

**SAPIENTIA EDUCATION TRUST**  
**(A Company Limited by Guarantee)**

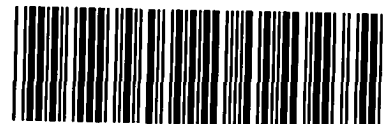
**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**YEAR ENDED 31 AUGUST 2023**



**Company Registration Number:**  
**07466353 (England and Wales)**

FRIDAY



\*ACHXFDTP\*

A25

08/12/2023

#8

COMPANIES HOUSE

## **SAPIENTIA EDUCATION TRUST**

### **CONTENTS**

	<b>Page</b>
Reference and Administrative Details	1 - 2
Trustees' Report	3 - 17
Governance Statement	18 - 24
Statement on Regularity, Propriety and Compliance	25
Statement of Trustees' Responsibilities	26
Independent Auditor's Report on the Financial Statements	27 - 29
Independent Reporting Accountant's Report on Regularity	30 - 31
Statement of Financial Activities incorporating Income and Expenditure Account	32
Balance Sheet	33
Statement of Cash Flows	34
Notes to the Financial Statements	35 - 60

## **SAPIENTIA EDUCATION TRUST**

### **Reference and Administrative Details**

#### **Members**

Mr P Norton (Chair)  
Mrs M Abel  
Mrs S Dinneen OBE  
Professor J Last OBE (resigned 9 August 2023)  
Mr P Rout

#### **Directors (Trustees)**

Mr P Rout (Chair)  
Mr J Taylor (Chief Executive Officer and Accounting Officer)  
Mr I Baker  
Mrs L Cornell (appointed 1 September 2023)  
Mr F Davey  
Mrs J Dwyer  
Mr R Hill  
Mr R Margand (Vice-Chair)  
Mr T North  
Mrs P Sheppard  
Mr A Underwood OBE (resigned 4 August 2023)

### **SET Leadership Team**

#### **Chief Executive Officer**

Mr J Taylor

#### **Deputy CEO and Wyndham College Principal**

Mrs Z Fisher

#### **Chief Operating Officer/Company Secretary**

Mr R Moorhouse MBE

#### **Director of Education**

Mrs E Davies

#### **Director of Secondary**

Mr A Robinson

#### **Chief Financial Officer**

Mr S Dewing

#### **Director of Operations and Contracts**

Mr M Harnan

#### **HR Director**

Mrs T Smith

## **SAPIENTIA EDUCATION TRUST**

### **Reference and Administrative Details (continued)**

<b>Company Name</b>	Sapientia Education Trust
<b>Principal and Registered Office</b>	Wymondham College Golf Links Road Wymondham Norfolk NR18 9SZ
<b>Company Registration Number</b>	07466353 (England and Wales)
<b>Independent Auditor</b>	Lovewell Blake LLP Chartered Accountants and Statutory Auditor Bankside 300 Peachman Way Broadland Business Park Norwich NR7 0LB
<b>Bankers</b>	NatWest Bank plc 21 Gentleman's Walk Norwich NR2 1NA
<b>Solicitors</b>	NP Law Limited 7 St. Andrews Street Blackburn Lancashire BB1 8AE

## **SAPIENTIA EDUCATION TRUST**

### **TRUSTEES' REPORT (including Strategic Report) for the year ended 31 August 2023**

#### **Trustees' Report**

The Trustees present their annual report together with the consolidated financial statements and auditor's reports of the charitable company and group for the period 1 September 2022 to 31 August 2023. The annual report serves the purposes of both a trustees' report, and a directors' report under company law.

The Trust operates the following schools:

1. Wymondham College (became an Academy on 1 February 2011)
2. Old Buckenham Primary School (joined the Trust on 1 September 2016)
3. Seething and Mundham Primary School (joined the Trust on 1 April 2017)
4. Burston Primary School (joined the Trust on 1 June 2017)
5. Tivetshall Primary School (joined the Trust on 1 June 2017)
6. Rockland St Mary Primary School (joined the Trust on 1 September 2017)
7. Surlingham Primary School (joined the Trust on 1 September 2017)
8. Great Hockham Primary and Nursery School (joined the Trust on 1 November 2017)
9. Stradbroke High School (joined the Trust on 1 December 2017)
10. Ghost Hill Infant and Nursery School (joined the Trust on 1 April 2018)
11. Framingham Earl High School (joined the Trust on 1 May 2018)
12. Old Buckenham High School (joined the Trust on 1 September 2018)
13. White House Farm Primary School (joined the Trust on 1 September 2019)
14. Attleborough Academy (joined the Trust on 1 June 2020)
15. Fakenham Academy (joined the Trust on 1 June 2020)
16. Wymondham College Prep School (joined the Trust on 1 September 2020)
17. City Academy Norwich (joined the Trust on 1 September 2022)

#### **Structure, Governance and Management**

##### **Constitution**

The Trust is a company limited by guarantee and an exempt charity. The charitable company's Memorandum and Articles of Association dated 1 February 2011 are the primary governing documents of the Trust. A deed of variation of the funding agreement was issued on 1 March 2016. The Trustees of Sapienia Education Trust are also the directors of the charitable company for the purposes of company law. The charitable company is known as Sapienia Education Trust.

Details of the Trustees who served during the year and to the date these accounts are approved are included in the Reference and Administrative Details on page 1.

##### **Members' Liability**

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

## **SAPIENTIA EDUCATION TRUST**

### **TRUSTEES' REPORT (including Strategic Report) for the year ended 31 August 2023**

#### **Structure, Governance and Management (continued)**

##### **Trustees' Indemnities**

Subject to the provisions of the Companies Act, every Trustee or other officer or auditor of the Trust shall be indemnified out of the assets of the Trust against any liability incurred by them in that capacity in defending any proceedings, whether civil or criminal, in which judgement is given in favour or in which they are acquitted or in connection with any application in which relief is granted to them by the court from liability for negligence, default breach of duty or breach of trust in relation to affairs of the Trust.

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

The number of Trustees shall be not less than three but shall not be subject to any maximum. The term of office for any Trustee shall be four years; this time limit shall not apply to the CEO. Subject to remaining eligible to be a particular type of Trustee, any Trustee may be reappointed or re-elected.

The members shall appoint Trustees save that no more than one individual appointed as a Trustee shall be an employee of the Trust.

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

All Trustees, on appointment, receive a briefing from the Governance Professional (formerly Clerk to the Trustees) and a set list of supporting documentation. The Trust arranges its own Trustee training and training for Governors who serve at Local Governing Body level.

##### **Organisational Structure**

During 2022/22 the Trust's organisational structure consisted of four levels: the Members, Board of Trustees, the Local Governing Body and the Executive at each school. The Executive are the Executive Principal/Headteacher and Senior Leadership Team. Below the Senior Leadership Team there may be other groups according to the requirements of each individual school e.g., at Wymondham College there are Heads of House and Heads of Department meetings.

The Board of Trustees undertook a review of governance arrangements during 2022 in light of the growth of the Trust and to ensure that structures continue to meet the needs of the Trust's schools. On 1 September 2022 the Trust's existing Local Governing Bodies were disbanded and two new sub-committees were created. In addition, Parent Panels were created at each school to enhance parental voice within the Trust.

## **SAPIENTIA EDUCATION TRUST**

### **TRUSTEES' REPORT (including Strategic Report) for the year ended 31 August 2023**

#### **Structure, Governance and Management (continued)**

##### **Organisational Structure (continued)**

The Board of Trustees has the following sub - committees:

- **Finance Committee** which oversees all financial issues for the Trust and reports to the Board of Trustees.
- **Infrastructure Committee** which oversees all infrastructure issues for the Trust including Health & Safety matters; the Committee reports to the Board of Trustees.
- **Audit and Risk Committee** which oversees audit and risk matters for the Trust and reports to the Board of Trustees.
- **Human Resources and Remuneration Committee** which oversees human resources and remuneration matters for the Trust and reports to the Board of Trustees.
- **Education, Primary Education and Secondary Education Committees** oversee education matters for the Trust and report to the Board of Trustees, they replaced the previous Standards Committees on 1 September 2022.
- **Boarding Committee** was created on 1 September 2022 and oversees boarding standards for the Trust and reports to the Board of Trustees.
- **Local Compliance Committee** was created on 1 September 2022 and oversees school level policies for the Trust and reports to the Board of Trustees.

The sub-committees receive consolidated reports capturing the relevant information from each school in a common format to allow the sub-committee members to assess performance data across all schools. The sub-committees then report to the Board of Trustees.

The Trustees have approved a scheme of financial delegation that allows budgetary responsibility to be delegated, through the CEO, to the lowest effective level.

Board sub-committees are responsible for setting specific school policy, maintenance of standards and approving and monitoring performance and delivery against the strategic plan. The Headteacher at each school is responsible, along with their Senior Leadership team for implementing the policies approved by the Trust Board.

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

The pay levels of senior staff at all Trust schools are reviewed annually, reported to and approved by the Board of Trustees. Any decisions about pay rises are based on a combination of national pay agreements, performance and inflation.

#### **Related Parties and other Connected Charities and Organisations**

Sapientia Lettings Limited (formerly Wymondham College Enterprises Limited) is a fully owned subsidiary company of Sapientia Education Trust. Until 31 August 2021 the company's principal activity was the running of the breakfast and after-school clubs, these activities were transferred to Sapientia Education Trust with effect from 1 September 2021 and therefore the company was dormant during 2021/22. The company's name was changed on 7 July 2022 by ordinary resolution to reflect the intention for the company to manage the Trust's letting activity from 1 September 2022. The subsidiary company is consolidated within these accounts.

## SAPIENTIA EDUCATION TRUST

### TRUSTEES' REPORT (including Strategic Report) for the year ended 31 August 2023

#### Structure, Governance and Management (continued)

##### Trade union facility time

The Trade Union (Facility Time Publication Requirements) Regulations 2017 require relevant public sector employers to publish specified information related to facility time taken by trade union officials. The relevant information related to Sapientia Education Trust between 1 April 2022 and 31 March 2023 is published below:

##### Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
12	828

##### Percentage of time spent on facility time

Percentage of time	Number of employees
0%	0
1-50%	12
51-99%	0
100%	0

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

Provide the total cost of facility time	£0
Provide the total pay bill	£39,579k
Provide the percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time / total pay bill) x 100	0%

##### Paid trade union activities

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

#### Engagement with employees (including disabled persons)

The Trust engages with employees in the following ways:

- Termly meetings of the Joint Consultative Committee (Trade Union Regional Representatives and Trust senior staff)
- Information and Consultation with Employees Committee at school level where appropriate
- Half-termly Staff newsletter to all employees from the CEO and senior Trust staff
- Trust performance management system
- Staff voice monitored at Trust Committee level and reported, where appropriate, the Trust Board
- Feedback through staff questionnaires
- Feedback via leavers exit interviews
- The Trust welcomes employment applications from all members of the community and will make appropriate adjustments for staff with disabilities as well as making adjustments for staff who develop disabilities during their employment



## **SAPIENTIA EDUCATION TRUST**

### **TRUSTEES' REPORT (including Strategic Report) for the year ended 31 August 2023**

#### **Structure, Governance and Management (continued)**

##### **Engagement with suppliers, customers and others in a business relationship with the Trust**

The Trust engages with stakeholders in the following ways:

- Termly CEO newsletters to all schools to be passed on to their local communities
- Schools have their own regular newsletters issued to their own stakeholders as well as engaging in various social media platforms
- Pupil voice captured at each Trust schools and each school has its own 'school council' structure to hear pupil voice
- The Trust has a series of regular meetings with contracted suppliers throughout the course of the academic year to review progress and delivery against contract

#### **Objectives and Activities**

##### **Objects and Aims**

The principal object and activity of the Trust is to advance for public benefit the provision of education in the United Kingdom. In doing so it meets the requirements of the Funding Agreement signed by the Secretary of State for Education. It ensures that all Trust schools provide a balanced and broad curriculum and it approves each individual school's Admissions Policy to ensure it meets the requirements of the Schools Admissions Code.

##### **Objectives, Strategies and Activities**

The Board's Trust Vision is:

**"To provide a world class education locally, enabling every pupil to flourish"**

Strategic intent:

- To deliver an education that is holistic and broad ranging, of high quality in and beyond the classroom
- To ensure opportunities to achieve are available for all
- To harness and develop the talents that exist in the Trust
- To meet the professional needs of staff, sharing best practice, with a strong commitment to personal development

In meeting this intent the Trust will be:

- Responsive to schools as they join the Trust, valuing the unique qualities/individualism of each Trust school, whilst recognising the need for all schools to deliver the strategic intents of the Trust
- Run on sound and ethical business principles, offering a structure whereby resources and expertise can be focused across all of the schools, keeping down back-office costs and driving up standards

The Trust Strategic Plan is reviewed and evaluated annually by Trustees. The Strategic Plan for the next three year period was reviewed and approved by Trustees in the Summer 2023. A summary of the achievements during the course of the year up until 31 August 2023 is outlined in achievements and performance below.

## **SAPIENTIA EDUCATION TRUST**

### **TRUSTEES' REPORT (including Strategic Report) for the year ended 31 August 2023**

#### **Objectives and Activities (continued)**

The main objectives of the Trust for the year ended 31 August 2023 are summarised as follows:

- Pupils experience excellent learning opportunities – through exceptional teaching and support, and access to high quality resources and opportunities.
- Pupils achieve more, and make better progress, by attending a SET school than would otherwise be expected. We add value.
- Pupils have access to and participate in a wide range of extra-curricular clubs and activities.
- Staff are provided with opportunities for professional development, networking and sharing best practice.
- Financial resources are used to improve and maintain high standards.
- Accommodation and premises are 'fit for purpose'.
- Pupils are provided with high quality care and pastoral support.
- Developing a MAT that is locally based, serving pupils in Norfolk and Suffolk.

#### **Public Benefit**

The key public benefit delivered by the Trust is the maintenance and delivery of high-quality day and boarding education to the children of Norfolk and others. In addition, the Trust has provided support to schools outside of the Trust through the National Leaders in Education programme and an intensive support programme that ESFA facilitated.

The Trustees confirm that they have had due regard to the Charity Commission's guidance on public benefit.

### **Strategic Report**

#### **Achievements and Performance**

In the year leading up to 31 August 2023 the following was achieved:

- City Academy Norwich joined the Trust in September 2022. The school was inspected by Ofsted shortly after joining, leaving minimal time for the Trust to have a positive impact on standards. The school was rated as inadequate, and an improvement plan has been put in place.
- The Trust entered into a partnership agreement to provide governance, finance, HR, and leadership services to Seckford Education Trust, a four school multi-academy Trust in Suffolk, following a request from DfE and ESFA. As part of this agreement Mr J Taylor (CEO) and Mr S Dewing (CFO) have taken on these respective roles for Seckford Education Trust, no remuneration is received by them personally for these roles.
- The Trust continued to invest in estate infrastructure. In the past year, numerous estate projects have been delivered including further improvements to the car parking layout at Framingham Earl High School, extensive toilet refurbishment work at Fakenham Academy, replacement of the fire alarm system at Old Buckenham High School, fire door installation in boarding houses at Wymondham College and accessibility works at Attleborough Academy, Great Hockham Primary School and Tivetshall Primary School.
- Wymondham College Prep School was judged as 'outstanding' by Ofsted in its first inspection. Framingham Earl High School and Old Buckenham High School were both rated as 'good' during the year.
- Pupil numbers were maintained or grew across the Trust, except for reduced boarding numbers at Wymondham College. This reflects the national trend, and the College remains the largest state boarding school nationally.

## SAPIENTIA EDUCATION TRUST

### TRUSTEES' REPORT (including Strategic Report) for the year ended 31 August 2023

#### Achievements and Performance (continued)

- Extra central team capacity was added to support SEND provision and a new Director of Secondary joined in January 2023.
- In March 2023 Wymondham College was unfortunately subject to an advanced ransomware attack. The Trust, with DfE support, was able to successfully rebuild the system and minimise disruption to pupils' education. The new system has improved the school's security and the learnings of the attack have resulted in revised procedures to protect all Trust schools.
- Enhancing extra-curricular provision and SEND were two key focus areas across the Trust.
- The Sapientia Academy of Learning ran a programme of training activities focussed on leadership throughout the year. Including further development of our subject networks, SEND support and DSL support.
- The Trust invested in developing the 'Write stuff' to support writing in primary schools and developed new approaches to phonics across the Trust's primary schools.
- Key Stage 2 SATs outcomes improved with a 5-point increase in the overall combined score, with greater depth achieved. There was some variability, although in several schools the cohort size is small. Phonics results were strong, remaining above national levels.
- GCSE outcomes were positive across the majority of Trust secondary schools. Stradbroke High School was Suffolk's highest performing school in the key 5+EM measure, whilst Framingham Earl and Wymondham College remained amongst the highest performing schools in Norfolk. Progress 8 measures were positive at Attleborough Academy, Framingham Earl High School, Old Buckenham High School, Stradbroke High School, and Wymondham College.
- City Academy Norwich and Fakenham Academy were less successful in terms of outcomes, though both improved from previous measures.
- A-Level outcomes remained strong at Attleborough Academy and Wymondham College, whilst also improving at Fakenham Academy.
- Overall attendance levels were above national across the Trust, although City Academy Norwich was below national levels and a significant focus. The Trust was asked to lead an attendance strand of the DfE's Norwich Priority Board.
- The Trust's CEO engaged in NLE work with two schools outside of the Trust and continued to be a member of the Norfolk Learning board. The Trust's CFO became a member of Schools Forum in both Norfolk and Suffolk during the year.
- The Trust met its aims and objectives from the income received for the period. The effective management of cashflow and scheduling of capital expenditure meant that the Trust's cash balances were never exceeded by commitments. The majority of schools in the Trust met their planned carry-forward targets at the end of the year with the exceptions of Wymondham College Prep School and Framingham Earl High School. The underlying causes of these issues are being addressed.

#### Key Performance Indicators

A summary of the high level KPIs for the Trust are set out below:

	2023	2022
Pupil numbers	6,567	5,717
Staff costs as a % of income (exc. donated assets & school transfers)	72.9%	81.0%
In year surplus/(deficit) on revenue funds	£449k	(£3,006k)
Revenue reserves	£2,822k	£2,546k
Revenue reserves as a % of income (exc. donated assets & school transfers)	5.0%	5.6%

## SAPIENTIA EDUCATION TRUST

### TRUSTEES' REPORT (including Strategic Report) for the year ended 31 August 2023

#### Achievements and Performance (continued)

A summary of the KPIs for the Trust secondary schools are set out below:

School	Ofsted rating (year inspected)	Progress 8 (banding)
Wymondham College	Outstanding (2023)	0.33 (above average)
Stradbroke High School	Good (2018)	0.67 (well above average)
Framingham Earl High School	Good (2022)	0.20 (average)
Old Buckenham High School	Good (2023)	0.08 (average)
Attleborough Academy	Good (2021)	0.22 (average)
Fakenham Academy	Good (2019)	-0.29 (below average)
City Academy Norwich	Inadequate (2022)	-0.7 (well below average)

A summary of the KPIs for the Trust primary schools are set out below:

School	Ofsted rating (year inspected)
Old Buckenham Primary School and Nursery	Good (2019)
Seething and Mundham Primary School	Requires improvement (2020)
Burston Community Primary School	Good (2021)
Tivetshall Community Primary School	Good (2021)
Rockland St Mary Primary School	Good (2022)
Surlingham Primary School	Good (2022)
Great Hockham Primary School and Nursery	Good (2021)
Ghost Hill Infant and Nursery School	Outstanding (2010)
White House Farm	Not yet inspected
Wymondham College Prep School	Outstanding (2023)

#### Going concern

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

## SAPIENTIA EDUCATION TRUST

### TRUSTEES' REPORT (including Strategic Report) for the year ended 31 August 2023

#### Achievements and Performance (continued)

##### Promoting the success of the company

The Trustees of Sapientia Education Trust consider, both individually and collectively, that they have acted in the way they would consider, in good faith, would be most likely to promote the success of the Trust for the benefit of the staff, students and stakeholders at all of our Schools while meeting the terms of the funding agreement the Trust has with the Secretary of State. The future plans for the Trust are laid out in the SET Strategic Plan which is reviewed by the Board of Trustees on an annual basis.

- Values and Culture. The plan underpins the Trust Mission statement as shown elsewhere in this report. It aims to ensure that all children at all Trust schools receive the best possible education while they are with us and that we promote and deliver continual professional development to all our staff.
- Employees. Our staff are fundamental to the success of the Trust, and we aim to be a responsible employer in the pay and benefits staff receive. Additionally, our programme of Health and Safety management and inspection supports our commitment to the well-being of staff and the safety of their working environment.
- Stakeholders. We engage at all levels of our operation to understand the views and concerns of our staff, students and parents as well as the wider local community our schools serve. Schools will undertake local surveys to better understand how they might serve their local community, and this will be reported through to the Local Governing Body, the Trust Committee structure (as outlined elsewhere in this report) and to the Board. Local Governing Body representation includes parental representation as well as other stakeholders who bring a unique set of skills to support the schools. Regular contact with stakeholders through newsletters and engagement with social media is an important part of our wider engagement with our school communities.
- Management of Risk. The management of risk is an integral part of all Trust work. Risk is managed through daily operational activities, supported by the work of the Trust's Health and Safety inspection programme. At the strategic level, each Trust Committee (as detailed elsewhere in this report) consider risks relevant to their area of responsibility on a termly basis with the Board receiving a Trust risk report each term. The full Risk Register is reviewed annually, and the Trust Internal Auditors reviewed risk analysis at Board level in the Spring Term 2022. Assessment of risk at all levels is part of our arching aim to deliver the highest standards of business conduct and operation.
- Impact on the local community and environment. The Trustees are cognisant of the impact of our schools in their local community. At local level, schools engage with local stakeholders about how they can minimise their environmental impact. We strive to use education to drive positive environmental change amongst our students and staff and in the wider community.

The Board of Trustees act in a responsible manner and ensure that Trust management operate in a responsible manner in accordance with best practice and good governance as well as those behaviours that would be expected in a multi academy trust responsible for the delivery of high-quality education to children. We also seek to act in the best interests of our beneficiaries having due regard to both Department of Education and Charity Commission guidance. We aim to cement our reputation for quality, fairness and responsible behaviour through our actions.

## **SAPIENTIA EDUCATION TRUST**

### **TRUSTEES' REPORT (including Strategic Report) for the year ended 31 August 2023**

#### **Financial Review**

Most of the Trust's income is obtained either from the ESFA in the form of recurrent grants, the use of which is restricted to particular purposes, or fee income for the provision of boarding. The grants received from ESFA during the year ended 31 August 2023 and the associated expenditure are shown as restricted funds in the statement of financial activities.

During the year ended 31 August 2023, the Trust (and its subsidiary) received income of £41,250k (2022: £32,953k) in respect of General Annual Grant and other ESFA funding, £8,060k (2022: £7,655k) boarding fee and associated income, £19,123k (2022: £Nil) from existing academies joining the Trust, £Nil (2022: £6,785k) from donated fixed assets, £2,597k (2022: £1,927k) in the form of capital grants and donations, £Nil (2022: £1k) teaching school income, and £4,288k (2022: £2,887k) other income, giving total income of £75,318k (2022: £52,208k) for the period. Expenditure for the period amounted to £59,975k (2022: £51,068k).

Excluding pension and fixed asset reserves the Trust generated a surplus of £449k (2022: £3,006k)

The 2022/23 in-year surplus (changes in balance of restricted general funds, excluding pension reserves, plus unrestricted reserves) amounted to £284k (2022: £570k).

The Trust receives grants for fixed assets from ESFA. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2019), 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 charge over the expected useful life of the assets concerned.

At 31 August 2023 the net book value of fixed assets was £105,710 (2022: £91,121k) and movements in tangible fixed assets are shown in note 12 to the financial statements. The assets were used exclusively for providing education and the associated support services to the pupils of the Trust.

#### **Reserves Policy**

The Trustees have reviewed reserve levels and believe that they should provide sufficient working capital to cover delays between spending and receipt of grants to allow for unexpected situations such as urgent maintenance work. The Trust excludes deposits received and funding held on behalf of third parties (e.g. bursary funding) in assessing its reserves position. The Trust holds cash reserves of £1,219k (2022: £1,081k) in relation to boarding deposits for the 2023/24 year which are included in creditors as at 31 August 2023.

The Trust held consolidated fund balances at 31 August 2023 of £111,190k (2022: £94,568k) comprising a surplus of £110,297k (2022: £93,843k) of restricted funds and a surplus of £803k (2022: £725k) of unrestricted income funds. The restricted funds balance comprises of fixed asset funds surplus of £108,368k (2022: £93,474k), restricted income fund surplus of £1,929k (2022: £1,821k) and pension deficit of £Nil (2022: £1,452k).

As at 31 August 2023 the Trust's actual position of reserves (restricted general funds, excluding pension reserves, plus unrestricted funds) stood at a balance of £2,822k (2022: £2,546k). The Trustees monitor reserves as a percentage of Trust income (excluding asset donations) and the position as at 31 August 2023 represents 5.0% (2022: 5.6%) of income (excluding asset donations) and is in line with Trustee expectations.

#### **Investment Policy**

The Trust aims to manage its cash balances to provide for the day-to-day working capital requirements of its operations, whilst protecting the real long-term value of any surplus cash balances against inflation. The Trust aims to invest surplus cash funds to optimise returns, while minimising the risk of loss of these cash funds.

## **SAPIENTIA EDUCATION TRUST**

### **TRUSTEES' REPORT (including Strategic Report) for the year ended 31 August 2023**

#### **Principal Risks and Uncertainties**

The Trustees have identified and reviewed the major risks to which the Trust is exposed and have established systems and procedures to manage these risks.

The Audit and Risk Committee have identified the top five risks faced by Sapienia Education Trust as:

- Uncertainty about central government funding to schools that is under increasing pressure, including the impact of Norfolk County Council's top-slicing funding from rural schools.
- The financial impact of low or reduced pupil numbers at Trust schools.
- The impact of cost-of-living pressures on schools, parents/carers and students.
- Ensuring high quality SEND provision across all Trust schools.
- Recruitment and retention of high-quality staff in key areas.

#### **Financial and Risk Management Objectives and Policies**

The Trustees have responsibility to assess the strategic risks to which the Trust is exposed and have completed a risk management register to ensure that steps are taken to mitigate risks. Trustees have adopted the risk-assessment methodology contained in the Charities Commission risk management leaflet CC26.

This is done through the sub-committees and includes educational risks such as the Trust not achieving the planned educational outcomes and maintenance and improvement on previous examination results, whole or partial building loss, financial and operational risks, including budget risks and health and safety reviews and safeguarding students. In this way steps are taken to mitigate risk. Some significant risks such as public and employee liability are covered by the Trust's insurance policy.

Each Board Committee is responsible for managing their area of the risk register. Each Board Committee reviews their area of the risk register at each meeting and it is amended/updated as appropriate. Where a significant risk is identified, this is reported to the Board at each Board meeting. Overall monitoring of the risk register is overseen by the Audit & Risk Committee, with the full risk register reviewed at least annually.

The Trust Estate Management Plan (EMP) outlines the Trustees' approach to all aspects of school estate management to ensure that the Trust's estate is safe, well maintained and complies with statutory obligations. The EMP is built around the 'Good Estate Management for Schools (GEMS)' DfE guidance and is overseen by the Trustees Infrastructure Committee. The Trust employs a very experienced team of estate management practitioners that have experience across a range of estate management disciplines, and which is complimented by a specialist in-house Health & Safety team. Estate work is prioritised to address compliance issues that are identified from several sources: statutory servicing, condition inspections by either the DfE (CDC programme) or the Local Authority and the Trust's own programme of termly Health & Safety inspections. The annual works programme includes all statutory maintenance inspections and a programme of capital works to meet compliance and condition need and, where appropriate, energy improvement measures. In the Autumn Term 2022, the Trust received an inspection from the HSE as part of their programme of school inspections assessing the management of asbestos. The Trust procedures and processes were judged to be fully compliant with the Trust's obligations under the Control of Asbestos Regulations 2012.

#### **Fundraising**

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

## SAPIENTIA EDUCATION TRUST

### TRUSTEES' REPORT (including Strategic Report) for the year ended 31 August 2023

#### Streamlined Energy and Carbon Reporting

UK Greenhouse gas emissions and energy use data for the period:	1 September 2022 to 31 August 2023	1 September 2021 to 31 August 2022
Energy consumption used to calculate emissions (kWh)	13,169,065	15,817,216
Energy consumption breakdown (kWh) (optional) <ul style="list-style-type: none"> <li>Gas</li> <li>Electricity</li> <li>Transport fuel</li> </ul>		
<u>Scope 1 emissions in metric tonnes CO<sub>2</sub>e</u>		
Gas consumption	1,657.86	2,395.94
Owned transport – mini-buses	126.71	39.73
<u>Total scope 1</u>	<u>1,784.57</u>	<u>2,435.67</u>
<u>Scope 2 emissions in metric tonnes CO<sub>2</sub>e</u>		
Purchased electricity	817.60	542.36
<u>Scope 3 emissions in metric tonnes CO<sub>2</sub>e</u>		
Business travel in employee-owned vehicles	20.29	5.15
<u>Total gross emissions in metric tonnes CO<sub>2</sub>e</u>	<u>2,622.46</u>	<u>2,983.18</u>
<u>Intensity ratio</u>		
<u>Tonnes CO<sub>2</sub>e per pupil</u>	<u>0.40</u>	<u>0.52</u>

The Trust's operations have an intensity metric of 0.40 tCO<sub>2</sub>e per pupil (2022: 0.52), a reduction in the operational carbon intensity of 23.47% from last year ending August 2022.

The Trust's scope 1 direct and 3 indirect emissions (combustion of natural gas and transportation fuels) for this reporting year are 1,804.87 tCO<sub>2</sub>e, resulting from the direct combustion of 9,220,764 kWh of fuel. This represents a carbon reduction of 26.05% from last year ending August 2022. Scope 2 indirect emissions (purchased electricity) for this reporting year are 817.59 tCO<sub>2</sub>e, resulting from the consumption of 3,948,301 kWh of electricity purchased and consumed in day-to-day business operations. This represents a carbon increase of 50.75% from last year ending August 2022.

#### Quantification and reporting methodology

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2023 UK Government's Conversion Factors for Company Reporting.

#### Intensity measurement

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



## **SAPIENTIA EDUCATION TRUST**

### **TRUSTEES' REPORT (including Strategic Report) for the year ended 31 August 2023**

#### **Streamlined Energy and Carbon Reporting (continued)**

##### **Measures taken to improve energy efficiency**

We are committed to year-on-year improvements in our operational energy efficiency. As such, a register of energy efficiency measures available to us has been compiled, with a view to implementing these measures in the next five years. Measures taken in 2022/23 include:

- Installation of double-glazed windows and doors at Wymondham College, Old Buckenham High School, Framingham Earl High School, Fakenham Academy, and Ghost Hill Infant School in the year.
- Installation of LED lighting units at Wymondham College and City Academy Norwich.
- Installation of new boilers at Wymondham College, Old Buckenham High School, and Stradbroke High School.
- Replaced inefficient and outdated computer hardware and servers with more energy-efficient units.
- At Old Buckenham High School replaced kitchen ovens with more efficient units.

## **SAPIENTIA EDUCATION TRUST**

### **TRUSTEES' REPORT (including Strategic Report) for the year ended 31 August 2023**

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

For the coming financial year, the Trust plans to implement the following key objectives:

Centrally the Trust plan for future periods include:

- Further develop capacity within the Trust Central Team commensurate with the growth of the Trust, including personalised learning and support for schools facing challenge.
- Focus on improving outcomes in the primary phase, especially in writing.
- Review the curriculum offer in all schools, to ensure clear intent, implementation and impact.
- Further develop our professional development offer.
- Introduce a trust wide ICT programme, including central team ICT function.
- Further develop inter-school support – including subject networks.
- Review Trust data systems to ensure they continue to support school and Trust improvement.
- Continue to support Seckford Education Trust through the partnership agreement and work towards the three remaining schools (SET Beccles, SET Ixworth and SET Felix) transferring to Sapienia Education Trust in 2024.

Across the Trust's non-boarding secondary schools the plan for future periods include:

- Review the curriculum offer in all schools, to ensure clear intent, implementation and impact.
- Support vulnerable learners and enhance our SEND offer.
- Support the national programme on attendance levels and lead Norwich Improvement Board project on behalf of all city schools.
- Review and improve outcomes for pupil premium students across all schools.
- At Stradbroke High School, Framingham Earl High School, and Attleborough maintain improvements in GCSE outcomes, as measured by progress 8.
- At City Academy Norwich and Fakenham Academy improve GCSE outcomes, as measured by progress 8.
- At City Academy Norwich continue programme of work to improve behaviour including capital works to student entrance, new courses being offered (e.g. hair & beauty), and review of behaviour policy.
- At Attleborough Academy develop the next phase of the master plan, in partnership with Norfolk County Council.
- At Framingham Earl, Attleborough Academy, and Fakenham Academy continue to grow EBacc entry to exceed national average.

At Wymondham College the plan for future periods include:

- Embed work around the curriculum, including the 'floreat curriculum' and pupil's articulation of the curriculum.
- Implement a review of middle and senior Leadership.
- Maintain the boarding numbers and review marketing approaches.
- Further improve the quality of teaching and learning across the College.
- Further enhance 'Wymondham life' extra-curricular offer.
- Enhance and improve continual professional development opportunities at all levels across the College.
- Develop the boarding offer, including Personal development and use of rate of return programme.
- Continue to develop enrichment opportunities at the College.
- Establish closer links with Wymondham College Prep School.

## **SAPIENTIA EDUCATION TRUST**

### **TRUSTEES' REPORT (including Strategic Report) for the year ended 31 August 2023**

#### **Plans for Future Periods (continued)**

Across the Trust's primary schools the plan for future periods include:

- Develop the quality and impact of middle leadership.
- Build sustainability in terms of student numbers.
- Focus on improving outcomes, especially in writing.
- Support vulnerable learners and enhance our SEND offer.
- At Old Buckenham Primary School to continue reviewing demand for nursery provision.
- At White House Farm Primary School continue to grow pupil numbers, school infrastructure, and staffing to support having all year groups in place from September 2024 and being full from September 2027.
- At Wymondham College Prep School continue to grow pupil numbers, school infrastructure, and staffing to support being full from September 2024.
- At Wymondham College Prep School continue to develop links with Wymondham College to support transition and enhance curriculum offer.

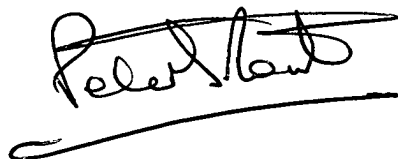
#### **Auditor**

Insofar as the Trustees are aware:

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

The Trustees' Report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 5 December 2023 and signed on the Board's behalf by:

**Peter Rout**  
Chair of Board

A handwritten signature in black ink, appearing to read 'Peter Rout', with a long horizontal flourish underneath.

## **SAPIENTIA EDUCATION TRUST**

### **GOVERNANCE STATEMENT**

As Trustees, we acknowledge we have overall responsibility for ensuring that Sapienia Education 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.

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

The Trustees have delegated the day-to-day responsibility to the Chief Executive Officer, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between Sapienia Education Trust and the Secretary of State for Education. He is also responsible for reporting to the 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 five times during the year (the 8 February 2023 meeting was cancelled due to sickness). Effective oversight of funds was maintained through half termly Finance Committee meetings and monthly meetings between Chair of Trustees, Deputy Chair, Chair of Audit & Risk Committee, CEO, COO and CFO. The Trustee Board attendance during the year was as follows:

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Mr P Rout (Chair)	5	5
Mr J Taylor (Chief Executive Officer and Accounting Officer)	5	5
Mr I Baker	4	5
Miss L Cornell	5	5
Mr F Davey	4	5
Mrs J Dwyer	3	5
Mr R Hill	2	5
Mr R Margand	4	5
Mrs P Sheppard	5	5
Mr T North	5	5
Mr A Underwood	2	5

#### **Conflicts of Interest**

Trustees have several measures in place to manage conflicts of interest:

- Maintaining an up-to-date Register of Interests that is published on the Trust website
- Declaration of any conflicts of interests a standing agenda item at each Board meeting (including Committees). This is recorded as a formal declaration
- Where there may be a potential conflict of interest, the Board takes legal advice

#### **Governance reviews**

The Board continued to receive external quality assurance reviews during the year. In addition, they also received regular updates from the CEO on the operational work undertaken across the Trust to support children in the post-Covid-19 environment.

## SAPIENTIA EDUCATION TRUST

### GOVERNANCE STATEMENT (continued)

The Board continued to receive reports of all aspects of the Trust's operations through its committee structure as noted below. The Board is content with the data and information it receives the Committee reports - the provision of quality and quantity of data to allow the Board to carry out its work is noted within the Trust's Risk Register.

During 2022, the Board carried out a review of its governance arrangements. This was in light of the growth of the Trust and met a recommendation of the Summer 2021 Internal Audit Report. The Board consulted Chairs of local governing bodies about the work the Board had previously asked them to carry out on their behalf, discussions with the Trust's executive team, feedback from Headteachers and discussions with other MATs about their governance arrangements. The review identified a number of issues including the following:

- A need to evolve the governance structure to make better use of the skill set of those operating at Trustee, Committee and local level
- A need to consider whether or not the scheme of delegation was appropriate especially when LGBs were being asked to carry out specialist monitoring that they were not equipped or trained to be able to do
- There was duplication and overlap between different strands of governance and the work of the Trust's executive team
- New governor recruitment was challenging at a number of Trust schools
- Trustee connection with parents/carers was in danger of becoming diluted

Following consideration of a number of options that Board have adopted the following governance structure for September 2022:

- Creation of two new Board Committees:
  - The Boarding Committee to focus on boarding provision at Wymondham College and Wymondham College Prep School to ensure compliance with the National Minimum Standards for Boarding
  - The Local Compliance Committee to work with schools and ensure statutory compliance in a number of areas
- Replacing the current Standards Committee with Education Committees
- Introducing Parent Focus groups at each school to replace LGBs

The **Audit and Risk Committee** is a sub-committee of the main Board of Trustees. Its purpose is to review the Trust's internal and external audit report findings, and financial statements, to ensure they reflect best practice, and to review the effectiveness of the Trust's internal control systems established to ensure that the aims, objectives and key performance targets of the organisation are achieved in the most economic, effective and environmentally preferable manner.

Trustee attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Mr I Baker (Chair)	2	3
Mr F Davey	2	3
Mr R Margand	2	3
Mr P Rout	2	3
Mr J Taylor	2	3

## **SAPIENTIA EDUCATION TRUST**

### **GOVERNANCE STATEMENT (continued)**

The **Finance Committee** is also a sub-committee of the main Board of Trustees. Its purpose is to review the financial performance at each Trust school to ensure that each school operates its budget within approved limits and in accordance with the Trust Financial Rules and Procedures. Trustee attendance at meetings in the year was as follows:

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Mr P Rout (Chair)	6	6
Mr I Baker	5	6
Mr R Margand	4	6
Mr J Taylor	5	6

The **HR and Remuneration Committee** is also a sub-committee of the main Board of Trustees. Its purpose is to review the Trust's HR policies and HR activity as well as approving any pay award recommendations. Trustee attendance at meetings in the year was as follows:

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Mr R Hill (Chair)	3	3
Mr P Rout	3	3
Mr J Taylor	3	3
Mr R Margand	1	3

The **Infrastructure Committee** is a sub-committee of the main Board of Trustees. Its purpose is to review the Trust's Estate Management Plan, H&S activities and IT Infrastructure. Trustee attendance at meetings in the year was as follows:

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Mr F Davey (Chair)	3	3
Mr T North	3	3
Mr P Rout	2	3
Mr J Taylor	2	3

The **Education, Primary Education and Secondary Education Committees** are sub-committees of the Board of Trustees. Their purpose is to review the Trust's educational performance across all schools and to monitor progress of pupils at all stages of their education, with the Education Committee looking at performance at a Trust level. Trustee attendance at meetings in the year was as follows:

#### **Education Committee**

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Mrs J Dwyer	1	3
Mr R Margand	3	3
Mr T North	3	3
Mr P Rout	3	3
Mrs P Sheppard	3	3
Mr J Taylor	3	3

## **SAPIENTIA EDUCATION TRUST**

### **GOVERNANCE STATEMENT (continued)**

#### **Primary Education**

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Mrs P Sheppard (Chair)	6	6
Mr T North	5	6
Mr R Margand	1	6
Mr P Rout	3	6
Mr J Taylor	6	6

#### **Secondary Education**

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Mrs J Dwyer (Chair)	3	6
Mr T North	6	6
Mr R Margand	2	6
Mr P Rout	4	6
Mr J Taylor	6	6

The **Boarding Committee** is a sub-committee of the Board of Trustees established on 1 September 2022. The purpose is to review the Trust's boarding provision including compliance with National Minimum Standards for Boarding. Trustee attendance at meetings in the year was as follows:

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Mr A Underwood (Chair)	2	4
Mr J Taylor	3	4
Mr P Rout	2	4

The **Local Compliance Committee** is a sub-committee of the Board of Trustees established on 1 September 2022. Its purpose is to ensure school statutory compliance in a number of areas. Trustee attendance at meetings in the year was as follows:

<b>Trustee</b>	<b>Meetings attended</b>	<b>Out of a possible</b>
Mr R Margand (Chair)	4	4
Mr J Taylor	2	4
Miss L Cornell	4	4
Mr P Rout	4	4
Mr T North	4	4

## **SAPIENTIA EDUCATION TRUST**

### **GOVERNANCE STATEMENT (continued)**

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

As Accounting Officer, the CEO has responsibility for ensuring that the Trust delivers good value in the use of public resources. The Accounting Officer understands that value for money refers to the educational and wider societal outcomes, as well as estates safety and management, achieved in return for the taxpayer resources received.

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

- Ensuring that three quotations are sought for high value orders in accordance with the Trust Financial Rules and procedures
- Value engineering construction projects to achieve savings where possible
- Ensuring that, where possible, contracts are re-negotiated on a Trust-wide basis to achieve better economies of scale
- Where existing agreements were already in place, the Trust continued to support suppliers in accordance with Government guidance

#### **The Purpose of the System of Internal Control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of 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 Sapienia Education Trust for the period 1 September 2022 to 31 August 2023 and up to the date of approval of the annual report and financial statements.

#### **Capacity to Handle Risk**

The Trust Board has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board is of the view that there is a formal on-going process for identifying, evaluating and managing the Trust's significant risks that has been in place for the period 1 September 2022 to 31 August 2023 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.



## **SAPIENTIA EDUCATION TRUST**

### **GOVERNANCE STATEMENT (continued)**

#### **The Risk and Control Framework**

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

- Comprehensive budgeting and monitoring systems with an annual budget and periodic financial reports which are reviewed and agreed by the Trust Board on at least six occasions during the financial year
- Monthly meetings with the CEO, Chief Operating Officer, Chief Financial Officer, Chair of the Trust Board and Chair of Audit and Risk Committee to review the financial performance of Trust schools
- Regular reviews by the Board of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes
- Setting targets to measure financial and other performance
- Clearly defined purchasing (asset purchase or capital investment) guidelines
- Delegation of authority and segregation of duties
- Identification and management of risks

The Board purchases an internal audit service, as is considered best practice for a larger Trust, from Larking Gowen. The internal auditor's role includes giving advice on financial and other matters and performing a range of checks on the Trust's financial and other systems. In particular, the checks carried out in the current period included:

- Spring Term 2023: The purpose of this review was to examine the Trust's updated finance processes and procedures following the implementation of two significant changes during 2022:
  - The Finance Team was fully centralised under the Trust's CFO in April 2022 (prior to that, several high schools had school-based finance officers who reported to their Headteacher).
  - As part of the Trust's growth plans a new accounts system, Sage Intacct, came into use on 1 September 2022.
- Summer term 2022: Review of the Trusts careers programme including review of compliance with new provider access legislation which came into effect from January 2023. This requires schools to allow a range of providers of post-16 and post-18 options to come onsite and present students with the full range of options open to them.

During the Spring and Summer terms, the internal auditor reports to the Board of Trustees, through the Audit and Risk Committee on the operations of the systems of control and on the discharge of the Board of Trustees' financial responsibilities. On an annual basis, the internal auditor prepares and presents a summary report to the committee outlining the areas reviewed, key findings, recommendations and conclusions to help the committee consider actions and assess year on year progress. The Internal Auditor was able to complete their work during the year and there were no material control issues identified. Any recommendations for improvement have been addressed by the Trust and progress against these areas will be reported to the Audit and Risk Committee during the forthcoming academic year.

## **SAPIENTIA EDUCATION TRUST**

### **GOVERNANCE STATEMENT (continued)**

#### **Review of Effectiveness**

As Accounting Officer, the Chief Executive Officer has responsibility for reviewing the effectiveness of the system of internal control. During the period 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 and the school resource management self-assessment tool
- The work of the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework

The Accounting Officer has been advised of the implications of the result of their review of the system of internal control by the Audit and Risk Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Approved by order of members of the Board of Trustees on 27 November 2023 and signed on its behalf by:



**Peter Rout**  
Chair of Board of Trustees



**Jonathan Taylor**  
Accounting Officer

## **SAPIENTIA EDUCATION TRUST**

### **STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

As Accounting Officer of Sapienia Education 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 terms and conditions of all funding, including for estates safety and management, under the funding agreement between the Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academy Trust Handbook 2022, including responsibilities for estates safety and management.

I confirm that I and the Board of Trustees are able to identify any material irregular or improper use of all funds by the Trust, or material non-compliance with the terms and conditions of funding under the Trust's funding agreement and the Academy Trust Handbook 2022.

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.



**Jonathan Taylor**  
Accounting Officer

Date: 27 November 2023

## **SAPIENTIA EDUCATION TRUST**

### **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

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

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

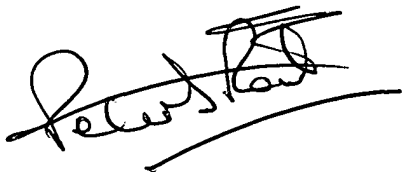
- Select suitable accounting policies and then apply them consistently
- Observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023
- Make judgements and accounting estimates that are reasonable and prudent
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation

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 group 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 group 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 and the group applies financial and other controls, which conform with the requirements both of propriety and of good financial management. They are also responsible for ensuring grants received from 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 27 November 2023 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'Peter Rout', with a long horizontal line underneath it.

**Peter Rout**  
Chair of Board of Trustees

## **INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF SAPIENTIA EDUCATION TRUST**

### **Opinion**

We have audited the financial statements of Sapienia Education Trust (the 'parent academy trust') and its subsidiaries (the 'group') for the year ended 31 August 2023 which comprise the consolidated Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland, the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent academy trust's affairs as at 31 August 2023, and of the group's 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2019 and the Academies Accounts Direction 2022 to 2023 issued by the Education & 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 group and parent academy trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

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

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

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

### **Other information**

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

## **INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF SAPIENTIA EDUCATION TRUST (continued)**

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 strategic report and the directors' 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 strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the group and parent academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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

- adequate accounting records have not been kept by the parent academy trust, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent academy trust's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' 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 trustees' responsibilities statement set out on page 28, the trustees (who are also the directors of the parent academy trust 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 group and parent academy trust'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 group or parent academy trust or to cease operations, or have no realistic alternative but to do so.

## INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF SAPIENTIA EDUCATION TRUST (continued)

### Auditor 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Enquiry of management and those charged with governance to confirm there are no instances of fraud or non-compliance with laws and regulations
- Reviewing journal entries to ensure they are appropriate and do not indicate management override
- Review of key accounting estimates, to ensure reasonable and no signs of management bias
- Review of disclosures within the financial statements and vouching these to supporting documentation to ensure compliance with applicable laws and regulations
- We also considered whether the results of our assurance on regularity work identified any indicators of fraud or non-compliance of laws and regulations

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi/description-of-the-auditor%E2%80%99s-responsibilities-for> This description forms part of our auditor's report.

### Use of our report

This report is made solely to the academy trust'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 academy trust'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 academy trust and the academy trust's members as a body, for our audit work, for this report, or for the opinions we have formed.

*Lovewell Blake LLP*

MARK PROCTOR FCA DChA (Senior Statutory Auditor)  
For and on behalf of LOVEWELL BLAKE LLP, Statutory Auditor

Date: *6 December* 2023

Bankside 300  
Peachman Way  
Broadland Business Park  
Norwich  
NR7 0LB

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

In accordance with the terms of our engagement letter dated 18 September 2023 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2022 to 2023, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Sapienia Education Trust during the period 1 September 2022 to 31 August 2023 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

### **Respective responsibilities of Sapienia Education Trust's accounting officer and the reporting accountant**

The accounting officer is responsible, under the requirements of Sapienia Education Trust's funding agreement with the Secretary of State for Education dated 1 February 2011 and the Academy Trust Handbook, extant from 1 September 2022, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2022 to 2023. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the period 1 September 2022 to 31 August 2023 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

### **Approach**

We conducted our engagement in accordance with the Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on regularity.

A limited assurance engagement is more limited in scope than a reasonable assurance engagement and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in a reasonable assurance engagement. Accordingly, we do not express a positive opinion.

Our engagement includes examination, on a test basis, of evidence relevant to the regularity and propriety of the academy trust's income and expenditure.

The work undertaken to draw to our conclusion includes:

**Delegated authorities:** Carrying out the suggested procedures detailed in the Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts Part 4 section 4.60-4.65 in order to obtain evidence that the academy trust has followed its own internal processes and complied with the Academy Trust Handbook 2022 regarding write-offs, property transactions, leases, novel and contentious payments, special payments to staff, borrowings, and if the terms of an Ntl have been complied with;



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

**Transactions with connected parties:** Carrying out the suggested procedures in the Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts Part 4 section 4.66 in order to obtain evidence that the academy trust has followed its own internal processes and complied with the Academy Trust Handbook 2022 regarding declarations of interest and contracts with connected parties, including governors, and employees providing external consultancy;

**Governance:** Carrying out the suggested procedures in the Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts Part 4 section 4.67 in considering whether the academy trust has followed its own internal processes and complied with the Academy Trust Handbook 2022 regarding its governance arrangements;

**Internal controls:** Identifying the policies, reviewing their effectiveness and testing the operation of controls, through carrying out the suggested procedures in the Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts Part 4 section 4.68 in order to consider whether the academy trust has followed its own internal processes and complied with the Academy Trust Handbook 2022 regarding its internal controls;

**Procurement:** Identifying the policies, reviewing their effectiveness and testing their operation, through carrying out the suggested procedures in the Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts Part 4 section 4.69 in order to obtain evidence that the academy trust has followed its own internal processes and complied with the Academy Trust Handbook 2022 regarding its procurement procedures; and

**Income:** Considering the conditions associated with specialist grant income and whether it has been spent as the purposes intended.

**Conclusion**

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2022 to 31 August 2023 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

*Lowell Blake UP*  
MARK PROCTOR FCA DChA (Reporting Accountant)  
LOVEWELL BLAKE LLP

Bankside 300  
Peachman Way  
Broadland Business Park  
Norwich  
NR7 0LB

Date: *6 December 2023*

# SAPIENTIA EDUCATION TRUST

## CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES for the year ended 31 August 2023 (Including Income and Expenditure Account)

	Note	Unrestricted Funds	Restricted General Funds	Restricted Fixed Asset Funds	Total 2023	Total 2022
		£000	£000	£000	£000	£000
<b>Income &amp; endowments from:</b>						
Donations & capital grants	2	8	75	2,597	2,680	8,722
Transfer of existing academies joining the Trust		-	1,020	18,103	19,123	-
Other trading activities	4	2,013	-	-	2,013	1,286
Investments	5	199	-	-	199	1
<b>Charitable activities:</b>						
Funding for the Trust's educational operations	3	337	42,906	-	43,243	34,543
Boarding activities	3, 26	8,060	-	-	8,060	7,655
Teaching school hub	3	-	-	-	-	1
<b>Total</b>		<b>10,617</b>	<b>44,001</b>	<b>20,700</b>	<b>75,318</b>	<b>52,208</b>
<b>Expenditure on:</b>						
<b>Charitable activities:</b>						
Trust's educational operations	6, 7	2,907	43,638	5,806	52,351	43,351
Provision of boarding activities	6, 26	7,624	-	-	7,624	7,717
Teaching school hub	6	-	-	-	-	-
<b>Total</b>	6	<b>10,531</b>	<b>43,638</b>	<b>5,806</b>	<b>59,975</b>	<b>51,068</b>
<b>Net income / (expenditure)</b>		<b>86</b>	<b>363</b>	<b>14,894</b>	<b>15,343</b>	<b>1,140</b>
<b>Transfers between funds</b>	16	-	-	-	-	-
<b>Other recognised gains / (losses):</b>						
Actuarial gains /(losses) on defined benefit pension schemes	16, 24	-	1,287	-	1,287	26,716
<b>Net movement in funds</b>		<b>86</b>	<b>1,650</b>	<b>14,894</b>	<b>16,630</b>	<b>27,856</b>
<b>Reconciliation of funds</b>						
Total funds brought forward	16	717	369	93,474	94,560	66,704
<b>Total funds carried forward</b>		<b>803</b>	<b>2,019</b>	<b>108,368</b>	<b>111,190</b>	<b>94,560</b>

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

The notes on pages 35 to 60 form part of these financial statements.

**SAPIENTIA EDUCATION TRUST****CONSOLIDATED AND COMPANY BALANCE SHEETS as at 31 August 2023**

	<b>Note</b>	<b>2023 Trust £000</b>	<b>2023 Group £000</b>	<b>2022 Trust £000</b>	<b>2022 Group £000</b>
<b>Fixed assets</b>					
Tangible assets	12	105,710	105,710	91,121	91,121
<b>Current assets</b>					
Debtors	13	2,069	2,100	966	966
Cash at bank and in hand		11,879	12,099	10,060	10,060
		<b>13,948</b>	<b>14,199</b>	<b>11,026</b>	<b>11,026</b>
<b>Liabilities</b>					
Creditors: Amounts falling due within one year	14	8,292	8,542	5,825	5,833
<b>Net current assets</b>		<b>5,656</b>	<b>5,657</b>	<b>5,201</b>	<b>5,193</b>
<b>Total assets less current liabilities</b>		<b>111,366</b>	<b>111,367</b>	<b>96,322</b>	<b>96,314</b>
Creditors: Amounts falling due after more than one year	15	(177)	(177)	(302)	(302)
<b>Net assets excluding pension asset/(liability)</b>		<b>111,189</b>	<b>111,190</b>	<b>96,020</b>	<b>96,012</b>
Defined benefit pension scheme asset/(liability)	24	-	-	(1,452)	(1,452)
<b>Total net assets</b>	17	<b>111,189</b>	<b>111,190</b>	<b>94,568</b>	<b>94,560</b>
<b>Funds of the Trust:</b>					
<b>Restricted funds</b>					
Fixed asset fund	16	108,368	108,368	93,474	93,474
Restricted income fund	16	1,929	1,929	1,821	1,821
Pension reserve	16	-	-	(1,452)	(1,452)
<b>Total restricted funds</b>		<b>110,297</b>	<b>110,297</b>	<b>93,843</b>	<b>93,843</b>
<b>Unrestricted income funds</b>	16	<b>802</b>	<b>803</b>	<b>725</b>	<b>717</b>
<b>Total funds</b>		<b>111,189</b>	<b>111,190</b>	<b>94,568</b>	<b>94,560</b>

During the year, the charitable company made a surplus of £20,080k, including gift aid from subsidiary of £53k (2022: surplus £27,856k).

The financial statements on pages 32 to 60 were approved by the Trustees and authorised for issue on 27 November 2023 and are signed on their behalf by:

**Peter Rout**  
Chair of Board of Trustees



The notes on pages 35 to 60 form part of these financial statements.

**SAPIENTIA EDUCATION TRUST****STATEMENT OF CASH FLOWS for the year ended 31 August 2023**

	<b>Notes</b>	<b>2023 £000</b>	<b>2022 £000</b>
<b>Cash flows from operating activities</b>			
Net cash provided by (used in) operating activities	19	(493)	794
<b>Cash flows from investing activities</b>	20	<u>2,532</u>	<u>1,928</u>
<b>Change in cash and cash equivalents in the reporting period</b>		<u>2,039</u>	<u>2,722</u>
<b>Reconciliation of net cash flow to movement in net funds</b>			
Cash and cash equivalents at 1 September 2022		<u>10,060</u>	<u>7,338</u>
<b>Cash and cash equivalents at 31 August 2023</b>	21/22	<u><u>12,099</u></u>	<u>10,060</u>

The notes on pages 35 to 60 form part of these financial statements.

## **SAPIENTIA EDUCATION TRUST**

### **NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2023**

#### **1. Statement of accounting policies**

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

##### **a) Basis of Preparation**

The financial statements of the Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2022 to 2023 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The Trust has a fully owned subsidiary company, Sapientia Lettings Limited. The subsidiary company commenced trading on 1 September 2022 and the results of this company for the year ended 31 August 2023 are consolidated within these accounts.

(exemption from own I&E statement)

##### **b) Going Concern**

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

##### **c) Income**

All incoming resources are recognised when the 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 year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

Capital grants are recognised in full when there is an unconditional entitlement to the grant. Unspent amounts of capital grant are reflected in the balance sheet in the restricted fixed asset fund. Capital grants are recognised when there is entitlement and are not deferred over the life of the asset on which they are expended.

## **SAPIENTIA EDUCATION TRUST**

### **NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2023**

#### **1. Statement of accounting policies (continued)**

##### **c) Income (continued)**

###### ***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, is recognised in the period it is receivable and to the extent the Trust has provided the goods or services.

###### ***Donated goods, facilities and services***

Goods donated for resale are included at fair value, being the expected proceeds from sale less the expected costs of sale. If it is practical to assess the fair value at receipt, it is recognised in stock and 'Income from other trading activities'. Upon sale, the value of the stock is charged against 'Income from other trading activities' and the proceeds are recognised as 'Income from other trading activities'. Where it is impractical to fair value the items due to the volume of low value items they are not recognised in the financial statements until they are sold. This income is recognised within 'Income from other trading activities'.

###### ***Transfer on conversion***

Where assets and liabilities are received by the Trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the Trust. An equal amount of income is recognised as transfer on conversion within Donations and capital grant income to the net assets received.

###### ***Transfer of existing academies into the Trust***

Where assets and liabilities are received on the transfer of an existing academy into the Trust, the transferred net assets are measured at fair value and recognised in the balance sheet at the point when the risks and rewards of ownership pass to the Trust. An equal amount of income is recognised for the transfer of an existing academy into the Trust within Donations and capital grant income to the net assets acquired.

###### ***Donated fixed assets (excluding Transfers on conversion/into the Trust)***

Where the donated good is a fixed asset, it is 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 Trust's accounting policies.

##### **d) 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.

###### ***Charitable activities***

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

All resources expended are inclusive of irrecoverable VAT.

## **SAPIENTIA EDUCATION TRUST**

### **NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2023**

#### **1. Statement of accounting policies (continued)**

##### **e) Tangible Fixed Assets**

Assets costing £5,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment. Where tangible fixed assets have been acquired with the aid of specific grants, either from the Government or from the private sector, they are included in the Balance Sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring 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.

##### **f) Depreciation**

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

Freehold buildings	2% straight line
Leasehold property	Over the period of the lease/average remaining life
Plant and machinery	10% straight line
Fixtures, fittings and equipment	10% straight line
Motor vehicles	25% reducing balance
Computer hardware	25% straight line

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

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

##### **g) 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 Trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

##### **h) Provisions**

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

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

##### **i) Leased Assets**

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

## SAPIENTIA EDUCATION TRUST

### NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2023

#### 1. Statement of accounting policies (continued)

##### j) Leased property

The Trust has recognised the value of the property occupied by it, under a lease of 125 years from the date of joining the Trust, as prepared on behalf of the Education and Skills Agency, for all academies joining the Trust since 1 September 2016 as listed on page 3.

##### k) Financial Instruments

The Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Trust and their measurement basis are as follows:

*Financial assets* – trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 13. Prepayments are not financial instruments. Amounts due to the charity's wholly owned subsidiary are held at face value less any impairment.

*Cash at bank* – is classified as a basic financial instrument and is measured at face value.

*Financial liabilities* – trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 14 and 15. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to charity's wholly owned subsidiary are held at face value less any impairment.

##### l) Taxation

The 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 Trust is potentially exempt from taxation in respect of income or capital gains received within categories covered by Part 11, Chapter 3 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.

##### m) Pensions Benefits

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

##### *Teachers' Pension Scheme*

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the 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 credit method. The TPS is a multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.



## SAPIENTIA EDUCATION TRUST

### NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2023

#### 1. Statement of accounting policies (continued)

##### **m) Pensions Benefits (continued)**

###### *Local Government Pension Scheme*

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

Where a pension scheme is in surplus, the resulting defined benefit plan asset is only recognised to the extent that the Trust is able to recover the surplus either through reduced contributions in the future or through refunds from the plan, in accordance with FRS 102 28.22.

##### **n) Fund Accounting**

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the 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/Department for Education.

##### **o) Critical accounting estimates and areas of judgement**

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

###### *Critical accounting estimates and assumptions*

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

The present value of the Local Government Pension Scheme defined benefit asset/liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2022 has been used by the actuary in valuing the pensions liability at 31 August 2023. Any 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.

As detailed in m) above a pension asset is only recognised to the extent that the Trust is able to recover the surplus either through reduced contributions in the future or through refunds from the plan, in accordance with FRS 102 28.22.

## SAPIENTIA EDUCATION TRUST

### NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2023

#### 1. Statement of accounting policies (continued)

##### o) Critical accounting estimates and areas of judgement (continued)

As disclosed in j) above the Trust has recognised the value of its leasehold property at a valuation prepared on behalf of the Education and Skills Funding Agency. This property is then depreciated over the useful economic life in accordance with the Trust's accounting policies.

##### p) Redundancies

Where an obligation to make a redundancy or termination payment arises, the costs incurred by the Trust are accounted for on an accruals basis and included within employee benefits.

##### q) Agency arrangements

The Trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the Trust does not have control over the charitable application of the funds. The Trust can use up to 5% of the allocation towards its own administration costs and this is recognised in the statement of financial activities. The funds received and paid, and any balances held are disclosed in note 27.

#### 2. DONATIONS AND CAPITAL GRANTS

	Unrestricted Funds £000	Restricted Funds £000	Total 2023 £000	Total 2022 £000
Capital grants	-	2,597	2,597	1,927
Donated fixed assets	-	-	-	6,785
Other donations	8	75	83	10
	<u>8</u>	<u>2,672</u>	<u>2,680</u>	<u>8,722</u>

Income from donations and capital grants was £2,680k (2022: £8,722k) of which £8k (2022: £Nil) was unrestricted, £75k (2022: £10k) was restricted general funds and £2,597k (2022: £8,712k) related to restricted fixed asset funds.

Donations and capital grants include government funding of £2,672k (2022: £8,712k).

# SAPIENTIA EDUCATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2023

### 3. FUNDING FOR THE TRUST'S EDUCATIONAL AND BOARDING OPERATIONS

	Unrestricted Funds £000	Restricted Funds £000	Total 2023 £000	Total 2022 £000
<b>Educational operations</b>				
DfE/ESFA grants				
• General Annual Grant (GAG)	-	36,640	36,640	30,263
Other DfE/ESFA Grants				
• Pupil Premium	-	1,508	1,508	887
• Others	337	2,765	3,102	1,803
	337	40,913	41,250	32,953
Other Government grants				
• Local authority grants	-	1,479	1,479	810
• National grants	-	53	53	68
Other educational income				
• Teacher Training Income	-	-	-	19
• Supply Teacher Cover /Insurance claims	-	-	-	56
• Day pupil fees	-	461	461	637
	-	1,993	1,993	1,590
<b>Total educational operations</b>	337	42,906	43,243	34,543
<b>Boarding operations</b>				
Boarding fees	7,765	-	7,765	7,625
Rents received	20	-	20	28
Catering income	95	-	95	-
Miscellaneous income	180	-	180	2
	8,060	-	8,060	7,655
	8,397	42,906	51,303	42,198
<b>Teaching school hub</b>				
Other income	-	-	-	1

Funding for educational and boarding operations amounted to £51,303k (2022: £42,198k) of which £8,397k (2022: £7,655) was unrestricted and £42,906k (2022: £34,543k) related to restricted general funds.

# SAPIENTIA EDUCATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2023

<b>4. OTHER TRADING ACTIVITIES</b>	<b>Unrestricted Funds £000</b>	<b>Restricted Funds £000</b>	<b>Total 2023 £000</b>	<b>Total 2022 £000</b>
Hire of facilities	471	-	471	37
Income from ancillary trading activities	1,542	-	1,542	1,249
	<u>2,013</u>	<u>-</u>	<u>2,013</u>	<u>1,286</u>

Income from other trading activities was £2,013k (2022: £1,286k) of which £2,013k (2022: £241k) was unrestricted and £Nil (2022: £1,045k) related to restricted general funds.

<b>5. INVESTMENT INCOME</b>	<b>Unrestricted Funds £000</b>	<b>Restricted Funds £000</b>	<b>Total 2023 £000</b>	<b>Total 2022 £000</b>
Short term deposits	199	-	199	1

Investment income relating to the Trust's boarding operations is shown in note 3.

# SAPIENTIA EDUCATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2023

### 6. EXPENDITURE

	Staff Costs £000	Non Pay Expenditure		Total 2023 £000	Total 2022 £000
		Premises £000	Other £000		
Trust's educational operations (note 7)					
• Direct costs	29,618	5,691	2,471	37,780	30,935
• Allocated support costs	6,800	3,786	3,361	13,947	8,840
• FRS102 pension costs	624	-	-	624	3,576
	<u>37,042</u>	<u>9,477</u>	<u>5,832</u>	<u>52,351</u>	<u>43,351</u>
Trust's boarding operations (note 26)					
• Direct costs	3,936	-	18	3,954	4,196
• Allocated support costs	-	768	2,902	3,670	3,521
	<u>3,936</u>	<u>768</u>	<u>2,920</u>	<u>7,624</u>	<u>7,717</u>
	<u>40,978</u>	<u>10,245</u>	<u>8,752</u>	<u>59,975</u>	<u>51,068</u>

Total expenditure for 2023 was £59,975k (2022: £51,068k) of which £10,531k (2022: £7,963k) was unrestricted, £43,638k (2022: £38,539k) related to restricted general funds and £5,806k (2022: £4,566k) related to restricted fixed asset funds.

#### Net income/(expenditure) for the period includes:

	2023 £000	2022 £000
Operating lease rentals	82	81
Depreciation	3,778	3,221
Fees payable to auditor for:		
- Audit	40	26
- other services	4	3

Included within expenditure are the following transactions:

#### Individual items above £5,000:

	Total £000	Amount £000	Reason
Unrecoverable debts	537	5 (7 instances)	Boarding fees irrecoverable
		6 (7 instances)	Boarding fees irrecoverable
		7 (4 instances)	Boarding fees irrecoverable
		8 (5 instances)	Boarding fees irrecoverable
		9	Boarding fees irrecoverable
		10 (2 instances)	Boarding fees irrecoverable
		11 (7 instances)	Boarding fees irrecoverable
		12	Boarding fees irrecoverable
		14	Boarding fees irrecoverable
		15	Boarding fees irrecoverable

**SAPIENTIA EDUCATION TRUST**

**NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2023**

**7. CHARITABLE ACTIVITIES**

			Total 2023 £000	Total 2022 £000
Direct costs – educational operations			37,780	30,935
Direct costs – boarding	26		3,954	4,196
Support costs – educational operations			13,947	8,840
Support costs – boarding	26		3,670	3,521
Teaching schools			-	-
FRS102 Pension costs	24		624	3,576
			<u>59,975</u>	<u>51,068</u>
Analysis of support costs				
	Boarding £000	Educational Operations £000	Total 2023 £000	Total 2022 £000
Support staff costs	-	6,800	6,800	5,697
Technology costs	-	1,452	1,452	796
Premises costs	768	3,786	4,554	3,248
Legal costs – conversion	-	-	-	-
Legal costs – other	-	238	238	128
Other support costs	2,902	1,562	4,464	2,411
Governance costs	-	109	109	81
Total support costs	<u>3,670</u>	<u>13,947</u>	<u>17,617</u>	<u>12,361</u>
Governance costs				
Legal and professional fees			60	50
Auditor's remuneration			44	29
Governors' reimbursed expenses			<u>5</u>	<u>2</u>
			109	81

Charitable activities amounting to £10,531k (2022: £7,963k) related to unrestricted funds, £43,638k (2022: £38,539k) related to restricted general funds and £5,806k (2022: £4,566k) related to restricted fixed asset funds.

# SAPIENTIA EDUCATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2023

### 8. STAFF

<b>a. Staff costs</b>	<b>Total 2023 £000</b>	<b>Total 2022 £000</b>
Staff costs during the period were:		
Wages and salaries	29,552	24,797
Social security costs	2,829	2,318
Pension costs	7,125	8,837
	<u>39,506</u>	<u>35,952</u>
Teaching School	-	-
Agency staff costs	1,353	855
Staff restructuring costs	119	-
	<u>40,978</u>	<u>36,807</u>
Staff restructuring costs comprise:		
Redundancy payments	46	-
Severance payments	73	-
	<u>119</u>	<u>-</u>

#### **b. Non statutory/non-contractual staff severance payments**

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £73k (2022: £Nil). Individually the payments were £3k, £25k, £8k, £6k, £18k, £8k and £5k.

#### **c. Staff numbers**

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

	<b>2023 No.</b>	<b>2022 No.</b>
<b>Charitable Activities</b>		
Teachers	408	385
Administration/educational support	396	388
Residential/matrons	121	130
Cleaners/estates/catering	123	125
Medical	6	10
Management	28	34
	<u>1,082</u>	<u>1,072</u>

#### **d. Higher paid staff**

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

	<b>2023 No.</b>	<b>2022 No.</b>
£60,001 - £70,000	16	10
£70,001 - £80,000	8	5
£80,001 - £90,000	3	2
£90,001 - £100,000	2	3
£100,001 - £110,000	2	1
£110,001 - £120,000	1	-
£150,001 - £160,000	-	1
£160,001 - £170,000	1	-

Higher paid staff include headteachers and other senior leaders paid in line with national payscales.

## SAPIENTIA EDUCATION TRUST

### NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2023

#### 8. STAFF (continued)

##### e. Key management personnel

The key management personnel of the 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 Trust was £1,095k (2022: £833k).

#### 9. CENTRAL SERVICES

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

- human resources
- financial services
- legal services
- educational support services
- estates management
- IT management
- others as arising

As the Trust pools GAG for its schools, no central services charges arose.

#### 10. RELATED PARTY TRANSACTIONS - TRUSTEES' REMUNERATION AND EXPENSES

One or more Trustees has been paid remuneration or has received other benefits from employment with the Trust. The CEO and other Staff Trustees only receive remuneration in respect of services they provide undertaking the roles of CEO and staff members under their contracts of employment.

The value of Trustees' remuneration and other benefits was as follows:

J Taylor (CEO and Trustee)

Remuneration	£160,000 - £170,000	(2022: £150,000 - £160,000)
Employer's pension contributions	£35,000 - £40,000	(2022: £35,000 - £40,000)

During the period ended 31 August 2023, travel and subsistence expenses totalling £4,363 were reimbursed or paid directly to 2 Trustees (2022: £1,676 to 1 Trustee). Other related party transactions involving the Trustees are set out in note 25.

#### 11. TRUSTEES AND OFFICERS INSURANCE

In accordance with normal commercial practice the Trust has purchased insurance to protect Trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The insurance provides maximum cover up to £2,000,000 and the cost for the period ended 31 August 2023 is included within the premium per pupil as part of the risk protection arrangement with the DfE. The cost of this insurance is included in the total insurance cost.



# SAPIENTIA EDUCATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2023

### 12. TANGIBLE FIXED ASSETS – Trust and Group

	Land & buildings £000	Fixtures & fittings, plant & machinery £000	Computer Equipment £000	Motor vehicles £000	Total 2023 £000
<b>Cost</b>					
At 1 September 2022	106,375	202	-	151	106,728
Acquisitions	17,963	-	140	-	18,103
Additions	229	-	-	36	265
Disposals	-	-	-	(15)	(15)
At 31 August 2023	124,567	202	140	172	125,081
<b>Depreciation</b>					
At 1 September 2022	15,317	160	-	130	15,607
Charged in year	3,737	13	14	14	3,778
Disposals	-	-	-	(14)	(14)
At 31 August 2023	19,054	173	14	130	19,371
<b>Net book values</b>					
At 31 August 2023	105,513	29	126	42	105,710
At 31 August 2022	91,058	42	-	21	91,121

On 1 September 2022 City Academy Norwich joined the Trust. A building valuation was carried out by Norse Consulting as at this date, and the acquisition reflects this valuation of £17,963,000.

In March 2020 the DfE registered a legal charge against the freehold land on which Wymondham College Prep School is built. This is to safeguard the integrity of Wymondham College Prep School in the unlikely event of it ever leaving the Trust.

### 13. DEBTORS

	2023 Trust £000	2023 Group £000	2022 Trust £000	2022 Group £000
Trade debtors	503	534	224	224
VAT recoverable	355	355	315	315
Other debtors	11	11	11	11
Prepayments and accrued income	1,200	1,200	416	416
	<u>2,069</u>	<u>2,100</u>	<u>966</u>	<u>966</u>

### 14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2023 Trust £000	2023 Group £000	2022 Trust £000	2022 Group £000
Trade creditors	817	818	149	149
Other taxation and social security	1,402	1,402	1,182	1,182
Other creditors	2,774	3,019	2,125	2,133
Accruals and deferred income	3,299	3,303	2,369	2,369
	<u>8,292</u>	<u>8,542</u>	<u>5,825</u>	<u>5,833</u>

# SAPIENTIA EDUCATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2023

### 14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR (continued)

Deferred income	2023 Trust £000	2023 Group £000	2022 Trust £000	2022 Group £000
Deferred income at 1 September 2022	582	582	1,499	1,499
Released from previous years	(582)	(582)	(1,499)	(1,499)
Resources deferred in the year	1,118	1,118	582	582
Deferred income at 31 August 2023	<u>1,118</u>	<u>1,118</u>	<u>582</u>	<u>582</u>

Deferred income related to amounts received from ESFA and local authorities during the current financial year relating to the following financial year.

### 15. CREDITORS: AMOUNTS FALLING DUE OVER ONE YEAR

	2023 Trust £000	2023 Group £000	2022 Trust £000	2022 Group £000
Loans	177	177	302	302
	<u>177</u>	<u>177</u>	<u>302</u>	<u>302</u>

£98k of the balance relates to repayable element of boarding support, repayable in instalments from September 2022. The remaining balance relates to Salix and Annex loans.

# SAPIENTIA EDUCATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2023

16. FUNDS	Balance at 1 September 2022 £000	Income £000	Expenditure £000	Gains losses and transfers £000	Balance at 31 August 2023 £000
<b>Restricted general funds</b>					
General Annual Grant (GAG) and other DfE/ESFA grants	1,846	40,097	(39,899)	171	2,215
Pupil premium	-	1,508	(1,508)	-	-
Provision for boarding	(294)	-	-	98	(196)
Other grants	-	1,607	(1,607)	-	-
Teaching school	269	-	-	(269)	-
Pension reserve	(1,452)	789	(624)	1,287	-
	369	44,001	(43,638)	1,287	2,019
<b>Restricted fixed asset funds</b>					
DfE/ESFA capital grants	2,897	2,597	(2,028)	-	3,466
Transfer on conversion/existing academies joining Trust	90,577	18,103	(3,778)	-	104,902
	93,474	20,700	(5,806)	-	108,368
<b>Total restricted funds</b>	<b>93,843</b>	<b>64,701</b>	<b>(49,444)</b>	<b>1,287</b>	<b>110,387</b>
<b>Unrestricted funds</b>					
General fund	652	10,617	(10,531)	65	803
Rate of Return	65	-	-	(65)	-
<b>Total unrestricted funds</b>	<b>717</b>	<b>10,617</b>	<b>(10,531)</b>	<b>-</b>	<b>803</b>
<b>Total funds</b>	<b>94,560</b>	<b>75,318</b>	<b>(59,975)</b>	<b>1,287</b>	<b>111,190</b>

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

**GAG & other DfE/ESFA grants:** the restricted income fund is for the purpose of specific expenditure within the Trust's declared objectives. DfE/ESFA grants relate to government funding for the provision of education by the Trust. Funding is repayable if the Trust does not meet all funding requirements. Under the funding agreement with the Secretary of State, the Trust was not subject to a limit on the amount of GAG that it could carry forward at 31 August 2023.

**Pupil premium:** this income is used to raise achievement and improve outcomes for pupils from low income families who are eligible for free school meals.

**MAT central funding:** this relates to the Sponsor Capacity, Conversion and Teaching and Learning funding from the ESFA. Having been expended in previous years, this has been released to restricted general funds in the year.

# SAPIENTIA EDUCATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2023

### 16. FUNDS (continued)

**Pension reserve:** this relates to the deficit on the local government pension fund. Any increase in pension contributions suggested by the Scheme Actuary should be able to be met from the Trust's budgeted annual income.

**DfE/ESFA capital grants:** provided by the government for specific capital projects.

**Fixed asset fund:** the value of fixed assets acquired from unrestricted funds since conversion.

Transfers between funds relate to the repayment of boarding support which is deducted from GAG payments, the transfer back to GAG of the balance on the teaching school fund following the closure of the teaching school, and the transfer back to general funds of the Rate of Return designated fund.

**Comparative information in respect of the preceding period is as follows:**

	Balance at 1 September 2021 (restated) £000	Income £000	Expenditure £000	Gains losses and transfers £000	Balance at 31 August 2022 £000
<b>Restricted general funds</b>					
General Annual Grant (GAG) and other DfE/ESFA grants	1,209	32,358	(31,721)	-	1,846
Pupil premium	-	887	(887)	-	-
Covid-19 catch up premium	-	142	(142)	-	-
Other DfE/ESFA Covid-19 funding	-	203	(203)	-	-
Provision for boarding	(294)	-	-	-	(294)
Other grants	-	2,010	(2,010)	-	-
Teaching school	269	-	-	-	269
Pension reserve	(24,592)	-	(3,576)	26,716	(1,452)
	<u>(23,408)</u>	<u>35,600</u>	<u>(38,539)</u>	<u>26,716</u>	<u>369</u>
<b>Restricted fixed asset funds</b>					
DfE/ESFA capital grants	2,315	1,927	(1,345)	-	2,897
Transfer on conversion/existing academies joining Trust	87,013	6,785	(3,221)	-	90,577
	<u>89,328</u>	<u>8,712</u>	<u>(4,566)</u>	<u>-</u>	<u>93,474</u>
<b>Total restricted funds</b>	<b>65,920</b>	<b>44,312</b>	<b>(43,105)</b>	<b>26,716</b>	<b>93,781</b>
<b>Unrestricted funds</b>					
General fund	727	7,896	(7,963)	-	660
Rate of Return	65	-	-	-	65
Fixed asset fund	-	-	-	-	-
<b>Total unrestricted funds</b>	<b>792</b>	<b>7,896</b>	<b>(7,963)</b>	<b>-</b>	<b>725</b>
<b>Total funds</b>	<b>66,712</b>	<b>52,208</b>	<b>(51,068)</b>	<b>26,716</b>	<b>94,568</b>

# SAPIENTIA EDUCATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2023

### 16. FUNDS (continued)

#### Total funds analysis by academy

Fund balances for each academy as at 31 August 2023 and 31 August 2022 were zero, hence a breakdown by academy is not included in these accounts.

#### Total cost analysis by academy

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

	Teaching and educational support staff costs £000	Other support staff costs £000	Educational supplies £000	Other costs (excluding depreciation) £000	Total 2023 £000	Total 2022 £000
Wymondham College	11,102	91	170	4,201	15,564	14,213
Old Buckenham Primary School	928	3	43	238	1,212	1,031
Seething & Mundham Primary	491	22	12	87	612	530
Burston Primary	215	12	4	88	319	284
Tivetshall Primary	193	2	3	71	269	261
Rockland St Mary Primary School	319	1	7	135	462	393
Surlingham Primary	336	1	18	96	451	380
Great Hockham Primary and Nursery School	458	2	26	91	577	481
Stradbroke High	1,826	8	29	416	2,279	2,137
Ghost Hill Infant and Nursery School	822	12	33	235	1,102	921
Framingham Earl High School	3,910	13	179	868	4,970	4,859
Old Buckenham High School	2,544	8	90	707	3,349	3,202
White House Farm Primary School	790	6	31	195	1,022	639
Attleborough Academy	3,915	15	118	1,006	5,054	4,641
Fakenham Academy	3,521	40	182	1,123	4,866	4,633
Wymondham College Prep School	1,189	24	41	395	1,649	1,282
City Academy Norwich	3,457	84	251	1,419	5,211	-
Central Services	2,988	270	80	3,014	6,352	4,384
Total expenditure	39,004	614	1,317	14,385	55,320	44,271

# SAPIENTIA EDUCATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2023

### 17. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances at 31 August 2023 are represented by:

	Unrestricted funds £000	Restricted general funds £000	Restricted fixed asset funds £000	Total funds £000
Tangible fixed assets	-	-	105,710	105,710
Net current assets	803	2,196	2,658	5,657
Creditors: amounts falling due after one year	-	(177)	-	(177)
Pension scheme asset/ (liability)	-	-	-	-
<b>Total net assets</b>	<b>803</b>	<b>2,019</b>	<b>108,368</b>	<b>111,190</b>

Comparative information in respect of the preceding period is as follows:

	Unrestricted funds £000	Restricted general funds £000	Restricted fixed asset funds £000	Total Funds (restated) £000
Tangible fixed assets	-	-	91,121	91,121
Net current assets	725	2,123	2,353	5,201
Creditors: amounts falling due after one year	-	(302)	-	(302)
Pension scheme liability	-	(1,452)	-	(1,452)
<b>Total net assets</b>	<b>725</b>	<b>369</b>	<b>93,474</b>	<b>94,568</b>

### 18. COMMITMENTS UNDER OPERATING LEASES

#### Operating leases

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

	2023 Trust £000	2023 Group £000	2022 Trust £000	2022 Group £000
Amounts due within one year	58	58	57	57
Amounts due between one and five years	170	170	199	199
Amounts due after five years	216	216	246	246
	<b>444</b>	<b>444</b>	<b>502</b>	<b>502</b>

# SAPIENTIA EDUCATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2023

### 19. RECONCILIATION OF NET INCOME / (EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2023 £000	2022 £000
Net income / (expenditure) for the reporting period (as per the SOFA)	15,343	1,140
Adjusted for:		
Depreciation (note 12)	3,778	3,221
Transfer on academy joining the trust	(18,103)	
Capital grants from DfE/ESFA and other capital income	(2,597)	(8,712)
Interest receivable (notes 3 and 5)	(199)	(1)
Defined benefit pension scheme cost less contribution payable (note 24)	2,217	5,490
Defined benefit pension scheme finance cost (note 24)	(2,382)	(1,914)
(Increase) / decrease in debtors	(1,134)	1,541
Increase in creditors	2,584	29
<b>Net cash (used in)/provided by operating activities</b>	<b>(493)</b>	<b>794</b>

### 20. CASH FLOWS FROM INVESTING ACTIVITIES

	2023 £000	2022 £000
Dividends, interest and rents received from investments	199	1
Purchase of tangible fixed assets	(265)	(6,785)
Capital grants from DfE/ESFA	2,597	8,712
Proceeds from sale of tangible fixed assets	1	-
<b>Net cash provided by investing activities</b>	<b>2,532</b>	<b>1,928</b>

### 21. ANALYSIS OF CASH AND CASH EQUIVALENTS

	At 31 August 2023 £000	At 31 August 2022 £000
Cash in hand and at bank	12,099	10,060
<b>Total cash and cash equivalents</b>	<b>12,099</b>	<b>10,060</b>

## SAPIENTIA EDUCATION TRUST

### NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2023

#### 22. ANALYSIS OF CHANGES IN NET DEBT

	At 1 September 2022 £000	Cash Flows £000	Acquisition/ disposal of schools £000	New finance leases £000	Other non- cash changes £000	At 31 August 2023 £000
Cash	10,060	1,808	231	-	-	12,099
Cash equivalents	-	-	-	-	-	-
Overdraft facility repayable on demand	-	-	-	-	-	-
Loans falling due within one year	(124)	-	-	-	(625)	(749)
Loans falling due after more than one year	(302)	-	-	-	125	(177)
Finance lease obligations	-	-	-	-	-	-
<b>Total</b>	<b>9,634</b>	<b>1,808</b>	<b>231</b>	<b>-</b>	<b>(500)</b>	<b>11,173</b>

#### 23. 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 they are a member, or within one year after they cease to be a member, such amount as may be required, not exceeding £10 for the debts and liabilities contracted before they cease to be a member.

#### 24. PENSION AND SIMILAR OBLIGATIONS

The 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 Norfolk County Council, and Suffolk County Council in respect of Stradbroke High School. Both are multi-employer defined-benefit schemes.

The latest actuarial valuation of the TPS related to the period ended 31 March 2016 and of the LGPS 31 March 2022.

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

##### Teachers' Pension Scheme

##### Introduction

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



## SAPIENTIA EDUCATION TRUST

### NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2023

#### 24. PENSION AND SIMILAR OBLIGATIONS (CONTINUED)

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

##### Valuation of the Teachers' 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 every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2020. The valuation report was published by the Department for Education on 30 October 2023. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 28.68% of pensionable pay (including a 0.08% administration levy)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £262,000 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £222,200 million, giving a notional past service deficit of £39,800 million;
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 1.7% above the rate of CPI, and is based on the Office for Budget Responsibility's forecast for long-term GDP growth.

The next valuation result is due to be implemented from 1 April 2027.

The employer's pension costs paid to the TPS in the period amounted to £3,965,977 (2022: £3,519,266).

A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

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

##### Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2023 was £3,057,000 (2022: £2,432,000) of which employer's contributions totalled £2,382,000 (2022: £1,914,000) and employees' contributions totalled £675,000 (2022: £518,000). The agreed contribution rates for future years range from 5.5% - 12.5% for employees, and 18.5% - 23.8% for employers.

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of Trust closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013 and on 21 July 2022 the Department for Education reaffirmed its commitment to the guarantee, with a parliamentary minute published on GOV.UK.

# SAPIENTIA EDUCATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2023

### 24. PENSION AND SIMILAR OBLIGATIONS (CONTINUED)

#### Principal Actuarial Assumptions

##### Norfolk County Council

	At 31 August 2023 %	At 31 August 2022 %
Rate of increase in salaries	3.7	3.8
Rate of increase for pensions in payment/inflation	3.0	3.1
Discount rate for scheme liabilities	5.2	4.3
Commutation of pensions to lump sums	50% & 75%	50% & 75%

##### Suffolk County Council

	At 31 August 2023 %	At 31 August 2022 %
Rate of increase in salaries	4.0	3.9
Rate of increase for pensions in payment/inflation	3.0	3.2
Discount rate for scheme liabilities	5.2	4.3
Commutation of pensions to lump sums	25% & 63%	25% & 63%

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

##### Norfolk County Council

	At 31 August 2023	At 31 August 2022
<i>Retiring today</i>		
Males	20.0	21.7
Females	24.3	24.1
<i>Retiring in 20 years</i>		
Males	21.9	22.9
Females	25.8	26.0

##### Suffolk County Council

	At 31 August 2023	At 31 August 2022
<i>Retiring today</i>		
Males	20.2	21.9
Females	24.9	24.3
<i>Retiring in 20 years</i>		
Males	21.8	22.9
Females	25.9	26.1

# SAPIENTIA EDUCATION TRUST

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2023

### 24. PENSION AND SIMILAR OBLIGATIONS (CONTINUED)

#### Sensitivity analysis

	31 August 2023 £000	31 August 2022 £000
Real discount rate -0.5%	845	804
Salary increase rate +0.5%	57	72
Pension increase rate +0.5%	804	740

The Trust's share of the assets and liabilities in the scheme were:

	Fair value at 31 August 2023 £000	Fair value at 31 August 2022 £000
Equity instruments	21,123	17,120
Debt instruments	15,390	12,378
Property	5,046	4,068
Cash	809	647
<b>Total market value of assets</b>	<b>42,368</b>	<b>34,213</b>
Assets restricted due to scheme in surplus	(3,457)	-
Present value of scheme liabilities	(38,911)	(35,665)
<b>Surplus/(deficit) in the scheme *</b>	<b>-</b>	<b>(1,452)</b>

Both LGPS schemes were in surplus at the year end (Norfolk County Council £3,141k, Suffolk County Council £316k). These surpluses have not been recognised as an asset in these accounts in accordance with the Trust's accounting policy, as the Trust is unable to recover the reduced contributions in the future, or through refunds from the plan.

The actual return on scheme assets was £434,000 (2022: (£339,000)).

Amounts recognised in the Statement of Financial Activities	2023 £000	2022 £000
Current service cost	(584)	(3,146)
Past service cost	-	-
Interest income	1,707	543
Interest cost	(1,747)	(973)
<b>Total amount recognised in the SOFA</b>	<b>(624)</b>	<b>(3,576)</b>

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

	2023 £000	2022 £000
At 1 September	35,665	56,492
Transferred in on existing academies joining the Trust	3,983	-
Current service cost	2,966	5,060
Interest cost	1,747	973
Employee contributions	675	518
Actuarial (gain)/loss	(5,507)	(26,920)
Benefits paid	(618)	(458)
<b>At 31 August</b>	<b>38,911</b>	<b>35,665</b>

## SAPIENTIA EDUCATION TRUST

### NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2023

#### 24. PENSION AND SIMILAR OBLIGATIONS (CONTINUED)

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

	2023 £000	2022 £000
At 1 September	34,213	31,900
Transferred in on existing academies joining the Trust	4,772	-
Interest income	1,707	543
Actuarial gain/(loss)	(763)	(204)
Employer contributions	2,382	1,914
Employee contributions	675	518
Estimated benefits paid	(618)	(458)
At 31 August	<u>42,368</u>	<u>34,213</u>

#### 25. RELATED PARTY TRANSACTIONS

Owing to the nature of the Trust and the composition of the Board of Trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which the trustees have an interest or individuals to whom trustees are related. All such transactions are conducted in accordance with the requirements of the Academy Trust Handbook and the Trust's financial regulations and normal procurement procedures relating to connected and related party transactions. The following related party transactions took place during the period:

During the year, management charges of £175,499 (2022: £Nil) were made by the Trust to Seckford Education Trust. Seckford Education Trust is a related party by virtue of the fact that Mr P Rout, Mr R Margand and Mr I Baker (Trustees of Sapientia Education Trust) were appointed as trustees of Seckford Education Trust on 4 April 2023. In addition, Mr J Taylor (CEO of Sapientia Education Trust) and Mr S Dewing (CFO of Sapientia Education Trust) acted as CEO and CFO for Seckford Education Trust from this date. DFE approval was obtained for these transactions.

Sapientia Lettings Limited (formerly Wyndham College Enterprises Limited) is a fully owned subsidiary company of Sapientia Education Trust. The results for the period are consolidated within these accounts.

##### Results for the period:

Turnover	£307k
Expenditure	£200k
Profit	£107k
Gift aid to Trust	£99k
Capital and reserves	£-

Trustees Mr Rout, Ms Cornell and Mr North had family members attending schools within the Trust during the year. All relevant fees and charges were paid and no concessions received.

The CEO and one trustee received out of pocket expenses during the period totalling £4,368 (2022: CEO and one member £2,198).

No other related party transactions took place in the period of account, other than certain Trustees' remuneration and expenses already disclosed in note 10.

**SAPIENTIA EDUCATION TRUST**

**NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2023**

**26. BOARDING TRADING ACCOUNT**

	£000	2023 £000	£000	2022 £000
<b>Income</b>				
Fee income	7,765		7,625	
Rents received	20		28	
Catering income	95		-	
CJRS grants	-		-	
Other income	180		<u>2</u>	
		<b><u>8,060</u></b>		<b><u>7,655</u></b>
<b>Expenditure</b>				
<b>Direct costs</b>				
Boarding salaries	3,936		3,825	
Rate of return expenditure	-		186	
Other direct costs	<u>18</u>		<u>185</u>	
<b>Total direct costs</b>		<b>3,954</b>		<b>4,196</b>
<b>Allocated support costs</b>				
Catering salaries	1,028		1,013	
Maintenance of premises and equipment	476		157	
Cleaning	17		20	
Security	-		2	
Rent and rates	35		61	
Energy costs	218		431	
Provisions	891		834	
Transport	1		(5)	
Bank charges	-		5	
Advertising, marketing and recruitment	5		42	
Other support costs	<u>999</u>		<u>961</u>	
<b>Total support costs</b>		<b><u>3,670</u></b>		<b><u>3,521</u></b>
<b>Total operating costs</b>		<b><u>7,624</u></b>		<b><u>7,717</u></b>
<b>Surplus / (deficit) on Boarding</b>		<b>436</b>		<b>(62)</b>
Surplus brought forward at 1 September 2022		<b><u>1,469</u></b>		<b><u>1,531</u></b>
<b>Surplus carried forward at 31 August 2023</b>		<b><u>1,905</u></b>		<b><u>1,469</u></b>

## SAPIENTIA EDUCATION TRUST

### NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2023

#### 27. AGENCY ARRANGEMENTS

The Trust distributes 16-19 bursary funds to students as an agent for ESFA.

In the accounting period ending 31 August 2023 the Trust received £92k and disbursed £53k from the fund. An amount of £157k is included in deferred income relating to undistributed funds that is repayable to ESFA.

#### 28. TRANSFER OF EXISTING ACADEMIES INTO THE ACADEMY TRUST

On 1 September 2022, City Academy Norwich joined the Trust. All operations and assets and liabilities were transferred to Sapientia Education Trust for £19,123k consideration.

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

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

	Value reported by transferring trust	Fair value adjustments	Transfer in recognised
	£000	£000	£000
<b>Tangible fixed assets</b>			
Leasehold land and buildings	375	17,588	17,963
Computer Equipment	140	-	140
<b>Current assets</b>			
Cash at bank and in hand	231	-	231
<b>Pensions</b>			
Pensions - pension scheme assets	4,772	-	4,772
Pensions - pension scheme liabilities	(3,983)	-	(3,983)
<b>Net assets</b>	<b>1,535</b>	<b>17,588</b>	<b>19,123</b>