

WISE Academies

(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS

for the year ended 31 August 2021



Company Registration No. 07521946 (England and Wales)

WISE Academies
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Members

M E W Stephenson *^
J G Wood C.B.E. *
R Bradshaw
D R Sandbach O.B.E.
G T Yarrow (from 1 February 2021)

Trustees

M E W Stephenson (Chair) *^
Z Carr O.B.E. (CEO and Accounting Officer)
J G Wood C.B.E. *
D Pearson *^
R Symonds #
N Vokes #
P Smith #
R Ward #^
C Collins ^

* members of the Finance and General Purpose
Committee
members of the Audit Committee
^ members serving on one or more Regional
Hub Board Committees

Company Secretary

Gary Robinson

Senior Management Team:

Chief Executive Officer and Accounting Officer	Z Carr O.B.E.
Headteacher/ Regional Hub Director	N Fountain
Headteacher/ Regional Hub Director	P Martindale
Headteacher	N Fullard
Headteacher	L Saunders
Headteacher	E Potts
Headteacher	C Hodgson
Headteacher	S Drake
Executive Headteacher	D Ward
Headteacher	G Mellefont
Headteacher	J Phazey
Finance Director	F Hardie
Director of Operations	G Robinson

Principal and Registered Office

Borodin Avenue
Sunderland
SR5 4NX

Company Registration Number

07521946

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

The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year ended 31 August 2021. The annual report serves the purpose of both a trustees' report and a directors' report required under company law.

The Trust for the period to 31 August 2021 operated with 12 first/primary school academies in the North East area of England:

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

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

The combined roll was 3,248 in the school census on October 2021. This includes 2,827 pupils in the age range 4 – 11 and 330 children aged 3 accessing nursery provision (full time and part time) with an additional 91 accessing 2 year old provision (full time and part time).

STRUCTURE, GOVERNANCE AND MANAGEMENT

Constitution

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

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

Members' Liability

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

Trustees' Indemnities

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

Method of Recruitment and Appointment or Election of Trustees

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

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

Policies and Procedures Adopted for the Induction and Training of Trustees

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

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

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

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

A Governance Plan has been put in place for 2021/22 following a governance review and this will include numerous opportunities for Trustees and Members to access development opportunities identified as those which are most relevant to their roles.

Organisational Structure

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

increased geographical spread of the MAT's operation, two Regional Hub Directors were introduced to the organisational structure from 1 September 2018 and these Regional Hub leaders participate in Trustees' meetings to strengthen accountability and communication.

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

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

Throughout the reporting period, each level of governance has mainly conducted business by means of virtual meetings via video-conferencing. This measure was introduced during the previous reporting year due to the outbreak of coronavirus and during periods of the UK lockdowns, this method of working has facilitated the continuity of governance functions. The use of video-conferencing is specifically provided for within the Articles of Association but has come to be the principal mechanism for conducting governance business throughout the period of the national Covid restrictions.

Other measures that were originally put in place as a result of the pandemic were:

- The Board also used written resolutions in accordance with Article 123 to transact business
- The Board of Trustees resolved to authorise the Chair of Trustees (or in her absence, the Vice-chair) to exercise any governance function which may properly be deemed urgent and where a delay in decision making would be detrimental to the Trust, academies, staff or pupils. The Chair has only exercised powers of urgency on a small number of occasions and, in line with the resolution that was passed by the Board, provided a summary of these actions at the next available meeting.

The measures used by the Board of Trustees to ensure business continuity in spite of the restrictions imposed throughout the various national lockdowns have continued to prove a helpful strategy. These governance measures have been retained to enable the Trust to be as agile as possible in responding to rapidly changing situations throughout the pandemic, and have helped management's ability to be as responsive as possible to the emerging situation.

Arrangements for Setting Pay and Remuneration of Key Management Personnel

The Trustees consider that they, together with the Chief Executive Officer (CEO), Finance Director, Company Secretary and Headteachers comprise the key management personnel of the Trust in charge of directing and controlling, running and operating the Trust on a day to day basis (see note 9e to the accounts). The Trustees give of their time freely and no Trustee, other than the CEO, received

remuneration in the year, and of the Trustees, only the CEO claimed travelling expenses during the period. WISE Academies did not engage in any related party transactions with key management personnel, members or trustees or their families during the reported year.

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

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

Trade Union Facility Time

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

Relevant union officials

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

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time

Total cost of facility time	£nil
Total pay bill	£17,612k
Percentage of pay bill spent on facility time	0%

Paid trade union activities

Time spent on trade union activities as a percentage of total paid facility time hours	0%
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Related Parties and Other Connected Charities and Organisations

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

A key component of the partnership working approach is provided through the Town End Associate Research School, formerly known as the Town End Teaching School which had a range of strategic partners including Local Authorities, other academies and maintained schools together with local universities. Following recent national reforms of Teaching Schools, consolidating their numbers into

regional hubs, the Town End Associate Research School is part of the North-East Teaching Schools Partnership.

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

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

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

- J Wood C.B.E. – None
- N Vokes – Chief Executive of Sunderland North Community Business Centre (SNCBC); Managing Director of Community Opportunities; Sunderland All Together Consortium CIO – Director/Trustee (non pecuniary); Bowes Railway Company (BRC) 2015 to date Operational Adviser on behalf of SNBC/Community Opportunities who are paid to deliver the contract although Ms Vokes not paid directly by BRC; Hylton Castle Trust (HCT) business planning adviser 2018 to January 2020 and from February 2020 Operations Manager on behalf of SNBC/Community Opportunities who are paid to deliver the contract however Ms Vokes is not paid directly by HCT.
- R Symonds – None
- M Stephenson – None
- P Smith – Paul Smith Health & Safety Consultancy, completes marking for National Examination Board in Occupational Safety and Health (NEBOSH), complete training and competent person role for some small companies including Avenue Builders who does undertake some work for WISE Academies at times. Wife also works in a leadership capacity at a different academy trust which WISE has a contractual relationship to provide governance services.
- Z Carr O.B.E.– Husband a Director of Capital UK Electric Ltd. (not used by the Trust); Company Member of Melrose Learning Trust. Director of Schools North East
- C Collins – Vice-chair at Hetton Nursery (closed 31st August 2021); Consultancy – Christine Collins Consultancy
- D Pearson - Managing Partner of Elliott Associates/Managing Director of Elliott Projects Ltd, Tyne & Wear RDA Ltd. Constructing Excellence in the North East Limited.
- R Ward – Other establishments governed are St Hild's CE Primary School(Durham) and Wynyard CE Primary School. Melrose Learning Trust
- R Sandbach O.B.E. - Trustee of The Beacon School, Sunderland
- R Bradshaw – None
- G T Yarrow – None

Engagement with Employees (Including Disabled Persons)

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

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

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

Engagement with Stakeholders

Business relationships with suppliers

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

Education and Skills Funding Agency (ESFA)

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

Ofsted

The Trust is led by a visionary executive leadership team headed by a CEO who is a trained Ofsted inspector, with other key personnel in the early phases of accessing Ofsted training. As a result of the expertise available within the Trust, we are well placed to respond to the latest Ofsted requirements. This has proved particularly effective when changes in inspection criteria take place, as a Trust-wide approach is deployed to implement measures in readiness for the changes.

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

Local communities

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

to build strong relationships and support children and families through a variety of activities and programmes.

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

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

OBJECTIVES AND ACTIVITIES

Objects and Aims

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

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

Objectives, Strategies and Activities

The Trust operates as one team who, together, commit to achieving our mission: '*We are a family of schools who exist to inspire each pupil to believe in themselves so they experience great success through our commitment to excellence*'. Our philosophy is one of boundless aspiration...the sky is the limit.

The main objectives and performance of the Trust during the year ended 31 August 2021 are summarised below:

- To provide an excellent standard of education for all pupils.
 - Covid catch up strategies implemented. Significant catch up from baseline assessment was seen in reading and mathematics.
 - Strong implementation of our remote learning strategy during the continuing Covid pandemic. Engagement during Lockdown 3 was on average 86%.
 - Morpeth Road Academy volunteered and had a pilot Autumn term visit from Ofsted which resulted in positive feedback.
- To ensure that Spiritual, Moral, Social, Cultural education underpins all activity, so pupils develop as well-rounded, responsible individuals.

- External safeguarding reviews have been very positive; safeguarding is strategically led across the Trust from Trustees to Local Governing Bodies and from the CEO to Headteachers.
 - Trust safeguarding KPIs show a high level of compliance.
 - Questionnaire results indicated that 96% of staff believed behaviour was good across the Trust; 100% believed any bullying is dealt with effectively; 96% of parents believed their child felt safe in school.
 - During the January 21 – March 21 lockdown, the percentage of vulnerable pupils who attended a WISE school was around 10% higher than national.
 - PHSE curriculum is well planned in all academies.
 - Deliver robust financial management, which informs the strategic development of the Trust.
 - Budgeting processes have been further developed to ensure Trustees receive more in-depth detail and analysis.
 - Annual contracts and Service Level Agreements have been reviewed centrally to ensure value for money is achieved and budgets are more accurate.
 - Ensure governance is highly effective and fit for purpose.
 - Following a review of governance by the Chair of Trustees which used the DfE Governance Competency Framework to determine the effectiveness of the WISE governance structure, a Governance Action Plan has been developed to strengthen operation further.
 - Role of Regional Boards continues to be embedded in the Trust governance structure.
 - Develop a highly-skilled workforce who support the growth of the Trust.
 - Key personnel in the early phases of accessing Ofsted training.
 - Leaders from our academies have supported curriculum design across the Trust, including Early Years, Art and DT, Science, History and Geography.
 - Development of the induction process to ensure it is more joined up between central Trust and academies procedures.
 - Staff Council established to provide feedback.
 - Determine Trust consistent operating systems for teaching and learning.
 - All academies have been working on curriculum development with Regional Hub leaders providing quality assurance reviews. The model WISE curriculum model is well developed in many curriculum areas. In this period a significant amount of work has been implemented in science, history, geography, art and design technology.
 - Improve the Trust estate to ensure it is of consistently high quality and fit for 21st century education.
 - Documented rationale detailing clear criteria for allocating School Condition Allocations (SCA) capital grant.
 - During 20-21, £2.8 million has been invested in our estate including the refurbishment of Haltwhistle Primary Academy; the upgrade of heating plant in 5 of our schools, and, roof upgrades and replacements at 2 of our academies.
 - IT strategy further developed with IT resources prioritised for academies with lower ratios of devices.
 - IT business continuity planned and tested successfully.
 - Growth through the establishment of regional hubs.
 - Although no further growth has taken place in the period, conversations have taken place which could lead to Trust growth in future years.
-

- Support the wider school-to-school led system beyond the Trust.
 - Director of the Associate Research School working on secondment with partner Research School and supported schools in Cumbria and Durham throughout the year.
 - Associate Research School partnering with Regional Teaching School Hub to deliver education objectives.
 - ITT has been effectively delivered.
- Ensure the Trust has a regional and national reputation for excellence.
 - The Trust continues to support the region in relation to sharing best practice through being invited to do so by the Department of Education and also through the informal networks it is part of.

Public Benefit

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

STRATEGIC REPORT

Achievements and Performance

Introduction

The Covid-19 pandemic has resulted in the need for normal reporting of Trust achievements and performance to be suspended, since all statutory assessments were cancelled for the second year running due to the amount of disruption the education sector has faced. Pupils, apart from the most vulnerable, were absent from school from the beginning of January 2021 until March 8th 2021. Upon their return, there was still a significant amount of disruption caused by the pandemic with much higher than normal staff and pupil absence. This report will focus on how the Trust has performed against its own strategic aims and key performance indicators.

WISE Academies Strategic Business Plan

During the reporting period the Trust has developed a new Strategic Business Plan which looked back at the last 10 years of its operation, celebrating its many successes and also looked ahead for the next 3 years. The Strategic Aims of the Trust and associated Key Performance Indicators have been reviewed and slightly amended to ensure they are fit for purpose as the organisation moves into its 11th year of operation.

Ofsted Inspections

Normal Ofsted inspections have been suspended for the majority of the year, resulting in no schools in WISE Academies receiving an inspection. Ofsted did however carry out Autumn Term School Visits which were outside of the normal inspection framework. These focused on how well schools had ensured vulnerable pupils attended school during the period of closure; the quality of their remote learning offer and how the school planned to catch up on the learning that pupils had missed. The Trust asked Ofsted to complete a pilot inspection at Morpeth Road Academy. This was a strategic request as this academy was overdue inspection and the Trust wanted to demonstrate how effectively the school had improved since it joined WISE Academies. This visit by Ofsted was very positive and

the leaders of Morpeth Road Academy were commended on how effectively they had supported pupils during the school closure period, the level of engagement with remote learning and for their detailed plans for curriculum catch up.

Covid-19 Implications

Keeping pupils and the workforce as safe as possible amidst the Covid pandemic has been a key priority throughout the year. Leaders stayed abreast of all Government guidance and ensured that policy was quickly actioned across the Trust. Each academy implemented a rigorous Covid risk assessment which was co-written by the Trust Health and Safety Manager. The feedback from unions about the Trust documentation and how quickly measures were able to be implemented was extremely favourable.

During the school closure period in Spring Term 2021, all academies remained open to pupils in the vulnerable category and children of critical workers. Attendance of vulnerable pupils across WISE Academies was significantly higher than the national picture. The percentage of pupils attending school grew each week as those who were not completing home learning were invited to attend school to prevent them from falling further behind.

The Trust devised a Remote Learning Strategy that met Government expectations. There was significant investment in IT devices by the Trust. This investment was in addition to the devices already available at academies and those received through the Department for Education's scheme. There was a systematic approach to ensuring that each academy had access to IT equipment and no child was disadvantaged due to not having access to a device and reliable internet. At the height of the school closure period around a third of the pupils were accessing a Trust device at home (around 1000 devices). The staff training that had taken place across the Trust in using Google Classroom, was invaluable to deliver remote learning as pupils were taught their usual timetable at home by their usual class teacher.

As a result of the hard work of Trust staff, the enhanced level of IT availability and the quality of staff training staff, 86% of pupils accessed learning every day during the period of school closure and were provided with feedback on their work. The results of the parent questionnaire about remote learning were very positive.

Safeguarding

This year, a significant amount of work has taken place in regard to pupil safeguarding, to ensure that there is clarity around the roles and responsibilities of those responsible for governance as well as Trust leaders. The Scheme of Delegation has been updated accordingly and communicated to all those involved. Trustees have approved the Annual Safeguarding Plan and Safeguarding KPIs and agreed a 3-year programme of external safeguarding reviews. The Audit Committee now takes a greater role in overseeing safeguarding assurance across the Trust by receiving reports detailing how well the Trust is meeting its Safeguarding KPIs and reviewing the findings of external reviews.

This additional scrutiny, complements the role performed by the Safeguarding Trustee and the Local Governing Body of each academy. A single external provider of safeguarding services is now used across the Trust. This external service provides extensive support for leaders and governors to ensure that all are well trained and safeguarding is given the utmost priority in all academies.

Safeguarding has always been high profile in all academies and well managed, however procedures have been strengthened even further. All four external reviews that were conducted within the year were very positive. The few, low priority actions that were identified from the reviews were completed immediately.

Development of the Trust estate

WISE Academies is proud to have invested £2.8 million in capital projects across the year which has largely been funded by School Condition Allocation (SCA). Trustees had agreed a policy in line with the terms of the grant which set out the principles for how the funding would be allocated focussing on condition priorities including safety, ensuring the weather-tightness of premises and providing a suitable learning environment.

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

The highest profile scheme during the year was the major remodelling project at Haltwhistle Academy which was being jointly funded by Northumberland County Council and WISE Academies. This was a major refurbishment which resulted in a spacious, high quality environment for the children of Haltwhistle. The additional variations to the main refurbishment scheme which were paid for by WISE Academies included the replacement of part of the academy roof, the refurbishment of the kitchen, curtain walling in the hall area and remodelling of the stage area to create a dance / gym studio. The staff and pupils move into this remodelled building at the start of the new academic year in September 2021.

Another project completed during the year was the construction of a new early years unit at Morpeth Road Academy. This was a scheme funded through the School Nurseries Capital Fund but was also part funded by WISE Academies. The addition of 2-year old provision to the community served by Morpeth Road Academy has already proved to be popular.

The Trust's management of the estate and use of capital funding was the subject of an internal audit activity during the year. The outcome was positive with no improvement recommendations.

Feedback from Stakeholders

Across this year, the Trust has strengthened its procedures for receiving anonymous feedback from stakeholders. Each term there has been a different focus group - staff, parents and pupils.

The staff survey results were very favourable in most areas. 96% of staff indicated they enjoyed working for the Trust and staff expressed that they had felt well supported through the pandemic. Academy and Trust communication was the area that rated the lowest with only 86% of staff believing it to be effective. The Trust has been working on this throughout the year to improve its communication strategy. A Staff Council has been established to support effective communication with the workforce. A WISE Comms page has been established for leaders, to communicate key messages. This is being well used and leaders report that it is a helpful source of information. The CEO is communicating with the entire workforce more regularly and promoting the WISE Twitter page to keep staff abreast of Trust developments and successes.

The parent survey closely mirrored Ofsted's Parent View questionnaire. There was a strong response across the Trust with a total of 1,466 questionnaires returned. The compiled responses showed that there was a positive view of WISE Academies amongst parents and the overall response was favourable in all areas when compared with national Ofsted data. 96% of parents said their child was happy at school. This is 5% higher than the national picture.

The pupil survey was equally positive. Of the 2281 pupils who took part in the questionnaire, only 4% of pupils indicated that they did not like school, meaning the vast majority have a positive view of the academy they attend. One key theme that came from this pupil feedback was that children had had a reduced choice of after-school and lunchtime activities as a result of the restrictions placed on academies through Covid-19 measures. These additional activities have been restored in all academies from September 2021.

Leadership Succession Planning

During the year Trustees agreed to create an Aspiring Headteacher role. The rationale for this was to ensure readiness for the next phase of growth and to have in place the required capacity ahead of need, provide emergency Headteacher cover, as well as having a substantive post within the Academy where they worked until such a time there was a school for them to take up a Headteacher position.

Another Aspiring Leader position was created to support the development of the 'WISE Curriculum Model'. This was a fixed term position and was created to fulfil the specific task of developing the WISE Art and Design Technology Curriculum.

Both positions were filled by outstanding leaders from within the Trust. The decision to add these positions to the staffing structure was intended to benefit succession planning and retain talent within the organisation.

Significant Changes during the year

A priority for WISE Academies is to increase the number of pupils on roll as there has been an overall slight decrease of pupils since the previous reporting year. It was therefore pleasing that the Trust was successful in increasing the capacity of North View Academy from 70 to 80 with effect from September 2020. This expansion was supported by Sunderland City Council and was in response to a rise in the demand for the specialist provision at North View.

Summary

Overall, despite the many and varied challenges caused by the Covid-19 pandemic. The Trust has been determined to move forward and improve further. The vast majority of KPIs have been achieved. The Trust is in a good position to have successful Ofsted inspections in the future and ready for the next phase of its growth and development.

Going Concern

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

Promoting the Success of the Company

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

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

FINANCIAL REVIEW

Most of the Trust's income is obtained from the Department for Education (DfE) via the Education and Skills Funding Agency (ESFA), in the form of recurrent grants, the use of which is restricted to particular purposes. The grants received from the DfE/ESFA during the period 1 September 2020 to 31 August 2021 and the associated expenditure are shown as restricted funds in the Statement of Financial Activities (SOFA). Total recurring income for the year ended 31 August 2021 was £20,970k (2020: £19,874k).

All of the expenditure shown in the SOFA is in furtherance of the Trust's objectives. During the period, the Trust expended in full, £247k of Catch up Premium funding against resources linked to specific strategies to help children catch up on missed education following the disruptions of lockdown and pandemic restrictions. In addition to this, across the Trust, a further £154k was spent on exceptional costs linked to Covid-19 mitigations, namely, backfilling for absent staff and increased cleaning and hygiene regimes.

The Trust also receives grants for capital investment, mainly from the DfE/ESFA. In accordance with the Charities Statement of Recommended Practice, 'Accounting and Reporting by Charities' (SORP 2015), such grants are shown in the SOFA as restricted income in the fixed asset fund. The restricted fixed asset fund balance is reduced by annual depreciation charges over the expected useful life of the assets concerned. During the year, £88k (2020: £87k) was received in respect of Devolved Formula Grants, £116k (2020: £nil) of donated assets (IT equipment from the DfE) and £898k (2020: £1,315k) of School Condition Allocation (SCA) funding. In addition, £1,214k has been recognised during the period in respect of Local Authority capital receipts.

The remodelling and refurbishment project of Haltwhistle Primary Academy that was run in partnership with Northumberland County Council was substantially completed in August 2021 in readiness for the pupils and staff returning in September 2021. An independent exercise was conducted by Capita to provide a revaluation of the completed site on 22 July 2021 using the Depreciated Replacement Cost (DRC) method. The resulting valuation was £3,440,000, representing an increase in the brought forward carrying value of £1,822,841. As part of the refurbishment, WISE Academies committed to a contribution of £153k towards the original project scope together with the cost of some specific variations amounting to £729k. A total of £882k has therefore been expended or committed from capital funding (£184k ring-fenced Haltwhistle SCA funds and £698k SCA) with the remaining £942k being realised as a local authority capital donation.

The Trust benefited from both the DfE scheme that supported local authorities and academy trusts with technology shortfalls during the pandemic and donations of IT equipment from Northumberland County Council resulting in a total of £116k additional IT assets being realised in the accounts.

The Trust invested £2,572k (GAG surpluses: £77k; unrestricted funds £179k and £2,316k from capital grants and donations) to further improve the assets of the Trust together with utilising £741k of brought forward capital grants. Major projects completed during the year include:

- Haltwhistle refurbishment - £1,755k
- Roofing upgrades and replacements - £308k
- Heating plant upgrades and replacements - £263k
- Morpeth Road 2-year old provision - £312k
- IT investment across the Trust - £306k
- Fixtures and fittings improvements across the Trust - £184k (Haltwhistle project - £141k)

At 31 August 2021, the net book value of tangible fixed assets was £33,141k and movements in tangible fixed assets are shown in note 14 to the Financial Statements.

WISE Academies continues to maintain a strong cash position, as at 31 August 2021, cash in hand was £7,261k (2020: £6,601k).

Financial Risk Management Objectives

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

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

The Trust recognises that the defined benefit scheme deficit (Local Government Pension Scheme), which is set out in note 28 to the Financial Statements, represents a significant potential liability at £19,623k. However, the Trust considers that, as each individual academy, and hence the Trust, is able to meet its known annual contribution commitments for the foreseeable future, the risk from this liability is minimised. There is also an agreed guarantee from Parliament dated 18 July 2013 that, in the event of academy closure, outstanding local government pension scheme liabilities would be met by the Department for Education.

Key Performance Indicators

	2021	2020
Total staff costs / GAG income	139.0%	127.0%
Total staff costs / Total Revenue income	90%	87.4%
Working Capital / Total Reserves	24.8%	30.5%
Liquidity Ratio	2.8	5.0

Reserves Policy

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

Budgets are set for each academy with a view to being balanced each year whilst supporting the aims and goals of each individual setting at sustainable levels. Academies can request funding from reserves to support specific capital works or school improvement projects designed to boost school improvement requirements in the short term. Any depletion of reserves at individual settings below recommended levels are required to be built back within a medium-term target plan.

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

Reserves at each academy should be maintained around levels equivalent to 10% of total income to a maximum of £300k to support the key considerations as outlined above.

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

The Trust's total reserves at the Balance Sheet date of 31 August 2021 were £18,821k (2020: £20,323k), this includes restricted general funds (excluding pension) of £1,237k (2020: £1,429k), restricted fixed asset funds of £34,533k (2020: £33,385k), with the level of unrestricted reserves being £2,674k (2020: £2,666k).

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

Trustees have approved the release of reserves during 2021-22 to fund specific projects: £120k to support the installation of a MUGA pitch at Welbeck Academy; £253k to fund temporary additional staffing resources across the Trust in response to academies' requirements following the period of learning disruption due to the pandemic; £50k to refurb and upgrade the Early Years' environment at Shaftoe Trust Academy and £56k to support the transition of the Teaching School services to a regional partnership model. Other aims are discussed in the Plans for Future Periods section further in this report.

Investment Policy

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

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

As at 31 August 2021, the cash balance of £7,261k included funds of £509k that are being held in 32-day notice account attracting a variable rate of interest (0.03% per annum as at 31 August 2021).

Principle Risks and Uncertainties

The Trust is subject to a number of risks and uncertainties in common with other academies and has in place procedures to identify, record and mitigate all risks including financial risks. Following the risks related to the pandemic and the changing guidance as the situation unfolded, the emerging and managed risks that were identified in the separate Covid-19 Risk Register that was developed during 2019-20 were incorporated into the full risk register in November 2020. The full risk register is reviewed by Trustees during the year; it identifies and aligns risks with our Business Plan, ensuring key risks are clearly identified and our Audit Committee has completed detailed assessments of those risks and the mitigations and controls that are in place.

It has been recognised by Trustees that the challenge to maintain performance in line with increasing expectations within areas of considerable deprivation and heightened risk factors due to low entrance levels of our children remains a key risk to the Trust. This risk has increased following the continued disruption during year as a result of a further lockdown in the Spring term and the interruption of

schooling following periods of self-isolation and/or covid illness. The academies have developed focused plans using educational research to determine strategies and approaches proven to have the most impact utilising the specific funding streams: Recovery Premium and School-led Tutoring funding to support catch up, with reading, writing and maths being the key areas targeted together with plans on how to prioritise aspects of wider foundation subjects to close any knowledge gaps. Additional funding from reserves has been pledged to ensure each academy can employ at least one extra teaching support assistant to add capacity and resource into the school timetable to support targeted learning and booster classes.

The threat of costs increasing at a greater rate than any increments in funding heightens the risk of the financial viability of the Trust. Recent announcements of utility prices rises and increased employer costs in 2022 will most likely have to be met from reserves. Added to those cost pressures are the continued costs of covid-19 mitigations, e.g., staff backfill and intensified cleaning regimes. During the year, the pandemic disruptions impacted on income generation from nursery fees and after school care. It is therefore imperative that the Trust maintain appropriate reserves to afford a level of protection against rising costs. Monthly budget statements are produced at both academy and Trust levels and track income and expenditure against budget, forecasting a closing outturn position.

Staff shortages and a loss of key personnel is a key risk that has been reviewed during the year following the impact of staff absences particularly due to the pandemic. Government guidance and their updates have been closely followed during the year with specific risk assessments implemented for each site and individual staff members as required. Alongside this, Public Health England advice has been followed with step by step guidance issued to our Head Teachers. Lateral Flow Testing was put in place for school based staff and central team staff who attend academy premises with twice-weekly testing being reported to the Trust and DfE. Wherever possible, staff have been encouraged to conduct meetings on a virtual basis and central team staff have adopted a hybrid home/office working solution to mitigate against any Trust operational disruption and an IT Business Continuity Plan was implemented to ensure access to administrative information be provided to a third party should both members of the IT team be absent concurrently. During the year, IT and Business Continuity was successfully tested in a number of academies.

During the year, the risk of injury emerged at three separate locations due to: the poor state of Bexhill Academy's roof, further worsened during the winter months; the aging of the plaster ceiling at Shaftoe Trust Academy, and the demountable buildings at Adderlane being beyond their end of life expectancy and therefore repair works no longer being cost effective. Specialist works have since been conducted at both Bexhill and Shaftoe to replace damaged ceilings and roofs. A risk assessment of the demountable buildings at Adderlane has been carried out to ensure the safe use for staff and pupils. The Trust is prioritising SCA funds during 2021-22 to replace the demountables and remodel classroom space at Adderlane.

The risk of ransomware and/or cyber-attacks, as highlighted specifically by the DfE during the period has been considered by the Trust and we are working towards planned actions to further mitigate against this key risk. Already in place are anti-virus mitigations and procedures to ensure system updates are maintained. The IT estate is being updated to continue to roll out chromebooks and iPads, removing school use of Windows devices; a programme of restructuring internal networks is being devised to improve security and access to training has been rolled out to staff raising awareness of the risk of cyber-attacks and ransomware.

Fundraising

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

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

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

Streamlined Energy and Carbon Reporting

UK Greenhouse gas emissions and energy use data for the period	1 September 2020 to 31 August 2021	1 September 2019 to 31 August 2020
Energy consumption used to calculate emissions (kWh)	5,133,232	4,666,432
Energy consumption break down (kWh) <ul style="list-style-type: none"> gas electricity transport fuel 		
Scope 1 emissions in metric tonnes CO ₂ e <ul style="list-style-type: none"> Gas consumption Owned transport – mini-buses 	731.47 0.39	648.76 0.15
Total Scope 1	731.86	648.91
Scope 2 emissions in metric tonnes CO ₂ e <ul style="list-style-type: none"> Purchased electricity 	235.17	252.72
Scope 3 emissions in metric tonnes CO ₂ <ul style="list-style-type: none"> Business travel in employee owned vehicles 	7.37	12.91
Total gross emissions in metric tonnes CO ₂	974.40	914.53
Intensity Ratio Tonnes CO ₂ e per pupil	0.34	0.31

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 2021 UK Government's Conversion Factors for Company Reporting.

Intensity Measurement

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

Measures Taken to Improve Energy Efficiency

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

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

Plans for Future Periods

The Covid-19 pandemic has had a huge impact on the education of the pupils in the Trust over the last academic year. Pupils have missed a significant amount of time in school resulting in substantial amounts of the curriculum not being covered. The aim going forward is to ensure effective catch up both in the short and longer term, initially prioritising reading, writing and mathematics, but also ensuring that core components of wider curriculum areas are taught so that subject knowledge is secure. The government has provided additional finance for catching pupils up which needs to be

targeted effectively to maximise its impact. In order to catch up on lost learning, pupils need to be attending school regularly. Returning attendance to pre-pandemic levels is a further priority.

Over the last few years the Trust has committed a significant amount of time and effort to redesign the curriculum to ensure it is coherent and well sequenced, from when pupils start school in early years to when they leave to move to the next phase of their education. A priority is to ensure that the curriculum is implemented effectively so that all pupils know and remember more and therefore achieve well. As well as the academic, it is vital that the curriculum teaches pupils how to develop as healthy, responsible individuals. With this in mind, it is the aim of the Trust that all of its academies will achieve a Mental Health Award to demonstrate the importance of not only having a healthy body but also a healthy mind.

One of the strategic aims of the Trust is to be an employer of choice. The Trust will continue to look at ways to support its workforce, including through the achievement of the Better Health at Work Award. A further priority is to define the staff professional development offer for all job roles. A WISE Staff Council has been recently established to provide the Executive Team with direct feedback from the workforce. This forum needs to become embedded in the operation of the Trust to ensure it is an important vehicle for improvement.

The Trust has received School Capital Allocation for the last few years, which has had a huge impact on the condition of its schools. Now that urgent building priorities have been addressed, the Trust plans to develop a 5 - 10 year strategy for the management and improvement of its estate. Alongside this, the Trust's Strategic IT Strategy will be delivered, ensuring that there is equality of provision for pupils irrespective of which academy they attend.

The Trust has a number of Ofsted inspections due in the coming academic year and is aiming for all of its academies, who joined as underperforming schools, to be judged to be at least 'Good'. Following on from these inspections, at a time when education is not being significantly affected by Covid-19, WISE Academies will begin to look for growth opportunities again, ideally establishing a fourth hub towards the south of the North East region. To support this ambition, the Trust will develop its marketing strategy, seeking to have a wider presence on social media and ensuring that its websites and marketing materials are of high quality.

AUDITORS

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

Statement as to Disclosure of Information to Auditors

Insofar as the Trustees are aware:

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

The Trustees' report, incorporating a strategic report, was approved by order of the Board of Trustees, as the company directors, on 15/12/21 and signed on the Board's behalf by:



M E W Stephenson
Chair of Trustees

Scope of Responsibility

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

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

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

Governance

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

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

NB: due to the outbreak of coronavirus, all of the above meetings were conducted via video conferencing as provided for within Article 126.

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

A range of key performance data (financial and academic performance related) is monitored and analysed by the Board of Trustees through the provision of data supplied for meetings throughout the year, with data being challenged as necessary. There has been increased use of the Regional Boards during the course of the year to scrutinise the performance data at a regional hub level in great detail.

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

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

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

There was already a Link Trustee responsible for overseeing safeguarding and this arrangement continued. However, the scrutiny and accountability around safeguarding was further strengthened during the year with the Audit Committee adopting an increased role in this area including receiving all reports from specialist external providers of safeguarding services in relation to each academy in the Trust.

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

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

During the year the Board of Trustees formulated and approved a comprehensive Governance Action Plan which included various measures and which would be delivered throughout 2021/22 and beyond.

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

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

Trustees continue to formulate their annual cycle of meetings with a view to ensuring effective communication and to minimise duplication between the tiers of governance. Through the committee structure Trustees provide overview, scrutiny and challenge of education, financial performance and risk management.

Those responsible for governance prioritise their activities around raising the standard of educational attainment and achievement of all pupils and have given specific attention to ensuring that academies provide a broad and balanced curriculum to ensure that all pupils are able to reach their potential, particularly as the Trust serves some communities which have significant levels of disadvantage.

Trustees are effective in discharging their responsibilities around ensuring the effective use of public funds and provide value for money for all funds expended through highly effective financial scrutiny. Governance structures are designed to ensure that the Trust's business is conducted in accordance with the highest standards of integrity and probity.

Trustees provide strategic direction and regularly evaluate the effectiveness of the Trust through review of performance objectives and contribution to the development of strategy. There has been a

robust approach to risk management throughout the year together with a continued focus on ensuring compliance in all areas including around management of the Trust's estate. The improvement to the Trust estate has been a high profile area of consideration during the course of the year with careful attention being given to the planned use of the School Condition Allocation (SCA) which WISE Academies is eligible to receive. The management of estates and the use of capital resources was the subject of an internal assurance exercise and the result was a highly successful outcome with no recommendations for improvement in any area.

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

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

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

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

The **Audit Committee** is a committee of the main board of trustees. Its primary purpose is to advise the Academy Trust on the adequacy and effectiveness of the Trust's systems of internal control and its arrangements for risk management, control and governance processes, and securing economy, efficiency and effectiveness (value for money). This year, the Audit Committee adopted an additional role in scrutinising safeguarding reports produced by the external safeguarding service provider.

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

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

Governance Reviews

The Board of Trustees recognises the importance of self-review. The exercise of completing the School Resource Management Self Assessment Tool (SRMSAT) during the reporting period reinforced the importance of effective governance. This led to a review of the Trust's governance framework using the Governance Competency Framework.

From this an action plan was devised with a number of actions to reinforce the effective multi-tiered governance that was in place across WISE Academies. The resulting thirteen-point action plan comprised the following: -

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

Review of Value for Money

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

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

- General Trust Procurement Exercises
WISE Academies operate with a requirement of obtaining a minimum of three written quotations for the supply of goods and services that exceed £2,000 to ensure value for money is maximised. The net effect of this regulation across the Trust results in goods and services

being procured with savings of 9.2% when comparing the awarded Purchase Order value to the value of the highest quotes obtained.

- **Agency Supply Staff Framework**
The Trust undertook a procurement exercise evaluating the provision of supply staff from a number of providers taking a number of factors into account, including: rates across the range of staffing level required; temporary to permanent rates; size of available pool; geographical spread, etc. The exercise resulted in the application of an agreed rate card being negotiated with a number of providers, with rates discounted on average by 5%.
- **Renegotiated Staff Absence Insurance Package**
The annual premium for staff absence insurance was reviewed with an approved DfE provider and a range of options and combinations of cover were sought to ensure value for money was secured with this service. The annual premium was renegotiated representing a saving of 8% from the previous year's premium.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in WISE Academies for the year ended 31 August 2021 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Board of Trustees has reviewed the key risks to which the Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Trust's significant risks that has been in place for the year ending 31 August 2021 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The Risk and Control Framework

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

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

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

The internal auditor reports to the Board, through the audit committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities. The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy trust's financial systems. The audit committee agreed an annual internal audit programme that considered areas of risk to be reviewed during 2020/21, in particular, the audits completed in the current period included:

- a review of risk management processes, including the identification and monitoring of risks and their controls; the sources of assurance for each risk, and the reporting mechanisms at both Local Governing Body and Board of Trustees
- the management, allocation and reporting of capital funds and expenditure
- an in-depth IT review including: strategic direction; IT policies (including online safety and acceptable use); central infrastructure and support functions; internet facilities; cloud storage; disaster recovery; business continuity and backup procedures. NB: This internal audit was completed by an IT company, Connected IT Solutions due to its specialist nature
- a review of previous report findings and progress

There were no key findings and all recommendations were classified as low.

Review of Effectiveness

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

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

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

Approved by order of the members of the Board of Trustees on 15/12/21 and signed on its behalf by:



M E W Stephenson
Chair of Trustees



Z Carr
Accounting Officer

As accounting officer of WISE Academies I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding of all funding received by the academy trust, under the funding agreement in place between the academy trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2020.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2020.

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



Z Carr

Accounting Officer

Date: 15 | 12 | 21

WISE Academies
STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

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

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP 2019 and the Academies Accounts Direction 2020 to 2021
- make judgments and accounting estimates that are reasonable and prudent
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Charitable Company will continue in business.

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

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

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

Approved by order of the members of the board of trustees on 15/12/21 and signed on its behalf by:



M E W Stephenson
Chair of Trustees

Opinion

We have audited the financial statements of WISE Academies (the "charitable company") for the year ended 31 August 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice), and the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006; and
- have been prepared in accordance with the Academies Accounts Direction 2020 to 2021 issued by the Education and Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of Trustees

As explained more fully in the Statement of Trustees responsibilities set out on page 26, the trustees (who act as trustees for the charitable activities of the charitable company are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the

trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

- obtained an understanding of the nature of the sector, including the legal and regulatory framework that the charitable company operates in and how the charitable company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;

- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

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

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

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

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

Use of our report

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

RSM UK Audit LLP

LUCY ROBSON (Senior Statutory Auditor)
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor
Chartered Accountants
1 St James' Gate
Newcastle upon Tyne
NE1 4AD

16/12/21

Conclusion

We have carried out an engagement in accordance with the terms of our engagement letter dated 20 June 2017 and further to the requirements of the Education and Skills Funding Agency ('ESFA') as included in the extant Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts, to obtain limited assurance about whether the expenditure disbursed and income received by WISE Academies during the period 1 September 2020 to 31 August 2021 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the period 1 September 2020 to 31 August 2021 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Basis for conclusion

The framework that has been applied is set out in the extant Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts. We are independent of WISE Academies in accordance with the ethical requirements that are applicable to this engagement and we have fulfilled our ethical requirements in accordance with these requirements. We believe the assurance evidence we have obtained is sufficient to provide a basis for our conclusion.

Responsibilities of WISE Academies' accounting officer and trustees

The accounting officer is responsible, under the requirements of WISE Academies' funding agreement with the Secretary of State for Education dated 1 March 2011 and the Academies Financial Handbook extant from 1 September 2020, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. The accounting officer is also responsible for preparing the Statement of Regularity, Propriety and Compliance. The trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the proper conduct and financial operation of WISE Academies and appointment of the accounting officer.

Reporting Accountant's responsibilities for reporting on regularity

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the extant Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts.

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

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

2020 to 31 August 2021 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Our work included identification and assessment of the design and operational effectiveness of the controls, policies and procedures that have been implemented to ensure compliance with the framework of authorities including the specific requirements of the funding agreement with the Secretary of State for Education, the Academies Financial Handbook 2020 published by the Education and Skills Funding Agency and high level financial control areas where we identified a material risk of irregularity is likely to arise. It also included areas assessed as presenting a higher risk of impropriety. We undertook detailed testing, on a sample basis, based on the identified areas where a material irregularity is likely to arise, or potential impropriety where such areas are in respect of controls, policies and procedures that apply to classes of transactions. Our work was undertaken with due regard to the 'Evidence to support conclusion on regularity' guidance in the extant Framework and Guide for External Auditors and Reporting Accountants of Academy Trusts.

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

Use of our report

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

RSM UK Audit LLP

RSM UK AUDIT LLP

Chartered Accountants

1 St James' Gate

Newcastle upon Tyne

NE1 4AD

16/12/21

WISE Academies

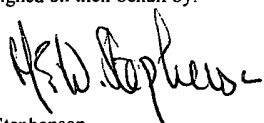
STATEMENT OF FINANCIAL ACTIVITIES (including Income and Expenditure Account) for the year ended 31 August 2021

	Note	Unrestricted funds	Restricted general funds	Restricted fixed asset funds	Total 2021	Total 2020
		£000	£000	£000	£000	£000
Income from:						
Donations and capital grants	2	-	33	1,258	1,291	1,460
Donated Assets	2			116	116	-
Haltwhistle Primary Revaluation	2	-	-	942	942	-
Charitable Activities:						
Funding for the Academy Trust's educational operations	3	627	20,126	-	20,753	19,631
Teaching schools	3	65	81	-	146	135
Other trading activities	4	37	-	-	37	49
Investment income	5	1	-	-	1	23
Total		<u>730</u>	<u>20,240</u>	<u>2,316</u>	<u>23,286</u>	<u>21,298</u>
Expenditure on:						
Raising funds		36	-	-	36	34
Charitable activities:						
Academy Trust's educational operations		462	21,819	1,424	23,705	22,040
Teaching schools		45	79	-	124	137
Total	6	<u>543</u>	<u>21,898</u>	<u>1,424</u>	<u>23,865</u>	<u>22,211</u>
NET INCOME RESOURCES BEFORE TRANSFERS		187	(1,658)	892	(579)	(913)
Gross transfers between funds	18	<u>(179)</u>	<u>(77)</u>	<u>256</u>	<u>-</u>	<u>-</u>
NET INCOME/(EXPENDITURE) FOR THE YEAR		8	(1,735)	1,148	(579)	(913)
OTHER RECOGNISED GAINS AND LOSSES						
Remeasurement of net defined benefit obligation	28	-	(923)	-	(923)	(5,837)
NET MOVEMENT IN FUNDS		8	(2,658)	1,148	(1,502)	(6,750)
RECONCILIATION OF FUNDS						
Total funds brought forward		2,666	(15,728)	33,385	20,323	27,073
TOTAL FUNDS CARRIED FORWARD		<u>2,674</u>	<u>(18,386)</u>	<u>34,533</u>	<u>18,821</u>	<u>20,323</u>

The notes on pages 40 to 71 form part of these financial statements.

	Notes	2021 £000	2020 £000
Fixed Assets			
Intangible Assets	13	22	30
Tangible Assets	14	33,141	31,250
Investments	15	-	-
		<u>33,163</u>	<u>31,280</u>
Current Assets			
Debtors	16	930	1,160
Cash at bank and in hand		<u>7,261</u>	<u>6,601</u>
		<u>8,191</u>	<u>7,761</u>
Current Liabilities			
Creditors: amounts falling due within one year	17	(2,910)	(1,561)
Net Current Assets		<u>5,281</u>	<u>6,200</u>
Net Assets (excluding pension scheme liability)		38,444	37,480
Defined Benefit Pension Scheme Liability	28	<u>(19,623)</u>	<u>(17,157)</u>
Total Net Assets		<u>18,821</u>	<u>20,323</u>
Funds of the Academy Trust:			
Restricted Funds	18		
Fixed Asset fund		34,533	33,385
General fund		1,237	1,429
Pension reserve		<u>(19,623)</u>	<u>(17,157)</u>
Total Restricted Funds		<u>16,147</u>	<u>17,657</u>
Unrestricted Income Funds	18		
General Fund		<u>2,674</u>	<u>2,666</u>
Total Funds		<u>18,821</u>	<u>20,323</u>

The financial statements on pages 40 to 71 were approved by the board of trustees and authorised for issue on 15 December 2021 and are signed on their behalf by:



M E W Stephenson
Chairperson

The notes on pages 40 to 71 form part of these financial statements

WISE Academies
STATEMENT OF CASH FLOWS

For the year ended 31 August 2021

	Notes	2021 £000	2020 £000
Cash flows from operating activities			
Net cash provided by operating activities	22	2,681	64
Cash flows from investing activities	24	(2,021)	752
Cash flows from financing activities	23	-	-
Change in cash and cash equivalents in the reporting period		<u>660</u>	<u>816</u>
Cash and cash equivalents at 1 September 2020		<u>6,601</u>	<u>5,785</u>
Cash and cash equivalents at 31 August 2021	25	<u>7,261</u>	<u>6,601</u>

The notes on pages 40 to 71 form part of these financial statements

1 ACCOUNTING POLICIES

General Information

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

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

Basis of Preparation

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2020 to 2021 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

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

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

Going Concern

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

Incoming Resources

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

Grants Receivable

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

1 ACCOUNTING POLICIES (continued)

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

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

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

Donations

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

Other Income

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

Interest Receivable

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

Expenditure

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

Expenditure on Raising Funds

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

1 ACCOUNTING POLICIES (continued)

Charitable Activities

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

All resources expended are inclusive of irrecoverable VAT.

Intangible fixed assets

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

- Purchased computer software 20% per annum

Tangible fixed assets

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

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

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

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

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

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

1 ACCOUNTING POLICIES (continued)

Liabilities

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

Leased assets

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

Investments

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

Financial Instruments

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

Financial assets and liabilities

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

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

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

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

Taxation

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

1 ACCOUNTING POLICIES (continued)

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

Pensions benefits

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective benefit method. As stated in Note 28, the TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers, consequently there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

Fund accounting

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

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

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

1 ACCOUNTING POLICIES (continued)

Critical accounting estimates and areas of judgement

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

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

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 28, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2019 has been used by the actuary in valuing the pensions liability at 31 August 2021. Any difference between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

2. DONATIONS AND CAPITAL GRANTS

	Unrestricted funds	Restricted funds	Total 2021 £000	Total 2020 £000
	£000	£000	£000	£000
DfE / ESFA capital grant	-	986	986	1,424
Donated Assets	-	116	116	-
Haltwhistle Primary Donation	-	942	942	-
Local Authority capital grants	-	272	272	-
Other donations	-	33	33	36
	-	2,349	2,349	1,460
2020 total split by fund:				
Restricted general funds		36	36	
Restricted fixed asset funds:		1,424	1,424	
		1,460	1,460	

3. FUNDING FOR CHARITABLE ACTIVITIES

	Unrestricted funds	Restricted funds	Total	Total
	£000	£000	2021 £000	2020 £000
DfE/ESFA REVENUE GRANTS				
General annual grant (GAG)	-	13,569	13,569	13,612
Other DfE/ESFA grants				
Pupil Premium		1,861	1,861	1,846
Teachers' Pay grant		169	169	
Teachers' Pension grant		490	490	
UIFSM		281	281	357
PE Sports grant		218	218	218
FSM Supplementary grant		81	81	
Rates Relief		71	71	71
Others		46	46	4
	-	16,786	16,786	
OTHER GOVERNMENT GRANTS				
Local authority grants	-	3,008	3,008	2,285
COVID 19 ADDITIONAL FUNDING				
Catch up premium	-	247	247	-
FSM vouchers		85	85	6
Coronavirus exceptional support	-	-	-	6
		332	332	6
OTHER FUNDING				
Catering income	126	-	126	124
Other miscellaneous income	501	-	501	438
	627	-	627	562
TOTAL FUNDING	627	20,126	20,753	19,631
TEACHING SCHOOLS				
DfE Grants	65	81	146	135
TOTAL FUNDING	692	20,207	20,899	19,766
2020 total split by fund:	645	19,121	19,766	

4. OTHER TRADING ACTIVITIES

	Unrestricted funds	Restricted funds	Total	Total
	£000	£000	2021 £000	2020 £000
Other income	<u>37</u>	<u>-</u>	<u>37</u>	<u>49</u>
	<u>37</u>	<u>-</u>	<u>37</u>	<u>49</u>
2020 total split by fund:	<u>49</u>	<u>-</u>	<u>49</u>	

5. INVESTMENT INCOME

	Unrestricted funds	Restricted funds	Total	Total
	£000	£000	2021 £000	2020 £000
Bank Interest	<u>1</u>	<u>-</u>	<u>1</u>	<u>23</u>
	<u>1</u>	<u>-</u>	<u>1</u>	<u>23</u>
2020 total split by fund:	<u>23</u>	<u>-</u>	<u>23</u>	

6. EXPENDITURE

	Staff Costs	Non Pay Premises Costs	Expenditure Other	Total	Total
	£000	£000	£000	2021 £000	2020 £000
Expenditure on raising funds:					
Direct Costs	36	-	-	36	34
Allocated Support Costs	-	-	-	-	-
Academy Trust's educational operations:					
Direct costs	14,584	-	849	15,433	14,368
Allocated support costs	4,120	861	3,291	8,272	7,672
Teaching School costs	101	-	23	124	137
	<u>18,841</u>	<u>861</u>	<u>4,163</u>	<u>23,865</u>	<u>22,211</u>
2020 total split by category:	<u>17,484</u>	<u>970</u>	<u>3,757</u>	<u>22,211</u>	

Expenditure on raising funds was £36k of which £36k (2020: £34k) was unrestricted and £nil (2020: £nil) was restricted general funds.

Net income/(expenditure) for the period includes:	2021 £000	2020 £000
Operating lease rentals	33	42
Depreciation	1,409	1,372
Amortisation of intangible fixed assets (included within Charitable Activities - Academy trust educational operations)	15	13
Fees payable to RSM UK Audit LLP and its associates for :		
- Audit fees	33	32
Net interest on defined benefit pension liability (note 28)	284	182

7. CHARITABLE ACTIVITIES

	2021	2020
	£000	£000
Direct costs – educational operations	15,433	14,368
Support costs – educational operations	8,272	7,672
Teaching School costs	124	137
	<u>23,829</u>	<u>22,177</u>
Analysis of support costs – educational operations		
Support staff costs (including FRS102 section 28 pension charge of £1,259k (2020: £1,143k))	4,120	3,909
Depreciation	1,409	1,372
Amortisation	15	13
Technology costs	275	292
Premises costs	861	970
Legal costs - other	71	5
Other support costs (including FRS102 section 28 pension charge of £284k (2020: £182k))	1,457	1,052
Governance costs	64	59
	<u>8,272</u>	<u>7,672</u>

8. GOVERNANCE COSTS

	2021	2020
	£000	£000
Legal and professional fees	19	22
Auditor's remuneration		
Audit of financial statements	33	28
Other audit costs	12	9
	<u>64</u>	<u>59</u>

9. STAFF NUMBERS AND COSTS

	2021 £000	2020 £000
a) STAFF COSTS		
Staff costs during the period were:		
Wages and salaries	12,800	12,038
Social security costs	1,144	1,069
Pension costs	3,956	3,686
Apprenticeship Levy	49	45
	17,949	16,838
Supply staff costs	792	646
Staff restructuring costs	100	-
	18,841	17,484
Staff restructuring costs comprise:		
Redundancy payments	70	-
Severance payments	30	-
	100	-

b) NON STATUTORY/ NON CONTRACTUAL STAFF SEVERANCE PAYMENTS

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £21k (2020: £nil). Individually, the payments were: £10k; £8k and £3k (2020: £nil).

c) STAFF NUMBERS

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

	2021 Average Headcount	2020 Average Headcount	2021 Average FTE	2020 Average FTE
Teachers	153	155	142	144
Administration and support	416	414	227	217
Management	47	45	46	42
Total	616	614	415	403

d) HIGHER PAID STAFF

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

	2021 Number	2020 Number
£60,001 - £70,000	3	4
£70,001 - £80,000	4	2
£80,001 - £90,000	4	3
£110,001 - £120,000	1	1
	<u>12</u>	<u>10</u>

e) KEY MANAGEMENT PERSONNEL

The key management personnel of the Academy Trust comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer national insurance and pension contributions) received by key management personnel for their services to the Academy Trust was £1,426,303 (2020: £1,218,246).

10. CENTRAL SERVICES

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

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

The Trust charges for these services on the basis of a flat percentage of 6.5% on GAG and Early Years funding streams. The actual amounts charged during the year were as follows:

	2021 £000	2020 £000
Adderlane Academy	34	31
Bexhill Academy	104	97
Croftway Academy	104	96
Hasting Hill Academy	67	66
Haltwhistle Primary Academy	65	62
Malvin's Close Academy	115	109
Morpeth Road Academy	114	107
North View Academy	49	30
Prudhoe West Academy	68	65
Shaftoe Trust Academy	34	31
Town End Academy	65	59
Welbeck Academy	131	117
	<u>950</u>	<u>870</u>

11. TRUSTEES' REMUNERATION AND EXPENSES

One trustee has been paid remuneration from employment with the Academy Trust. The CEO only receives remuneration in respect of services provided undertaking the role of CEO under her contract of employment. Other trustees did not receive any payments from the Academy Trust in respect of their role as trustees.

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

Z Carr (Chief Executive Officer)

Remuneration £117,197 (2020: £114,060)

Employers' pension contributions £27,752 (2020: £27,009)

During the year ended 31 August 2021, travel and subsistence expenses totalling £314 (2020: £1,387) were reimbursed to 1 trustee (2020: 1).

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

12. TRUSTEES' AND OFFICERS' INSURANCE

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

13. INTANGIBLE FIXED ASSETS

	Computer Software £000	Total £000
Cost		
At 1 September 2020	70	70
Additions	7	7
	<u>77</u>	<u>77</u>
At 31 August 2021	77	77
Amortisation		
Opening	40	40
Charged in year	15	15
At 31 August 2021	<u>55</u>	<u>55</u>
	<u>22</u>	<u>22</u>
Carrying Amount		
At 31 August 2020	30	30
	<u>22</u>	<u>22</u>
At 31 August 2021	22	22

14. TANGIBLE FIXED ASSETS

	Land and buildings	Furniture and equipment	Computer Hardware	Total
	£000	£000	£000	£000
Cost				
At 1 September 2020	34,229	778	771	35,778
Haltwhistle Primary Revaluation	942	-	-	942
Additions	1,874	184	306	2,364
Disposals	(7)	(6)	(4)	(17)
At 31 August 2021	<u>37,038</u>	<u>956</u>	<u>1,073</u>	<u>39,067</u>
Depreciation				
At 1 September 2020	3,593	444	491	4,528
Charged in year	1,086	117	206	1,409
Disposals	(4)	(3)	(4)	(11)
At 31 August 2021	<u>4,675</u>	<u>558</u>	<u>693</u>	<u>5,926</u>
Net book value				
At 31 August 2020	<u>30,636</u>	<u>334</u>	<u>280</u>	<u>31,250</u>
At 31 August 2021	<u>32,363</u>	<u>398</u>	<u>380</u>	<u>33,141</u>

Included within land & buildings is £27,969k (2020: £27,633k) relating to leasehold land & buildings.

15. FIXED ASSET INVESTMENT

	£
Market value	
At 1 September 2020	1
Disposal	<u>(1)</u>
	-
Historical cost:	
At 31 August 2020	<u>1</u>
At 31 August 2021	<u>-</u>

Holdings of more than 20%

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

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

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

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

The company was formally dissolved on 15 December 2020.

16. DEBTORS

	2021 £000	2020 £000
Trade Debtors	44	73
VAT Recoverable	170	97
Other Debtors	22	9
Prepayments and accrued income	694	981
	<u>930</u>	<u>1,160</u>

17. CREDITORS: Amounts falling due within one year

	2021 £000	2020 £000
Trade creditors	716	100
Other Creditors	86	94
Accruals and deferred income	2,108	1,367
	<u>2,910</u>	<u>1,561</u>

Included in Other Creditors is £15k relating to Salix loans.

Deferred income	2021
	£000
Deferred income at 1 September 2020	545
Released from previous years	(545)
Resources deferred in the year	<u>340</u>
Deferred income at 31 August 2021	<u>340</u>

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

	£000
Early Years funding for Autumn term 2021	36
UIFSM 1st Instalment for 21/22	164
School Fundraising Income	82
Rates Relief	31
Apprenticeship funding for 21/22	2
Forest School 21/22	20
Miscellaneous Income for 21/22 (e.g., school trips)	<u>5</u>
	<u>340</u>

18. FUNDS

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

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

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

18. FUNDS (continued)

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

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

Other DfE/ ESFA grants received and spent during the year relate largely to Sports Grant (£218k) and UIFSM (£281k) which have been fully expended in year, teachers' pay and pension grants to support pay awards and increasing pension costs during 2020/21 (£659k) and Teaching School grants (£49k) including Core Grant and Schools Direct funding for Initial Teacher Training salaries.

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

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

Restricted fixed asset funds are made up of funds received from the DfE/ESFA during the year of £986k in respect of Devolved Formula Capital Grants and SCA grants, capital funding of £1,214k from Northumberland County Council; donated assets of £116k, and transfers from restricted and unrestricted funds in the year to match against capital expenditure incurred.

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

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the GAG that it could carry forward at 31 August 2021.

A comparative funds note detailing the closing position at 31 August 2020 is listed overleaf:

Prior Year Funds 2019/21	At 1 September 2019	Income	Expenditure	Gains, losses and transfers	At 31 August 2020
	£000	£000	£000	£000	£000
RESTRICTED GENERAL FUNDS					
General Annual Grant (GAG)	1,320	13,612	(13,462)	(148)	1,322
Pupil Premium	-	1,846	(1,846)	-	-
Other DfE/ESFA grants	8	1,378	(1,386)	-	-
Other Government Grants	-	2,285	(2,285)	-	-
Other Restricted Reserves	107	36	(36)	-	107
Pension reserve	(9,995)	(-)	(1,325)	(5,837)	(17,157)
	<u>(8,560)</u>	<u>19,157</u>	<u>(20,340)</u>	<u>(5,985)</u>	<u>(15,728)</u>
RESTRICTED FIXED ASSET FUNDS					
DfE/ESFA capital grants	2,637	1,424	(199)	-	3,862
Capital Expenditure from GAG	2,016	-	(497)	148	1,667
Capital Expenditure from Start up and Growth Grants	30	-	(6)	-	24
Transfer from LA	9,431	-	(210)	-	9,221
Transfer from existing academy	19,084	-	(473)	-	18,611
	<u>33,198</u>	<u>1,424</u>	<u>(1,385)</u>	<u>148</u>	<u>33,385</u>
TOTAL RESTRICTED FUNDS	<u>24,638</u>	<u>20,581</u>	<u>(21,725)</u>	<u>(5,837)</u>	<u>17,657</u>
UNRESTRICTED FUNDS	<u>2,435</u>	<u>717</u>	<u>(486)</u>	<u>-</u>	<u>2,666</u>
TOTAL FUNDS	<u>27,073</u>	<u>21,298</u>	<u>(22,211)</u>	<u>(5,837)</u>	<u>20,323</u>

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

	2021 £000	2020 £000
Adderlane Academy	64	83
Bexhill Academy	300	401
Croftway Academy	213	202
Hasting Hill Academy	239	333
Haltwhistle Primary Academy	-	(33)
Malvin's Close Academy	300	845
Morpeth Road Academy	300	687
North View Academy	271	240
Prudhoe West Academy	138	168
Shaftoe Trust Academy	-	39
Town End Academy	224	256
Welbeck Academy	420	531
Town End Teaching School	78	56
Central Trust Funds	<u>1,364</u>	<u>287</u>
Total before fixed assets and pension reserve	<u>3,911</u>	<u>4,095</u>
Restricted fixed asset fund	34,533	33,385
Pension reserve	<u>(19,623)</u>	<u>(17,157)</u>
TOTAL RESERVES	<u>18,821</u>	<u>20,323</u>

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

Welbeck Academy includes £120k reserves which are ring-fenced to support the proposed installation of a MUGA pitch in 2021-22.

During the refurbishment of the Haltwhistle site, the Trust has incurred site costs for both the First and Middle school buildings which resulted in an overall deficit position which has effectively been reset for 2021-22 now that the works are complete and we expect to relinquish the First School building by the end of 2021.

Shaftoe Trust Academy incurred restructure costs during the year which resulted in an overall deficit position; this has also been reset for 2021-22.

A summary of reserve transfers to support the reserves policy is as follows: Central Trust Funds £1,121k; Haltwhistle Primary £69k; Shaftoe Trust £19k; Malvin's Close £(671)k; Morpeth Road £(250)k; Welbeck £(158)k and Bexhill £(130)k.

Specific plans for the utilisation of reserves during 2021-22 include: £120k Welbeck Academy MUGA pitch; £50k Shaftoe Trust Academy Early Years Learning Environment; £56k Teaching School support during transitional year moving to regional hub model; £253k to fund a Trust-wide strategy of adding at least one Teaching Assistant (or equivalent) role to staffing structures to support children's progress with catch up plans.

ANALYSIS OF ACADEMIES BY COST

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

	Teaching and Educational Support Staff Costs £000	Other Support Staff Costs £000	Educational Supplies £000	Other Costs (excluding depreciation and revaluation) £000	Total 2021 £000	Total 2020 £000
Adderlane Academy	493	78	7	96	674	629
Bexhill Academy	1,537	205	66	235	2,043	1,927
Croftway Academy	1,518	248	71	244	2,081	1,864
Hasting Hill Academy	965	195	59	196	1,415	1,261
Haltwhistle Primary Academy	848	198	44	209	1,299	1,332
Malvin's Close Academy	1,484	261	62	262	2,069	2,084
Morpeth Road Academy	1,759	253	135	280	2,427	2,320
North View Academy	1,100	125	27	146	1,398	1,192
Prudhoe West Academy	1,050	144	36	191	1,421	1,325
Shaftoc Academy	525	106	14	87	732	652
Town End Academy	927	172	46	190	1,335	1,250
Welbeck Academy	2,031	319	121	382	2,853	2,509
Town End Teaching School	-	101	-	23	124	137
Central Services	347	593	3	84	1,027	1,019
WISE Academies	<u>14,584</u>	<u>2,998</u>	<u>691</u>	<u>2,625</u>	<u>20,898</u>	<u>19,501</u>

19. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Fund balances at 31 August 2021 are represented by:

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

Fund balances at 31 August 2020 are represented by:

	Unrestricted Funds	Restricted general funds	Restricted fixed asset funds	Total funds
	£000	£000	£000	£000
Intangible fixed assets	-	-	30	30
Tangible fixed assets	-	-	31,250	31,250
Current assets	2,666	2,990	2,105	7,761
Current liabilities	-	(1,561)	-	(1,561)
Pension scheme liability	-	(17,157)	-	(17,157)
TOTAL NET ASSETS AT 31 August 2020	2,666	(15,728)	33,385	20,323

20. CAPITAL COMMITMENTS

	2021 £000	2020 £000
Contracted for, but not provided in the financial statements	<u>576</u>	<u>847</u>
	<u>576</u>	<u>847</u>

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

At 31 August 2021 the total of the Academy Trust's future minimum lease payments under non-cancellable operating leases was:

	2021 £000	2020 £000
Amounts due within one year	24	17
Amounts due between one and five years	49	29
Amounts due after five years	<u>-</u>	<u>-</u>
	<u>73</u>	<u>46</u>

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

	2021	2020
	£000	£000
Net expenditure for the reporting period (as per the statement of financial activities)	(579)	(913)
Adjusted for:		
Amortisation (note 13)	15	13
Depreciation (note 14)	1,409	1,372
Capital grants from DfE and other capital income	(1,291)	(1,460)
Interest receivable (note 5)	(1)	(23)
Loss on Disposal of Fixed Assets (note 14)	6	3
Defined benefit pension scheme cost less contributions payable (note 28)	1,259	1,143
Defined benefit pension scheme finance costs (note 28)	284	182
Decrease in debtors	230	196
Increase/ (Decrease) in creditors	1,349	(449)
Net cash (used in)/ provided by operating activities	2,681	64

23. CASHFLOWS FROM FINANCING ACTIVITIES

	2021	2020
	£000	£000
Repayments of borrowing	-	-
Cash inflows from new borrowing	-	-
Net cash provided by / (used in) financing activities	-	-

24. CASHFLOWS FROM INVESTING ACTIVITIES

	2021	2020
	£000	£000
Interest received	1	23
Purchase of intangible fixed assets	(7)	(4)
Purchase of tangible fixed assets	(2,248)	(727)
Capital grants from DfE/ ESFA	1,291	1,460
Haltwhistle Primary donated asset	(942)	-
Donated IT equipment	(116)	-
Net cash used in investing activities	(2,021)	752

25. ANALYSIS OF CHANGES IN NET FUNDS

	At 31	At 31
	August	August
	2021	2020
	£000	£000
Cash in hand and at bank	7,261	6,601

26. ANALYSIS OF CHANGES IN NET DEBT

	At 1	Cash	Acquisition	New	Other	At 31
	September	flows	/ disposal	finance	non-	August
	2020		of	leases	cash	2021
			subsidaries		change	
	£000	£000	£000	£000	£000	£000
Cash	6,601	660	-	-	-	7,261
Loans falling due within one year	-	-	-	-	-	-
Loans falling due after more than one year	-	-	-	-	-	-
Finance lease obligations	-	-	-	-	-	-
TOTAL	6,601	660	-	-	-	7,261

27. MEMBERS' LIABILITY

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

28. PENSION AND SIMILAR OBLIGATION

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

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

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

Teachers' Pension SchemeIntroduction

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

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

Valuation of the Teachers' Pensions Scheme

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

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

As a result of the valuation, new employer contribution rates were set at 23.68% (including a 0.08% administration levy) of pensionable pay from September 2019 onwards (compared to 16.48% during 2018/19).

28. PENSION AND SIMILAR OBLIGATIONS (continued)

The next valuation result is due to be implemented from 1 April 2023.

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

The pension costs paid to TPS in the year amounted to £1,763k (2020: £1,700k).

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

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

Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The Trust is a member of the Tyne and Wear Pension Fund (TWPF). The total contribution made for the year ended 31 August 2021 was £1,189k (2020: £943k) of which employer's contributions totalled £934k (2020: £716k) and employees' contribution totalled £255k (2020: £227k). The agreed rates for future years are, for employers' contributions: 17.5% (TWPF) and 21.4% (NCCPF), and between 5.5 and 12.5 per cent for employees.

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

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

	TWPF		NCCPF	
	At 31 Aug 2021 %	At 31 Aug 2020 %	At 31 Aug 2021 %	At 31 Aug 2020 %
Rate of increase in salaries	4.1	3.7	4.1	3.8
Rate of increase for pensions in payment/inflation	2.6	2.2	2.6	2.3
Discount rate for scheme liabilities	1.7	1.7	1.7	1.7
Inflation assumption (CPI)	2.6	2.2	2.6	2.3

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

	TWPF At August 2021 Years	TWPF At August 2020 Years	NCCPF At August 2021 Years	NCCPF At August 2020 Years
Retiring today				
Males	21.9	21.8	21.9	21.8
Females	25.1	25.0	25.1	25.0
Retiring in 20 years				
Males	23.6	23.5	23.6	23.5
Females	26.9	26.8	26.9	26.8

28. PENSION AND SIMILAR OBLIGATIONS (continued)

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

	Fair value at 31 August 2021 £000	Fair value at 31 August 2020 £000
Equities	10,830	8,673
Property	1,559	1,491
Government bonds	409	389
Corporate bonds	3,916	3,712
Cash	780	308
Other	1,988	1,637
Total market value of assets	<u>19,482</u>	<u>16,210</u>

The actual return on scheme assets was £2,397,000 (2020: £180,000).

Amounts recognised in the statement of financial activities

	2021 £000	2020 £000
Current service cost	(2,193)	(1,620)
Net interest cost	(284)	(182)
Past service Cost	-	(366)
Total operating charge	<u>(2,477)</u>	<u>(2,168)</u>

28. PENSION AND SIMILAR OBLIGATIONS (continued)

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

	2021	2020
	£000	£000
At 1 September	33,365	25,283
On conversion	-	-
Current service cost	2,193	1,620
Interest cost	567	480
Employee contributions	255	227
Actuarial losses	3,037	5,719
Benefits paid	(312)	(330)
Net increase in liabilities from disposals and acquisitions	-	-
Past service cost	-	366
Plan introductions, benefit changes, curtailments and settlements	-	-
At 31 August	<u>39,105</u>	<u>33,365</u>

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

	2021	2020
	£000	£000
At 1 September	16,208	15,288
On conversion	-	-
Interest income	283	298
Return on plan assets (excluding net interest on the net defined pension liability)	2,114	(118)
Employer contributions	934	843
Employee contributions	255	227
Benefits paid	(312)	(330)
Net increase in liabilities from disposals and acquisitions	-	-
Plan introductions, benefit changes, curtailments and settlements	-	-
At 31 August	<u>19,482</u>	<u>16,208</u>

29. RELATED PARTIES

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

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

Key management personnel disclosure is included in note 9.

30. TEACHING SCHOOL ACCOUNT

	2020/21 £000	2020/21 £000	2019/20 £000	2019/20 £000
Income				
Direct Income				
Other Income		81		52
Other Income				
Fundraising and other trading activities		65		83
		<u> </u>		<u> </u>
Total Income		146		135
Expenditure				
Direct costs				
Direct staff costs	(85)		(82)	
Staff development	-		-	
Other direct costs	<u>(23)</u>		<u>(39)</u>	
Total direct costs	(108)		(121)	
Other costs				
Support staff costs	(16)		(16)	
Depreciation	-		-	
Other support costs	<u>-</u>		<u>-</u>	
Total other costs	<u>(16)</u>		<u>(16)</u>	
Total Expenditure		(124)		(137)
Transfers between funds excluding depreciation		<u>0</u>		0
Surplus/(Deficit) from all sources		22		(2)
Teaching school balances at 1 September 2020		<u>56</u>		<u>58</u>
Teaching school balances at 31 August 2021		<u>78</u>		<u>56</u>