

Company Registration Number: 07975551 (England and Wales)

WIGSTON ACADEMIES TRUST
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018



WIGSTON ACADEMIES TRUST
(A company limited by guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2018

Members	E Abbott M Elton A Wright J Cooke
Trustees	G Hall, Chair (resigned 31 August 2018) P Munro, Chair M Byrne ¹ E Coates ¹ C Gore (appointed 12 July 2018) S Lamb S Morris (resigned 31 August 2018) ¹ G Swingler M Mitchley, Ex Officio and Executive Headteacher ¹ ¹ Finance Committee
Company registered number	07975551
Company name	Wigston Academies Trust
Registered office	Station Road Wigston Magna Leicester LE18 2DU
Principal operating office	Station Road Wigston Magna Leicester LE18 2DU
Company secretary	C Reeds
Senior management team	M Mitchley, Executive Headteacher M Wilson, Headteacher C Reeds, Chief Operating Officer
Independent auditors	Magma Audit LLP Chartered Accountants Unit 2, Charnwood Edge Business Park Syston Road Cossington Leicestershire LE7 4UZ
Bankers	Lloyds Bank Plc 7 High Street Leicester Leicestershire LE1 9FS

WIGSTON ACADEMIES TRUST
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2018

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the 1 September 2017 to 31 August 2018. The annual report serves the purposes of both a Trustees' report, and a directors' report under company law.

Wigston Academies Trust is a Multi Academy Trust comprising 2 schools, Wigston Academy (11 to 16 education) and Wigston College (providing 16 to 19 education) with a pre-school, Tiger Tots.

The Trust has undergone considerable change in leadership since 2016 when a new Executive Headteacher was appointed. In September 2017 a full time substantive Headteacher was appointed to replace the interim Headteacher at the Academy. Both the Executive Headteacher and Headteacher are serving OFSTED Inspectors and both have a track record of school improvement. Under their leadership Wigston College went from special measures to an OFSTED rating of good and outcomes for students improved dramatically. The pre-school was inspected by OFSTED in April 2018 and retained and enhanced its good rating. Wigston Academy was inspected in September 2018 and was judged as requiring improvement but with good leadership and management as well as good personal development, behaviour and welfare. Consequently, in the tenure of the new CEO, each establishment has been inspected and leadership and management is judged good in all provisions. The Executive Headteacher has considerable experience as a Headteacher in other settings.

The two Academies that the Trust operates for pupils aged 11 to 19 serving the catchment area of Wigston. Wigston Academy has a pupil capacity of 1,560 and had a roll of 1,375 in the school census on 5 October 2017. Wigston College has a pupil capacity of 920 and had a number on roll of 209 at the same date.

STRUCTURE, GOVERNANCE AND MANAGEMENT

• Constitution

The Academy Trust is a charitable 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 charitable company was incorporated as Abington Academy Trust on 5 March 2012. The school converted to academy status on 1 April 2012, when its operations, assets and liabilities were transferred to the academy from the governing body of the Foundation School, Abington High School. The charitable company changed its name to Wigston Academies Trust on 14 March 2015.

On 1 April 2015 the Academy became a Multi Academy Trust when Bushloe High School and Guthlaxton Academy Trust joined the Trust. On 1 September 2015, Abington Academy and Bushloe High School merged to become one school Wigston Academy, and Guthlaxton Academy changed its name to Wigston College. This reorganisation has had a very positive impact on the success of the trust.

The governors act as the trustees for the charitable activities of Wigston Academies Trust and are also the directors of the charitable company for the purposes of company law. The charitable company is known as Wigston Academies Trust.

Details of the Trustees who served throughout the year except as noted are listed 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.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

● **Trustees' indemnities**

In accordance with normal practice the Academy Trust has purchased insurance to protect the Trustees and officers from claims arising from negligent acts, errors and omissions whilst on school business. The cover under the policy is £3,000,000 and in the period under review the sum of £1,370 inclusive of tax was paid (2017 - £867).

● **Method of recruitment and appointment or election of Trustees**

Trustees are appointed as follows

Community Trustee	Appointed by the Members. We would seek to appoint Trustees with relevant background or experience to complement the existing Trustee qualifications.
Co-opted Trustees	Appointed by the Trustees. We would seek to co-opt Trustees with relevant background or experience to complement the existing Trustee qualifications.
Parent Governors	Through open election for all eligible parents or guardians of students who attend Wigston Academies Trust.
Staff Governors	Appointed by the Members.

● **Policies and procedures adopted for the induction and training of Trustees**

We expect all Trustees and Governors to undertake training as appropriate to their work at the Academy Trust. New Trustees and Governors will be provided with an induction programme as required. A record is kept of all Trustee and Governor training and is reviewed on a regular basis.

● **Organisational structure**

The Trustees, who are responsible for the overall management and control of the Academy Trust meet at least termly each year.

The Executive Headteacher is responsible for co-ordinating the work of the Trustees and their Committees, preparation of agendas, papers and review of matters arising. The Academy Trust Chief Operating Officer is responsible for the preparation of accounts.

All Trustees give of their time freely and no remuneration and no expenses were paid in the period.

The Trustees determine the general policy of the school. The day to day running is delegated to the Executive Headteacher and the Heads of School, supported by senior staff. The Executive Headteacher undertakes the key leadership role overseeing educational, pastoral and administrative function in consultation with senior staff. The day to day administration is undertaken within the policies and procedures approved by the Trustees which provide for only significant expenditure decisions and major capital projects to be referred to Trustees for prior approval.

The Executive Headteacher oversees the recruitment of all staff. The Executive Headteacher is an Ex Officio Trustee, Principal Accounting Officer and attends all meetings. The Chief Operating Officer attends the Trustee meetings and any other meetings as appropriate.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

● **Pay policy for key management personnel**

At Wigston Academies Trust we follow the National Teachers Pay and Conditions for teachers pay and set pay increases as agreed through national pay deals and incremental increases following successful performance review meetings. For support staff we follow Leicestershire local government pay scales and implemented locally agreed pay increases.

● **Trade union facility time**

Under the provisions 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:

Relevant union officials

Number of employees who were relevant union officials during the year	2
Full-time equivalent employee number	1

Percentage of time spent on facility time

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

Percentage of pay bill spent on facility time

	£	
Total cost of facility time	594	
Total pay bill	8,859,224	
Percentage of total pay bill spent on facility time	-	%

Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours	3	%
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● **Connected organisations, including related party relationships**

The Executive Headteacher is a member of a number of professional associations which enables the school to engage on a local and national level in current educational matters. Additionally, the Executive Headteacher and other members of the school staff share their expertise, knowledge and experience with many schools. The Trust is a strategic lead partner in a Teaching School Alliance.

The school has two connected charities, Abington High School Charitable Trust and Guthlaxton College Foundation Fund (charity registration number 527854). Both were established to enable disadvantaged children to have the same opportunities as their peers, e.g. to take part in visits and to provide suitable help towards uniforms and clothing as necessary. These funds are under the control of the Academy Trust. The funds held by the two connected charities have been included in the results in the Financial Statements.

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

OBJECTIVES AND ACTIVITIES

• **Objects and aims**

Wigston Academies Trust object is specifically restricted to the following: to advance for the public benefit education in the United Kingdom in particular but without prejudice to the generality of the foregoing by establishing, maintaining, carrying on, managing and developing a school offering a broad and balanced curriculum.

• **Objectives, strategies and activities**

The purpose of the Academy Trust is to be a learning community where young people and adults share the search for knowledge, truth and pursuit of excellence. Our vision is to deliver outstanding learning to all students. Our belief, as communicated to the pupils, is that we can all "Strive to Succeed" and we belong to one community.

Our aims are the same for all children. Within a happy, caring and disciplined framework, and with the co-operation of parents, we strive to ensure that all children;

- achieve the highest academic standards of which they are capable.
- develop good social and working relationships in school and also in the wider community.
- develop a reasoned and acceptable set of social, moral and spiritual values, and behave in a way which does not conflict with these values.
- acquire personal qualities which will help bring them success and happiness.
- develop positive attitudes towards their physical wellbeing.

To achieve these aims, we strive to ensure that;

- our curriculum is carefully planned and organised, so that all teaching staff meet the requirements of school wide policies as well as the requirements of their particular subjects.
- our policies and procedures, both inside and outside the classroom, are consistent with the successful promotion of our aspirations for our children.
- we maintain a wide range of extracurricular activities, through which children can develop their personal interests and aptitudes.
- the needs of each individual child are known, and that appropriate provision for those needs are available.

Wigston Academies Trust is committed to serving the local community; within this partnership, we aim to provide high quality education in a safe, caring and happy environment, where everyone is valued.

We endeavour to provide enrichment experiences and opportunities which encourage children to achieve their full potential; to become confident, responsible, independent and well educated individuals able to fulfil positive roles in society.

Our Objectives for the period included:

1. Achievement and Standards.

- at Key Stage 2 and 3.
- Curriculum Organisation – the new National Curriculum.
- KS3 – 4 Pathways for students.
- Teaching and Learning (AfL, tracking, target setting, profiling).
- Learning Reviews – Teaching and Learning groups/Performance Management.
- Intervention and Support (target groups to overcome barriers to learning, support provision 'Closing the gaps').
- Pastoral Support systems/programmes.

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Mentoring and Coaching (One to One Tuition and target groups – support programmes, parental intervention).

“How do children learn?”

Ensure that the following initiatives from Phase 3 of the Improvement Plan, are fully embedded into school practice.

- Learning Reviews.
 - Sharing best practice.
 - Teacher assessment and the use of data – targeted intervention.
 - Teacher and support staff roles remodelling.
2. Personal Development and wellbeing – extending participation, health education, PSHCE review, Review of trips and visits/home study, community engagement, attendance, School Council.
 3. Quality of Provision – extend partnership working (LSL and NctI– wider community), Campus Reorganisation (transition, KS4 performance, teacher exchanges, curriculum/timetable revision). Primary Schools. LA – Enhanced Resource Provision – Teaching Schools.
 4. Leadership and Management – Capital Works/resources, Sharing Best Practice, monitoring and evaluation procedures (CASEF), Performance Management. Campus Reorganisation, Sponsored Academies, Locality Partnerships.
 5. Views of Stakeholders.
Transition KS3 to 4, School Council, Home School initiatives, Admissions. Reorganisation Consultation.

• **Public benefit**

Wigston Academies Trust is a charitable trust which seeks to benefit the public through the pursuit of its stated aims. The Trustees have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission.

STRATEGIC REPORT

• **Key performance indicators and review of activities**

KS4 Overview Analysis

Wigston Academy – Results 2018 (Unvalidated)

This year has seen more subjects move to 9-1 grading which has meant that coursework is no longer a component part of the overall grade. This has affected the EBacc subjects (Computer Science, Biology, Chemistry, Physics, French, Spanish, Geography and History) and an additional six subjects. This coupled with more challenging grade boundaries in English Language, Literature and Maths gives a backdrop to a much changed national picture.

Headline Figures

	2017 National	2018
Average Total Points	44.6	35.74
Average Point Score (APS) per pupil	4.46	3.57

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English and Maths

% of students gaining An English (Lang or Lit) and Maths

	<u>2017 National Data %</u>	2018 (% of cohort)
9-7 (A*-A)	No data	5.2
9-5 (High Pass)	39.6	23.2
9-4 (A*-C)	59.1	48.4
9-1 (A*-G)	98.0	95.7

% of students gaining a qualification in English Language

	<u>2018 National Data %</u>	2018 (% of cohort)
9-7 (A*-A)	14.0	7.4
9-5 (High Pass)	44.6	36.9
9-4 (A*-C)	62.0	51.5
9-1 (A*-G)	98.9	94.8

% of students gaining a qualification in English Literature

	<u>2018 National Data %</u>	2018 (% of cohort)
9-7 (A*-A)	19.5	3.7
9-5 (High Pass)	55.5	34.4
9-4 (A*-C)	72.9	57.7
9-1 (A*-G)	98.1	91.2

% of students gaining a qualification in Maths

	<u>2018 National Data %</u>	2018 (% of cohort)
9-7 (A*-A)	15.7	12.0
9-5 (High Pass)	40.3	33.2
9-4 (A*-C)	59.7	59.8
9-1 (A*-G)	97.7	95.8

Percentage of students achieving a 9-5 in an English and Maths and percentage of students achieving a 9-4 in an English and Maths are below National 2017.

English Language grades are below National 2018.

English Literature grades are below National 2018.

Percentage of students leaving with a 9-4 in an English is 60%

Maths students achieving a 9-4 in Maths was slightly above National 2018, below in all other areas.

● **Going concern**

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

As at 31 August 2018 the Academy Trust held deficit unrestricted reserves and unspent (non-fixed asset) restricted funds of £143,226. The Executive Headteacher and Trustees are working on a financial recovery plan to restore the deficit by the year 2020/21. The Academy Trust is liaising with the ESFA in this process.

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Based on the recovery plan in place for the Academy Trust the financial statements have been prepared on a going concern basis.

FINANCIAL REVIEW

● **Financial review**

The academy had a net decrease in funds for the year ended 31 August 2018 of £1,282,369 including fixed asset movements but excluding pension reserve movements. As at 31 August 2018 the academy held £535,128 of unrestricted reserves less a deficit of £678,354 of unspent (non-fixed asset) restricted funds. The Academy Trust therefore has a deficit of unrestricted and non-fixed asset restricted funds, being its available reserves of £143,226.

The academy trust had a pension deficit on their Local Government Pension Scheme of £4,380,000 at 31 August 2018 and a fixed asset reserve of £27,875,731 (being the book value of past purchases £27,840,495 plus £55,236 of unspent capital grants).

Despite the deficit there are no significant factors going forward that are expected to impact on the normal continuing operation of the academy. The Executive Headteacher and Trustees are working towards a financial recovery plan to reduce the deficit of the school. The principle financial management policies adopted in the period are included in the academy's internal financial policies and are typical for an academy trust of this size and type. There were no unusual significant events worthy of comment during the year.

The principal sources of funding for the academy are the General Annual Grant (GAG) and other DfE Group grants, such as Pupil Premium. This funding has been used to support the key educational objectives of the academy trust, subject to any remaining reserves.

The academy's investment policy is only to hold cash reserves on deposit with major holding banks so as to minimise risk.

● **Reserves policy**

The trustees have developed a reserves policy for the school which is reviewed at least annually. The academy needs to hold reserves to allow for contingencies such as unfunded building repairs, unexpected staffing costs and to allow for some uncertainty in future government funding. The trustees have determined that the appropriate level of free reserves, which it considers to be unrestricted funds plus unspent General Annual Grant (GAG), should be approximately one month's expenditure of the annual budget, being approximately £792,000.

Actual free reserves plus unspent GAG as at 31 August 2018 were at a deficit of £382,015. Excluded from this figure are designated reserves of £175,000 towards the eventual replacement of the All Weather Pitch and other available restricted funds amounting to £63,789. The current level of free reserves is not considered appropriate for the Trust at this stage. The Academy Trust has liaised with the ESFA and is working on a Financial Recovery plan to reduce the deficit by the year 2020/21. Total available revenue reserves at 31 August 2018 were in deficit by £143,226. Cash at bank at 31 August 2018 was £683,928 higher than total available reserves due principally to £55,236 of unspent capital funds, £92,698 of income received in advance, £189,301 of unpaid trade creditors and £279,954 of unpaid PAYE and pension liabilities at the year end and other accruals timing adjustments.

At 31 August 2018 the academy's fixed asset reserve of £27,895,731 represented £27,840,495 of funds which could only be realised if the assets were sold, plus £55,236 of unspent capital grants.

At the year end was a deficit the pension reserve (deficit of £4,380,000) which will be addressed via contribution rates decided on from time to time by the pension scheme actuaries. This deficit has arisen, as with many other schemes of this type, mainly due to increased life expectancies and reduced investment returns.

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TRUSTEES' REPORT (continued)
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● **Investment policy and performance**

The Academy Trust regularly monitors the current/fund account balances to ensure immediate financial commitments can be met (payroll and payment runs) and that the accounts have adequate balances to meet forthcoming commitments. Any surplus funds will be invested in a deposit account bearing a higher rate of interest. A periodic review of interest rates will be carried out and compared with other investment opportunities. The school's current policy is to only invest funds in risk free deposit accounts. Any change of policy requires approval of Trustees via the Finance Committee.

● **Principal risks and uncertainties**

The Academy Trust has a Risk Management Policy and Risk Register which aim to identify, assess and evaluate the risks which the Academy faces and to put procedures in place which aim to reduce that risk. The register is reviewed and updated as necessary.

The Trustees have assessed the major risks to which the Academy is exposed, in particular those related to the operations and finances of the Academy, and are satisfied that systems and procedures are in place to mitigate our exposure to the major risks.

The Trustees are responsible for the overseeing of the risks faced by the Academy. Detailed consideration of risk are delegated to the Senior Leadership and Management Team of the Academy. Risks are identified, assessed and controls established throughout the period. A formal review of the Academy's risk management process is undertaken on an annual basis. Risk Management covers areas such as Financial Sustainability, Health and Safety and Student Welfare.

Through the risk management processes established for the Academy, the Trustees are satisfied that the major risks identified have been adequately mitigated where necessary. It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

At 31 August 2018 the pension deficit on the Local Government Pension Scheme stood at £4,380,000 for the 2 Academies (31 August 2017 - £4,795,000). The Academy has mitigated its risk in relation to this pension scheme by taking out insurance against early retirement on the grounds of ill health. Changes in contribution rates as decided upon by the actuaries of the scheme are budgeted for as soon as they are known, when they are updated every three years.

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

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TRUSTEES' REPORT (continued)
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FUNDRAISING

Fundraising has been limited to small events held to raise funds for external charities, such as non-uniform days. These funds are paid across in full to the nominated charities.

PLANS FOR FUTURE PERIODS

● **Future developments**

The Trustees intend to continue their current strategies of maintaining the Trust's position in a competitive market by providing outstanding education for all students. Achieving high standards of academic results is a constant aim whilst maintaining breadth and depth of wider education to develop the whole person. Trustees are resolute that there should be a culture of safeguarding in the Trust's schools. Trustees are also resolute that the Academy will be judged good at the next OFSTED inspection.

The Executive Headteacher and senior staff continue to review the curriculum to ensure that the educational qualifications remain appropriate for our students' development. Our future plans are financed from income direct from the DfE, related to student numbers and other lump sum factors. Trustees will ensure funding is invested appropriately for the next generation of students as they have done in the past for current students. Future plans also include partnership working both locally and nationally. We have a planned programme of maintenance and investment for the Trust site. Each year we invest heavily in computer equipment and infrastructure to ensure our students and staff have the best school environment we can provide.

Plans for safeguarding the Sixth Form in terms of its future for the community are ongoing and there is an increase in the number of external applications. The Trust has also established a behaviour unit to meet the needs of its most vulnerable and hard to reach pupils using premises acquired on site during its academisation. There is an ultimate desire to turn this into a revenue generating and OFSTED recognised centre for behaviour modification commercially in the county. The Trust also has a nursery and is increasing its size in 2018/19 and this is also being done using premises acquired during academisation.

Funds held as custodian

The Academy does not hold any such funds on behalf of any organisations. Transactions and balances relating to the controlled charities referred to on page 4 and note 25 to the financial statements are incorporated in the financial statements.

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TRUSTEES' REPORT (continued)
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Disclosure of information to auditors

Insofar as the Trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- that Trustees have taken all the steps that ought to have been taken as a Trustee in order to be aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

Auditors

The auditors, Magma Audit LLP, have indicated their willingness to continue in office. The Trustees will propose a motion re-appointing the auditors at a meeting of the Trustees.

The Trustees' report was approved by order of the Board of Trustees, as the company directors, on 10 December 2018 and signed on its behalf by:



P Munro
Chair of Trustees

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GOVERNANCE STATEMENT

Scope of Responsibility

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

The Board of Trustees has delegated the day-to-day responsibility to the Executive Headteacher, 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 Wigston Academies Trust and the Secretary of State for Education. They are also responsible for reporting to the Board of Trustees any material weaknesses or breakdowns in internal control.

Governance

The information on governance included here supplements that described in the Trustees' report and in the statement of trustees' responsibilities. The Board of Trustees has formally met 7 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
G Hall, Chair	6	7
P Munro, Chair	6	7
M Byrne	4	7
E Coates	3	7
C Gore	0	0
S Lamb	7	7
S Morris	5	7
G Swingler	7	7
M Mitchley, Ex Officio and Executive Headteacher*	7	7

*The Executive Headteacher attends all trustee meetings.

The Trust Board is responsible for all aspects of its schools' performance. However, it delegates the evaluation of outcomes and the school's work to one single local governing body across the Trust (i.e. for both schools). This is true for all aspects of the school's performance except finance and staffing which remain the concern of the Board of Trustees. The Board of Trustees regularly carries out skills audits of its members and has a good and broad skills base including financial and legal expertise and expertise in local government. New arrangements put in place by the Executive Headteacher have strengthened the Local Governing Body (LGB) accountability and in turn the accountability of staff to the LGB. The Board sends Trustee observers to each LGB and LGB committee meeting and the Executive Headteacher, attends every LGB meeting. Trustees scrutinise through LGB meetings reports from an external advisor who is a serving OFSTED Inspector and former Headteacher.

Governance reviews:

The Trust conducts a self evaluation review or an external review annually. The next review is due in the year ended August 2019. The 2018 Academy inspection rated governance '... a strength.'

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GOVERNANCE STATEMENT (continued)

The Finance Committee which is a sub-committee of the main governing body. Its purpose is to assist the decision making of the governing body, by enabling more detailed consideration to be given to the best means of fulfilling the Governing Body's responsibility to ensure sound management of the Academy's finances and resources.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
S Morris	3	4
E Coates	4	4
M Byrne	2	4
M Mitchley, Ex Officio and Executive Headteacher	4	4

Review of Value for Money

As Accounting Officer, the Executive Headteacher has responsibility for ensuring that the academy 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 academy'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 appropriate. The Accounting Officer for the academy has delivered improved value for money during the year by:

- planning efficiently, effectively and economically the resources available to meet the needs of all the pupils achieving high quality outcomes.
- the trust's accommodation and site are maintained to a high standard.
- the views of the parents and pupils are sought and responded to in relation to the suitability availability or resources. Resources and equipment are well cared for.
- staff development is well organised and CPD is planned to support the needs of staff and children.
- specific funding is identified and deployed appropriately e.g. SEND funding/pupil 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 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 Wigston Academies Trust for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Board of Trustees has reviewed the key risks to which the academy 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 academy's significant risks, that has been in place for the year 1 September 2017 to 31 August 2018 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

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GOVERNANCE STATEMENT (continued)

The Risk and Control Framework

The academy'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 Board of Trustees of reports which indicate financial performance against the forecasts and of major purchase plans, capital works and expenditure programmes;
- setting targets to measure financial and other performance;
- clearly defined purchasing (asset purchase or capital investment) guidelines.
- delegation of authority and segregation of duties;
- identification and management of risks.

The Board of Trustees has considered the need for a specific internal audit function and has decided to appoint Leicestershire County Council as internal auditor.

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the academy's financial systems. In particular the checks carried out in the current period included:

- Testing of payroll systems
- Testing of purchase systems
- Testing of control account/bank reconciliations

On an annual basis, the auditor reports to the Board of Trustees through the audit committee on the operation of the systems of control and on the discharge of the Board of Trustees' financial responsibilities.

The governing body has considered the need for a specific internal audit function and has decided to appoint an internal auditor. The latest internal audit visit was in May 2018. Reports to the governing body on the operation of the systems of control and on the discharge of the governing body's financial responsibilities are done via the finance committee on a termly basis. The responsible officers' role is undertaken by the Internal Auditors with the responsible officer function being fully delivered in line with the ESFA's requirements. There were no material control issues as a result of the Internal Auditors work during the year.

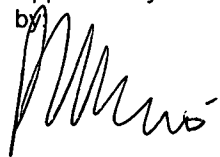
Review of Effectiveness

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

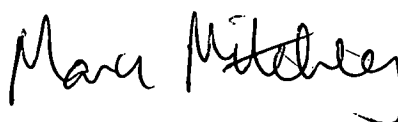
- the work of the internal auditor;
- the work of the external auditors;
- the work of the executive managers within the academy who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the Board of Trustees on 10 December 2018 and signed on their behalf,
by



P Munro
Chair of Trustees



M Mitchley
Accounting Officer

WIGSTON ACADEMIES TRUST
(A company limited by guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2017.

I confirm that the following instances of material irregularity, impropriety or funding non-compliance discovered to date have been notified to the board of trustees and ESFA. If any instances are identified after the date of this statement, these will be notified to the board of trustees and ESFA:

Financial issues

Under the requirements of the Academies Financial Handbook 2017, paragraph 2.2.2, the board of Trustees must approve a balanced budget, for the financial year to 31 August, which can draw on unspent funds brought forward from previous years. During the year the Academy Trust has reported a carry forward deficit of unrestricted and non-fixed asset restricted funds of £143,226. The Academy Trust has informed the ESFA and we are working together on a financial recovery plan. The Academy Trust aims to recover from the deficit by 2020/21.



M Mitchley
Accounting Officer

WIGSTON ACADEMIES TRUST
(A company limited by guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2018

The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with the Annual Accounts Direction issued by the Education & 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 of the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 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 10 December 2018 and signed on its behalf by:



P Munro
Chair of Trustees

WIGSTON ACADEMIES TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
WIGSTON ACADEMIES TRUST**

Opinion

We have audited the financial statements of Wigston Academies Trust (the 'academy') for the year ended 31 August 2018 which comprise the statement of financial activities incorporating income and expenditure account, the balance sheet, the statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', and the Academies Accounts Direction 2017 to 2018 issued by the Education and Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2018 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

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

WIGSTON ACADEMIES TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
WIGSTON ACADEMIES TRUST**

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 for which the financial statements are prepared is consistent with the financial statements.
- the trustees' report and the Strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the academy and its environment obtained in the course of the audit, we have not identified material misstatements in 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, the Trustees (who are also the directors of the academy 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 academy'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 academy or to cease operations, or have no realistic alternative but to do so.

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


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

WIGSTON ACADEMIES TRUST
(A company limited by guarantee)

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF
WIGSTON ACADEMIES TRUST**

Use of our report

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



Luke Turner ACA FCCA (senior statutory auditor)

for and on behalf of

Magma Audit LLP

Chartered Accountants
Statutory Auditors

Unit 2, Charnwood Edge Business Park
Syston Road
Cossington
Leicestershire
LE7 4UZ

Date: 13/12/18

WIGSTON ACADEMIES TRUST
(A company limited by guarantee)

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO WIGSTON ACADEMIES TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY

In accordance with the terms of our engagement letter dated 22 August 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2017 to 2018, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Wigston Academies Trust during the year 1 September 2017 to 31 August 2018 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to Wigston Academies Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to Wigston Academies Trust 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 Wigston Academies Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

Respective responsibilities of Wigston Academies Trust's accounting officer and the reporting accountant

The Accounting Officer is responsible, under the requirements of Wigston Academies Trust's funding agreement with the Secretary of State for Education dated 1 April 2012, and the Academies Financial Handbook extant from 1 September 2017, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2017 to 2018. 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 year 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

Approach

We conducted our engagement in accordance with the Academies Accounts Direction 2017 to 2018 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw our conclusion includes:

- On a sample basis testing transactions and balances.
- Making enquiries of the academy regarding systems and controls in place that are relevant to our regularity conclusion.
- On a sample basis reviewing records for evidence of those systems and controls in operation.

WIGSTON ACADEMIES TRUST
(A company limited by guarantee)

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON REGULARITY TO WIGSTON
ACADEMIES TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (continued)**

Conclusion

In the course of our work, except for the matters listed below, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2017 to 31 August 2018 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Financial issues

Under the requirements of the Academies Financial Handbook 2017, paragraph 2.2.2, the board of Trustees must approve a balanced budget, for the financial year to 31 August, which can draw on unspent funds brought forward from previous years. During the year the Academy Trust has reported a carry forward deficit of unrestricted and non-fixed asset restricted funds of £143,226. The Academy Trust has informed the ESFA and they are working together on a financial recovery plan. The Academy Trust aims to recover from the deficit by 2020/21.

Magma Audit LLP

Reporting Accountant

Magma Audit LLP

Unit 2, Charnwood Edge Business Park
Syston Road
Cossington
Leicestershire
LE7 4UZ

Date: 13/12/18.

WIGSTON ACADEMIES TRUST
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2018**

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
INCOME FROM:						
Donations and capital grants	2	-	262	1,110,709	1,110,971	2,623,695
Charitable activities	3	-	8,831,726	-	8,831,726	10,772,378
Other trading activities	4	247,577	-	-	247,577	177,655
Investments	5	884	1,828	-	2,712	2,947
TOTAL INCOME		248,461	8,833,816	1,110,709	10,192,986	13,576,675
EXPENDITURE ON:						
Raising funds		221,263	-	-	221,263	160,721
Charitable activities		-	10,851,030	935,397	11,786,427	11,794,586
TOTAL EXPENDITURE	6	221,263	10,851,030	935,397	12,007,690	11,955,307
NET INCOME / (EXPENDITURE) BEFORE INVESTMENT GAINS						
Net gains on investments	15	27,198	(2,017,214)	175,312	(1,814,704)	1,621,368
		-	3,335	-	3,335	3,642
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS						
		27,198	(2,013,879)	175,312	(1,811,369)	1,625,010
Transfers between funds	19	(326,506)	194,115	132,391	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES						
		(299,308)	(1,819,764)	307,703	(1,811,369)	1,625,010
Actuarial gains on defined benefit pension schemes	24	-	944,000	-	944,000	1,635,000
NET MOVEMENT IN FUNDS		(299,308)	(875,764)	307,703	(867,369)	3,260,010
RECONCILIATION OF FUNDS:						
Total funds brought forward		834,436	(4,182,590)	27,588,028	24,239,874	20,979,864
TOTAL FUNDS CARRIED FORWARD		535,128	(5,058,354)	27,895,731	23,372,505	24,239,874

The notes on pages 26 to 52 form part of these financial statements.

WIGSTON ACADEMIES TRUST
(A company limited by guarantee)
REGISTERED NUMBER: 07975551

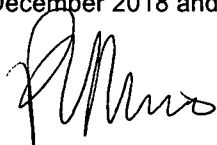
BALANCE SHEET
AS AT 31 AUGUST 2018

	Note	£	2018 £	2017 £
FIXED ASSETS				
Tangible assets	14		27,840,495	27,587,168
Investments	15		44,536	41,201
			<u>27,885,031</u>	<u>27,628,369</u>
CURRENT ASSETS				
Debtors	16	264,753	335,541	
Cash at bank and in hand		540,702	2,424,061	
		<u>805,455</u>	<u>2,759,602</u>	
CREDITORS: amounts falling due within one year	17	(899,518)	(1,288,990)	
NET CURRENT (LIABILITIES)/ASSETS			<u>(94,063)</u>	<u>1,470,612</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>27,790,968</u>	<u>29,098,981</u>
CREDITORS: amounts falling due after more than one year	18	(38,463)		(64,107)
NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES			<u>27,752,505</u>	<u>29,034,874</u>
Defined benefit pension scheme liability	24	(4,380,000)		(4,795,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u>23,372,505</u>	<u>24,239,874</u>
FUNDS OF THE ACADEMY				
Restricted funds:				
Restricted income funds	19	(678,354)	612,410	
Fixed asset funds	19	27,895,731	27,588,028	
		<u>27,217,377</u>	<u>28,200,438</u>	
Restricted funds excluding pension liability				
Pension reserve		(4,380,000)	(4,795,000)	
		<u>22,837,377</u>	<u>23,405,438</u>	
Total restricted funds				
Unrestricted income funds	19	535,128		834,436
TOTAL FUNDS			<u>23,372,505</u>	<u>24,239,874</u>

WIGSTON ACADEMIES TRUST
(A company limited by guarantee)

BALANCE SHEET (continued)
AS AT 31 AUGUST 2018

The financial statements on pages 22 to 52 were approved by the Trustees, and authorised for issue, on 10 December 2018 and are signed on their behalf, by:

A handwritten signature in black ink, appearing to read 'P Munro', is written over the printed name.

P Munro
Chair of Trustees

The notes on pages 26 to 52 form part of these financial statements.

WIGSTON ACADEMIES TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2018

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash (used in)/provided by operating activities	21	(1,782,414)	855,344
Cash flows from investing activities:			
Dividends and interest received		2,712	2,947
Purchase of tangible assets		(1,188,724)	(2,370,545)
Capital grants from DfE and other capital income		1,110,709	1,953,239
Net cash used in investing activities		(75,303)	(414,359)
Cash flows from financing activities:			
Repayments of Salix loan		(25,642)	(25,642)
Net cash used in financing activities		(25,642)	(25,642)
Change in cash and cash equivalents in the year		(1,883,359)	415,343
Cash and cash equivalents at 1 September 2017		2,424,061	2,008,718
Cash and cash equivalents at 31 August 2018	22	540,702	2,424,061

The notes on pages 26 to 52 form part of these financial statements.

WIGSTON ACADEMIES TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES

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

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2017 to 2018 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Wigston Academies Trust constitutes a public benefit entity as defined by FRS 102.

1.2 FUND ACCOUNTING

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

Designated funds comprise unrestricted funds that have been set aside by the Trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

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

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

Transfers between funds and between categories of funds i.e. restricted, designated and unrestricted funds are only processed with due regard to grant terms, agreement of funders (where applicable) and due process where formal trustees' resolutions are required. Full disclosures are given within the notes to the accounts for any transfers processed.

Investment income, gains and losses are allocated to the appropriate fund.

WIGSTON ACADEMIES TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.3 INCOME

All income is recognised once the academy has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Grants are included in the statement of financial activities incorporating income and expenditure account 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 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.

General Annual Grant is recognised in full in the statement of financial activities incorporating income and expenditure account in the year for which it is receivable and any abatement in respect of the period is deducted from income and recognised as a liability.

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

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

Donations are recognised on a receivable basis where receipt is probable and the amount can be reliably measured.

Other income, including the hire of facilities, is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

Where assets are received by the trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the balance sheet at the point when the risk and rewards of ownership pass to the trust. An equal amount of income is recognised as a transfer on conversion within Income from donations and capital grants. The land and buildings are held on a 125 lease with Local Authority. The cost of the land and buildings was arrived at using the ESFA standard valuation on a depreciated replacement cost basis provided to the academy. This provided a value for the land and buildings as at the date of conversion.

WIGSTON ACADEMIES TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

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

Expenditure on charitable activities are costs incurred on the academy's educational operations, including support costs and those costs relating to the governance of the academy appointed to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

1.5 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 academy to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the academy trust will 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.

As at 31 August 2018 the Academy Trust held deficit unrestricted reserves and unspent (non-fixed asset) restricted funds of £143,226. The Executive Headteacher and Trustees are working on a financial recovery plan to restore the deficit by the year 2020/21. The Academy Trust is liaising with the ESFA in this process. Based on the recovery plan in place for the Academy Trust the financial statements have been prepared on a going concern basis.

WIGSTON ACADEMIES TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.6 TANGIBLE FIXED ASSETS AND DEPRECIATION

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

Where tangible fixed assets have been acquired with the aid of specific grants, either from the government or from the private sector, they are included in the balance sheet at cost and depreciated over their expected useful economic life. Where there are specific conditions attached to the funding requiring the continued use of the asset, the related grants are credited to a restricted fixed asset fund in the statement of financial activities incorporating income and expenditure account 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 incorporating income and expenditure account.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is not charged on freehold land. Depreciation is provided at rates to write off the cost of these fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold buildings	- 3% and 2% Straight line
Freehold land	- Not depreciated
Leasehold land (125 year lease)	- Over 125 years
Fixtures, fittings and equipment	- 15% Straight line
Leasehold buildings	- 4% Straight line
Computer equipment	- 25% Straight line

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 incorporating income and expenditure account.

1.7 INVESTMENTS

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the balance sheet date, unless fair value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Gains/(losses) on investments' in the statement of financial activities incorporating income and expenditure account.

1.8 CASH AT BANK AND IN HAND

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1. ACCOUNTING POLICIES (continued)

1.9 LIABILITIES AND PROVISIONS

Liabilities and provisions 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 anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are recognised when the academy trust has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and the obligation can be estimated reliably. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.10 FINANCIAL INSTRUMENTS

The academy only holds basic financial instruments as defined in FRS102. The financial assets and financial liabilities of the Academy and their measurement basis are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debit instruments measured at amortised cost as detailed in note 12. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in note 13. Taxation and social security are not included in the financial liability, as the cash or another financial instrument.

1.11 TAXATION

The academy is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the academy is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.12 PENSIONS

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy trust in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 24, the TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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NOTES TO THE FINANCIAL STATEMENTS
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1. ACCOUNTING POLICIES (continued)

The LGPS is a funded scheme and the assets are held separately from those of the academy trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the statement of financial activities incorporating income and expenditure account 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.

1.13 CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

Estimates and judgments 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.

Defined benefit pension scheme

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2018. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 13 for the carrying amount of the property plant and equipment, and note 1.6 for the useful economic lives for each class of assets.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £	Total funds 2017 £
Donations	-	262	-	262	-
Capital donations	-	-	-	-	670,456
Government grants	-	-	1,110,709	1,110,709	1,953,239
	-	262	1,110,709	1,110,971	2,623,695
Total 2017	-	-	2,623,695	2,623,695	

3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	7,713,264	7,713,264	9,619,419
Other DfE Group grants	-	368,602	368,602	449,066
	-	8,081,866	8,081,866	10,068,485
Other government grants				
Local Authority grants	-	418,869	418,869	391,231
	-	418,869	418,869	391,231
Other funding				
Other grants	-	34,913	34,913	2,394
Catering income	-	292,676	292,676	310,268
Apprenticeship levy	-	3,402	3,402	-
	-	330,991	330,991	312,662
	-	8,831,726	8,831,726	10,772,378
Total 2017	-	10,772,378	10,772,378	

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Hire of facilities	116,364	-	116,364	95,713
Other income	9,604	-	9,604	2,327
Headteacher consultancy fees	12,245	-	12,245	-
Tiger tots income	104,083	-	104,083	76,033
Bar income	5,281	-	5,281	3,582
	<u>247,577</u>	<u>-</u>	<u>247,577</u>	<u>177,655</u>
Total 2017	<u>177,655</u>	<u>-</u>	<u>177,655</u>	

5. INVESTMENT INCOME

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Dividends received	-	1,795	1,795	970
Bank interest received	884	33	917	1,977
	<u>884</u>	<u>1,828</u>	<u>2,712</u>	<u>2,947</u>
Total 2017	<u>1,939</u>	<u>1,008</u>	<u>2,947</u>	

6. EXPENDITURE

	Staff costs 2018 £	Premises 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Expenditure on raising funds					
Direct costs	12,245	-	-	12,245	-
Support costs	178,561	-	30,457	209,018	160,721
Educational Operations:					
Direct costs	7,655,437	701,548	607,611	8,964,596	8,867,697
Support costs	1,502,571	633,410	685,850	2,821,831	2,926,889
	<u>9,348,814</u>	<u>1,334,958</u>	<u>1,323,918</u>	<u>12,007,690</u>	<u>11,955,307</u>
Total 2017	<u>9,211,794</u>	<u>1,288,914</u>	<u>1,454,599</u>	<u>11,955,307</u>	

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

7. CHARITABLE ACTIVITIES

	Total funds 2018 £	Total funds 2017 £
DIRECT COSTS - EDUCATIONAL OPERATIONS		
Teaching and educational support staff costs - salaries	5,322,939	5,417,316
Teaching and educational support staff costs - NI	513,405	520,802
Teaching and educational support staff costs - pensions	1,329,504	1,261,831
LGPS pension interest cost (£283,000) less return on assets (£158,000)	125,000	122,000
Educational supplies	203,740	285,263
Examination fees	131,644	113,347
Staff development	12,731	24,457
Educational consultancy	132,264	107,171
Other direct costs	431,425	363,631
Staff restructuring costs	58,611	-
Depreciation	701,548	646,867
Technology costs	1,785	5,012
	8,964,596	8,867,697
SUPPORT COSTS - EDUCATIONAL OPERATIONS		
Support staff costs - salaries	1,191,791	1,198,011
Support staff costs - NI	91,351	86,597
Support staff costs - pensions	219,428	227,196
Recruitment	4,767	8,674
Maintenance of premises and equipment	180,907	175,472
Cleaning	41,640	43,840
Rates	138,244	120,600
Insurance	38,768	108,628
Depreciation	233,849	215,621
Catering	183,396	231,892
Bank interest and charges	6,309	5,305
Other support costs	143,498	208,997
Security and transport	54,515	35,137
Technology costs	43,907	58,121
Energy costs	226,669	184,816
Governance	22,792	17,982
	2,821,831	2,926,889
	11,786,427	11,794,586

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

8. EXPENDITURE - ANALYSIS OF SPECIFIC EXPENSES

Included within expenditure are the following transactions:

	Total £	Individual items above £5,000 Amount £	Reason
Unrecoverable debts	2,828	-	Old unrecovered hire of facilities income

9. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets:		
- capitalised by the charity	935,397	862,488
Auditors' remuneration - audit	14,200	13,770
Auditors' remuneration - other services	1,360	1,324
	<u> </u>	<u> </u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

10. STAFF COSTS

a. Staff costs

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	6,670,052	6,740,808
Social security costs	613,479	611,607
Pension costs	1,575,693	1,495,748
	<u>8,859,224</u>	<u>8,848,163</u>
Agency staff costs	430,979	363,631
Staff restructuring costs	58,611	-
	<u><u>9,348,814</u></u>	<u><u>9,211,794</u></u>

Staff restructuring costs comprise:

	2018 £	2017 £
Redundancy payments	49,320	-
Severance payments	1,000	-
Other restructuring costs	8,291	-
	<u>58,611</u>	<u>-</u>

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

Included in staff restructuring costs are non-statutory/non-contractual severance payments totalling £1,000 (2017: £NIL). Individually, the payment was £1,000 made in July 2018.

c. Staff numbers

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

	2018 No.	2017 No.
Teachers	108	110
Administration and support	221	267
Management	3	4
	<u>332</u>	<u>381</u>

d. Higher paid staff

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

	2018 No.	2017 No.
In the band £60,001 - £70,000	4	0
In the band £70,001 - £80,000	1	3
In the band £80,001 - £90,000	1	0
In the band £100,001 - £110,000	0	1
In the band £110,001 - £120,000	1	0

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

10. STAFF COSTS (continued)

The above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2018, pension contributions for these staff members amounted to £85,898 (2017 - £55,089).

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 pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £335,172 (2017: £415,192). These figures include salary costs of all Trustees employed by the academy, even where they have no management role within their employment.

11. CENTRAL SERVICES

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

- human resources
- financial services
- education support services
- others as arising

The academy charges for these services on the following basis:

5% of GAG funding

The actual amounts charged during the year were as follows:

	2018 £	2017 £
Wigston Academy	316,411	302,149
Wigston College	61,421	168,250
Total	<u>377,832</u>	<u>470,399</u>

12. TRUSTEES' REMUNERATION AND EXPENSES

One or more Trustees has been paid remuneration from an employment with the academy trust. The Executive Head and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of the Executive Headteacher and other staff members under their contracts of employment, and not in respect of their role as Trustees.

The value of Trustees' remuneration was as follows:

M Mitchley (Executive Headteacher and Ex officio Trustee)
Remuneration £110,000 - £115,000 (2017: £105,000 - £110,000)
Employer's pension contributions £15,000 - £20,000 (2017: £15,000 - £20,000)

During the year, no Trustees received any benefits in kind (2017 - £NIL).

During the year ended 31 August 2018, no Trustees received any reimbursement of expenses (2017 - £NIL).

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

13. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £3,000,000 on any one claim and the cost for the year ended 31 August 2018 was £1,370 (2017 - £867).

14. TANGIBLE FIXED ASSETS

	Freehold land and buildings £	Leasehold land and buildings £	Fixtures, fittings and equipment £	Computer equipment £	Total £
COST					
At 1 September 2017	20,253,046	8,940,844	577,359	284,869	30,056,118
Additions	396,773	788,998	1,620	1,333	1,188,724
At 31 August 2018	20,649,819	9,729,842	578,979	286,202	31,244,842
DEPRECIATION					
At 1 September 2017	1,457,797	565,503	268,214	177,436	2,468,950
Charge for the year	476,815	327,646	76,658	54,278	935,397
At 31 August 2018	1,934,612	893,149	344,872	231,714	3,404,347
NET BOOK VALUE					
At 31 August 2018	18,715,207	8,836,693	234,107	54,488	27,840,495
At 31 August 2017	18,795,249	8,375,341	309,145	107,433	27,587,168

See note 1.3 regarding assets transferred on conversion.

15. FIXED ASSET INVESTMENTS

	Listed securities £
MARKET VALUE	
At 1 September 2017	41,201
Revaluations	3,335
At 31 August 2018	44,536
HISTORICAL COST	36,378

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**NOTES TO THE FINANCIAL STATEMENTS
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16. DEBTORS

	2018 £	2017 £
Trade debtors	31,790	35,589
VAT recoverable	62,622	116,003
Prepayments and accrued income	170,341	183,949
	<u>264,753</u>	<u>335,541</u>

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £	2017 £
Other loans	67,791	67,789
Trade creditors	189,301	14,879
Other taxation and social security	138,998	147,431
Other creditors	161,448	181,176
Accruals and deferred income	341,980	877,715
	<u>899,518</u>	<u>1,288,990</u>

	2018 £	2017 £
DEFERRED INCOME		
Deferred income at 1 September 2017	684,824	204,861
Resources deferred during the year	92,698	684,824
Amounts released from previous years	(684,824)	(204,861)
Deferred income at 31 August 2018	<u>92,698</u>	<u>684,824</u>

Included within deferred income are amounts received in advance for trips which take place after the year end £46,025 (2017 - £29,815), Condition Improvement Fund (CIF) income towards new windows phase II and roof replacement phase I and II which has been matched to work completed £13,688 (2017 - £633,640), Tiger Tots income received in advance of the autumn term £26,280 (2017 - £21,369), and lettings invoiced in advance £6,705 (2017 - £NIL).

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

18. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2018 £	2017 £
Other loans	<u>38,463</u>	<u>64,107</u>

Included within the above are amounts falling due as follows:

	2018 £	2017 £
BETWEEN ONE AND TWO YEARS		
Other loans	<u>25,642</u>	<u>25,642</u>
BETWEEN TWO AND FIVE YEARS		
Other loans	<u>12,821</u>	<u>38,465</u>

Other loans consists of a Salix loan for lower energy boilers as approved by the Education and Skills Funding Agency. The loan is interest free and repayable as indicated.

19. STATEMENT OF FUNDS

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
DESIGNATED FUNDS						
School's capital works programme	<u>175,000</u>	-	-	-	-	<u>175,000</u>
GENERAL FUNDS						
General Funds	<u>659,436</u>	<u>248,461</u>	<u>(221,263)</u>	<u>(326,506)</u>	-	<u>360,128</u>
Total Unrestricted funds	<u>834,436</u>	<u>248,461</u>	<u>(221,263)</u>	<u>(326,506)</u>	-	<u>535,128</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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19. STATEMENT OF FUNDS (continued)

RESTRICTED FUNDS

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
General Annual Grant (GAG)	504,234	7,713,264	(9,153,756)	194,115	-	(742,143)
Pupil Premium	49,550	323,380	(372,930)	-	-	-
Other DfE Group grants	-	45,222	(45,222)	-	-	-
Local Authority grants	-	418,869	(418,869)	-	-	-
Other grants	500	34,913	(34,913)	-	-	500
Abington High School Trust Fund	6,386	30	-	-	-	6,416
Guthlaxton College Foundation Fund	51,740	1,798	-	-	3,335	56,873
Donations	-	262	(262)	-	-	-
Catering income	-	292,676	(292,676)	-	-	-
Apprenticeship levy	-	3,402	(3,402)	-	-	-
Pension reserve	(4,795,000)	-	(529,000)	-	944,000	(4,380,000)
	<u>(4,182,590)</u>	<u>8,833,816</u>	<u>(10,851,030)</u>	<u>194,115</u>	<u>947,335</u>	<u>(5,058,354)</u>

RESTRICTED FIXED ASSET FUNDS

DfE Group capital grants	180,199	35,596	(33,109)	-	-	182,686
Transfer from Local Authority	22,500,442	-	(630,707)	-	-	21,869,735
Capital expenditure from GAG	842,585	-	(128,191)	132,391	-	846,785
Local Authority income	2,622,797	-	(76,118)	-	-	2,546,679
Local Authority donation	840,795	-	(17,865)	-	-	822,930
Condition Improvement Fund (CIF)	601,210	1,075,113	(49,407)	-	-	1,626,916
	<u>27,588,028</u>	<u>1,110,709</u>	<u>(935,397)</u>	<u>132,391</u>	<u>-</u>	<u>27,895,731</u>
Total restricted funds	<u>23,405,438</u>	<u>9,944,525</u>	<u>(11,786,427)</u>	<u>326,506</u>	<u>947,335</u>	<u>22,837,377</u>
Total of funds	<u>24,239,874</u>	<u>10,192,986</u>	<u>(12,007,690)</u>	<u>-</u>	<u>947,335</u>	<u>23,372,505</u>

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

Designated Funds

The designated funds are for the purpose of the completion of the schools capital works programme and development of the school buildings.

The All Weather Pitch designated funds represents the historic annual funds retained specifically for the future replacement of the pitch surface.

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NOTES TO THE FINANCIAL STATEMENTS
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19. STATEMENT OF FUNDS (continued)

Restricted Funds

The General Grant (GAG) relates to the school's development and operational activities. The transfer from GAG relates to funding towards fixed asset additions in the year.

Pupil Premium relates to additional funding received to raise the attainment of disadvantaged pupils of all abilities and to close the gaps between them and their peers. All funds have been fully spent during the year.

The other DfE Group restricted funds grants consists of Year 7 Catch Up funding. All funds were fully spent in the year.

Local Authority grants relates to Special Educational Needs funding and Looked After Pupil funding all spent in the year.

Other grants include grants received from other organisations and includes various small grants from, Leicestershire Schools Behaviour Partnership, Access to Work, EMI Music grants and the Cadet Association Bursary Funds. All these grants were fully spent in the year. The balance carried forward at 31 August 2018 is an unspent School Council Grant of £500.

The Abington High School Trust and Guthlaxton College Foundation Fund (charity registration number 527854) are charities that were established to raise funds to enable disadvantaged children to have the same opportunities as their peers, e.g. to take part in visits and to provide suitable help towards uniforms and clothing as necessary. The closing balances of £6,416 and £56,873 respectively relate to unspent funds.

Catering income is restricted by virtue of the statutory obligation to provide pupil meals linked to the school funding agreement. All funds have been spent in full during the year.

Apprenticeship levy relates to notional income and expenditure recognised in relation to the training received by the Academy Trust as part of the scheme.

Donations received consists of funds received from Wigston School of Dance and some old funds from the Friends of Bushloe. All funds have been spent during the year.

The pension reserve relates to the academy's share of the deficit of Leicestershire County Council's Local Government Pension Scheme.

Restricted Fixed Asset Funds

DfE Group capital grants relate to funding received from these sources to purchase fixed assets. The closing balance relates to the net book value of assets concerned plus unspent Devolved Formula Capital Income of £6,926.

The transfer from Local Authority relates to the value of freehold and leasehold buildings and moveable assets transferred on conversion less depreciation charged to date. The closing balance relates to the net book value of the assets concerned.

Capital expenditure from GAG relates to capitalised expenditure allocated to the GAG within this grant's terms. The income element is shown as a transfer from restricted funds, where GAG is received, to the restricted fixed assets fund where it has been spent.

The Local Authority income is from Leicestershire County Council being funding received for capital building works to be spent on joining two buildings at Wigston Academy. The closing balance relates to the net book value of assets concerned.

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**NOTES TO THE FINANCIAL STATEMENTS
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19. STATEMENT OF FUNDS (continued)

The Local Authority donation relates to refurbishment works carried out in classrooms at the Wigston College and the transfer of the lease of 121 years for Abington House, a building owned by the Local Authority which is on the school campus and used by the Tiger Tots Nursery. The closing balance relates to the net book value of these assets.

The Condition Improvement Fund (CIF) relates to funding received in relation to replacement windows (phase I and phase II) and roof replacement works (phase I and phase II) at both Wigston Academy and Wigston College. The closing balance relates to the net book value of the assets concerned and under spend of funds of £48,310.

ANALYSIS OF ACADEMIES BY FUND BALANCE

Fund balances at 31 August 2018 were allocated as follows:

	Total 2018 £	Total 2017 £
Wigston Academy	357,030	1,147,587
Wigston College	(510,270)	299,308
Central Services	10,014	(49)
	<hr/>	<hr/>
Total before fixed asset fund and pension reserve	(143,226)	1,446,846
Restricted fixed asset fund	27,895,731	27,588,028
Pension reserve	(4,380,000)	(4,795,000)
	<hr/>	<hr/>
Total	23,372,505	24,239,874
	<hr/> <hr/>	<hr/> <hr/>

The following academy is carrying a net deficit on its portion of the funds as follows:

	Amount of deficit £
Wigston College	510,270

Age Range Change (ARC) took place in the Trust September 2016. The Academy moved to education for 11-16 year olds from 10-14 year olds seeing its first results in September 2018. The College previously supplied education for 14-19 year olds lost its KS4 pupils to become a sixth form only resulting in the loss of its lump sum funding in the process. The College was inadequate and is now rated by OFSTED as good which has added to financial pressures in retraining and staffing costs. ARC has also taken place locally with increased competition for pupil numbers in the area.

The Academy Trust is taking the following action to return the academies to surplus:

Staff restructuring has taken place across the whole Trust including members of the senior leadership team. There have been reductions in both teaching staff and support staff. Across the Trust in 2015 there were 121 Full Time Equivalent (FTE) teachers and 130 FTE support staff, currently there are now 93 FTE teachers and 108 FTE support staff. The Executive Headteacher and Trustees are creating a financial recovery plan and is liaising with the ESFA for support in this process.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

19. STATEMENT OF FUNDS (continued)

ANALYSIS OF ACADEMIES BY COST

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2018 £	Total 2017 £
Wigston Academy	5,881,454	925,608	154,884	890,037	7,851,983	6,213,162
Wigston College	1,236,894	552,648	48,855	485,096	2,323,493	3,946,209
Central Services	145,335	202,875	-	19,607	367,817	470,448
	<u>7,263,683</u>	<u>1,681,131</u>	<u>203,739</u>	<u>1,394,740</u>	<u>10,543,293</u>	<u>10,629,819</u>

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
DESIGNATED FUNDS						
School's capital works programme	97,621	-	-	(97,621)	-	-
All weather pitch	150,000	-	-	25,000	-	175,000
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
GENERAL FUNDS						
General Funds	853,855	179,594	(160,721)	(213,292)	-	659,436
Total Unrestricted funds	<u>1,101,476</u>	<u>179,594</u>	<u>(160,721)</u>	<u>(285,913)</u>	<u>-</u>	<u>834,436</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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19. STATEMENT OF FUNDS (continued)

RESTRICTED FUNDS

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
General Annual Grant (GAG)	313,278	9,619,419	(9,233,086)	(195,377)	-	504,234
Pupil Premium	110,735	390,616	(451,801)	-	-	49,550
Other DfE Group grants	2,468	58,450	(60,918)	-	-	-
Local Authority grants	-	391,231	(391,231)	-	-	-
Other grants	19,900	2,394	(21,794)	-	-	500
Abington High School Trust Fund	6,348	38	-	-	-	6,386
Guthlaxton College Foundation Fund	47,128	970	-	-	3,642	51,740
Other income	-	310,268	(310,268)	-	-	-
Pension reserve	(5,967,000)	-	(463,000)	-	1,635,000	(4,795,000)
	<u>(5,467,143)</u>	<u>10,773,386</u>	<u>(10,932,098)</u>	<u>(195,377)</u>	<u>1,638,642</u>	<u>(4,182,590)</u>

RESTRICTED FIXED ASSET FUNDS

DfE Group capital grants	168,709	40,057	(28,567)	-	-	180,199
Transfer from Local Authority	23,129,973	-	(629,531)	-	-	22,500,442
Capital expenditure from GAG	474,991	-	(113,696)	481,290	-	842,585
Local Authority income	1,265,672	1,400,362	(43,237)	-	-	2,622,797
Local Authority donation	200,500	670,456	(30,161)	-	-	840,795
Condition Improvement Fund (CIF)	105,686	512,820	(17,296)	-	-	601,210
	<u>25,345,531</u>	<u>2,623,695</u>	<u>(862,488)</u>	<u>481,290</u>	<u>-</u>	<u>27,588,028</u>
Total restricted funds	<u>19,878,388</u>	<u>13,397,081</u>	<u>(11,794,586)</u>	<u>285,913</u>	<u>1,638,642</u>	<u>23,405,438</u>
Total of funds	<u>20,979,864</u>	<u>13,576,675</u>	<u>(11,955,307)</u>	<u>-</u>	<u>1,638,642</u>	<u>24,239,874</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Restricted fixed asset funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	27,840,495	27,840,495
Fixed asset investments	-	44,536	-	44,536
Current assets	535,128	215,091	55,236	805,455
Current liabilities	-	(899,518)	-	(899,518)
Liabilities due in more than one year	-	(38,463)	-	(38,463)
Pension scheme liability	-	(4,380,000)	-	(4,380,000)
	<u>535,128</u>	<u>(5,058,354)</u>	<u>27,895,731</u>	<u>23,372,505</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £
Tangible fixed assets	-	-	27,587,168	27,587,168
Fixed asset investments	-	41,201	-	41,201
Current assets	834,436	1,924,306	860	2,759,602
Current liabilities	-	(1,288,990)	-	(1,288,990)
Liabilities due in more than one year	-	(64,107)	-	(64,107)
Pension scheme liability	-	(4,795,000)	-	(4,795,000)
	<u>834,436</u>	<u>(4,182,590)</u>	<u>27,588,028</u>	<u>24,239,874</u>

21. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2018 £	2017 £
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(1,811,369)	1,625,010
Depreciation charges		
Depreciation charges	935,397	862,488
Dividends and interest receivable	(2,712)	(2,947)
Decrease in stocks	-	7,519
Decrease in debtors	70,788	504,865
(Decrease)/increase in creditors	(389,474)	22,746
Capital grants from DfE and other capital income	(1,110,709)	(1,953,239)
Defined benefit pension scheme cost less contributions payable	404,000	341,000
Defined benefit pension scheme finance cost	125,000	122,000
Donated fixed assets	-	(670,456)
Gains on investments	(3,335)	(3,642)
Net cash (used in)/provided by operating activities	<u>(1,782,414)</u>	<u>855,344</u>

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

22. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2018 £	2017 £
Cash in hand	540,702	2,424,061
Total	<u>540,702</u>	<u>2,424,061</u>

23. CAPITAL COMMITMENTS

At 31 August 2018 the academy had capital commitments as follows:

	2018 £	2017 £
Contracted for but not provided in these financial statements	<u>192,676</u>	<u>812,453</u>

WIGSTON ACADEMIES TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

24. PENSION COMMITMENTS

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

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

Contributions amounting to £137,667 were payable to the schemes at 31 August 2018 (2017 - 143,209) and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

Valuation of the Teachers' Pension Scheme

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

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

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

The employer's pension costs paid to TPS in the period amounted to £695,557 (2017 - £721,431).

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

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

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**NOTES TO THE FINANCIAL STATEMENTS
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24. PENSION COMMITMENTS (continued)

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £599,000 (2017 - £644,000), of which employer's contributions totalled £475,000 (2017 - £528,000) and employees' contributions totalled £124,000 (2017 - £116,000). The agreed contribution rates for future years are 23.4 - 24.4% for employers and 5.5 - 12.5% for employees.

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

Principal actuarial assumptions:

	2018	2017
Discount rate for scheme liabilities	2.80 %	2.50 %
Rate of increase in salaries	3.40 %	3.40 %
Rate of increase for pensions in payment / inflation	2.40 %	2.40 %
Inflation assumption (CPI)	2.40 %	2.40 %
Commutation of pensions to lump sums	50.00 %	50.00 %

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

	2018	2017
Retiring today		
Males	22.1	22.1
Females	24.3	24.3
Retiring in 20 years		
Males	23.8	23.8
Females	26.2	26.2

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

24. PENSION COMMITMENTS (continued)

The academy's share of the assets in the scheme was:

	Fair value at 31 August 2018 £	Fair value at 31 August 2017 £
Equities	4,251,000	4,085,000
Bonds	1,851,000	1,219,000
Property	617,000	488,000
Cash	137,000	305,000
	<hr/>	<hr/>
Total market value of assets	6,856,000	6,097,000
	<hr/>	<hr/>

The actual return on scheme assets was £298,000 (2017 - £520,000).

Expected returns on assets are calculated as follows:-

The figures shown in the standard FRS102 report for fund employers are based on the actuary's recommended return assumptions which are derived from the Hymans Robertson Asset Model (HRAM), the proprietary stochastic asset model developed and maintained by Hymans Robertson LLP.

Asset model

The HRAM type of model is known as an economic scenario generator and uses probability distributions to project a range of possible outcomes for the future behaviour of asset returns and economic variables. Some of the parameters of the model are dependent on the current state of financial markets and are updated each month (for example, the current level of equity market volatility) while other more subjective parameters do not change with different calibrations of the model.

Key subjective assumptions are:

- the average excess equity return over the risk free asset (tending to approximately 3% p.a. as the investment horizon is increased),
- the volatility of equity returns (approximately 18% p.a. over the long term) and the level and volatility of yields, credit spreads, inflation and expected (breakeven) inflation, which affect the projected value placed on the liabilities and bond returns.
- the output of the model is also affected by other more subtle effects, such as the correlations between economic and financial variables.

The only exception to the use of HRAM is in deriving the expected return on bond assets: instead of the HRAM output, the actuary has used the yields applicable at the accounting date on suitable bond indices.

The expected return on assets is based on the long-term future expected investment return for each asset class as at the beginning of the year (i.e. as at 1 September 2017 for the year to 31 August 2018, or date of joining the fund if later).

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

24. PENSION COMMITMENTS (continued)

The amounts recognised in the statement of financial activities incorporating income and expenditure account are as follows:

	2018 £	2017 £
Current service cost	(879,000)	(771,000)
Past service cost	-	(98,000)
Interest income	158,000	107,000
Interest cost	(283,000)	(229,000)
	<hr/>	<hr/>
Total	(1,004,000)	(991,000)
	<hr/>	<hr/>

Movements in the present value of the defined benefit obligation were as follows:

	2018 £	2017 £
Opening defined benefit obligation	10,892,000	11,060,000
Current service cost	879,000	771,000
Interest cost	283,000	229,000
Employee contributions	124,000	116,000
Actuarial gains	(804,000)	(1,222,000)
Benefits paid	(137,000)	(160,000)
Past service costs	-	98,000
	<hr/>	<hr/>
Closing defined benefit obligation	11,237,000	10,892,000
	<hr/>	<hr/>

Movements in the fair value of the academy's share of scheme assets:

	2018 £	2017 £
Opening fair value of scheme assets	6,097,000	5,093,000
Interest income	158,000	107,000
Actuarial gains	140,000	413,000
Employer contributions	475,000	528,000
Employee contributions	124,000	116,000
Benefits paid	(137,000)	(160,000)
	<hr/>	<hr/>
Closing fair value of scheme assets	6,857,000	6,097,000
	<hr/>	<hr/>

Sensitivity analysis

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

Change in assumptions as at 31 August 2018:	Approximate % increase to Employer Liability	Approximate monetary amount £
0.5% decrease in Real Discount Rate	12%	1,345,000
0.5% increase in the Salary Increase Rate	2%	204,000
0.5% increase in the Pension Increase Rate	10%	1,123,000

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

25. RELATED PARTY TRANSACTIONS

Owing to the nature of the academy trust and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which Trustees have an interest. All transactions involving such organisations are conducted in accordance with the requirements of the AFH and with the trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

Expenditure Related Party Transaction

K Elton, spouse of M Elton, a member of the Trust, is employed by the academy trust as a technician. K Elton's appointment was made in open competition and M Elton was not involved in the decision making process regarding appointment. K Elton is paid within the normal pay scale for her role and receives no special treatment as a result of her relationship to a member.

J Jones, spouse of A Jones, a local governor of the Trust, is employed by the academy trust as a cleaner. J Jones's appointment was made in open competition and A Jones was not involved in the decision making process regarding appointment. J Jones is paid within the normal pay scale for her role and receives no special treatment as a result of her relationship to a member.

L Smart, partner of M Rogers, a local governor of the Trust, is employed by the academy trust as an administrator. L Smart's appointment was made in open competition and M Rogers was not involved in the decision making process regarding appointment. M Rogers is paid within the normal pay scale for her role and receives no special treatment as a result of her relationship to a member.

No related party transactions took place in the period of account, other than certain trustees' remuneration and expenses already disclosed in note 12.

26. CONNECTED CHARITIES

The activities of The Abington High School Trust and Guthlaxton College Foundation Fund are incorporated into the accounts (see note 18) by virtue of their control by the Trust.

27. MEMBERS' LIABILITY

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