	81
Actuarial loss/(gain)	886
Benefits paid	(37)
Past service cost	87
	<hr/>
At 31 August 2019	6,281
	<hr/>
Changes in the fair value of the Academy Trust's share of scheme assets	2019 £'000
At 1 September 2018	2,602
Interest income	78
Return on plan assets (excluding net interest on the net defined pension liability)	103
Employer contributions	341
Employee contributions	81
Benefits paid	(37)
	<hr/>
At 31 August 2019	3,168
	<hr/>

26 Related party transactions

All transactions involving related parties or connected parties are conducted at arm's length and in accordance with the requirements of the AFH, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, the trust's financial regulations and normal procurement procedures, unless otherwise stated.

The following related party transactions took place in the period of account.

During the year, the Academy Trust received income amounting to £nil (2018: £9k) from Oadby Learning Partnership Limited where P Merry was a director until 27 November 2018. Also during the year, the Academy Trust made purchases amounting to £4k (2018: £4k) from Oadby Learning Partnership Limited.

At the 31 August 2019, the Academy Trust was owed £nil (2018: £1k) from Oadby Learning Partnership Limited.

During the year, the Academy Trust made purchases of £nil (2018: £100) from the wife of P Merry.

Also certain trustees' remuneration and expenses are already disclosed in note 12. Key management personnel disclosures are included in note 10.

OADBY, WIGSTON AND LEICESTERSHIRE SCHOOLS ACADEMY TRUST

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2019

27 Post balance sheet events

On 1 September 2019 a new primary school, New Lubbethorpe, was transferred to the Academy Trust on a 125 year lease with the Local Authority.