

THE WENSUM TRUST
(A Company Limited by Guarantee)

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2018

THE WENSUM TRUST
(A Company Limited by Guarantee)

CONTENTS

	Page
Reference and Administrative Details	1 - 2
Trustees' Report	3 - 12
Governance Statement	13 - 15
Statement on Regularity, Propriety and Compliance	16
Statement of Trustees' Responsibilities	17
Independent Auditors' Report on the Financial Statements	18 - 20
Independent Reporting Accountant's Assurance Report on Regularity	21 - 22
Statement of Financial Activities Incorporating Income and Expenditure Account	23
Balance Sheet	24
Statement of Cash Flows	25
Notes to the Financial Statements	26 - 53

THE WENSUM TRUST
(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2018

Members	Maria Piper Thomas Bailey Chloe Smith
Trustees	John Smith, Chair Mary Richards, Vice Chair Gerard Batty Edwin Pearson Patrick Gorman Neil Aylott Carolyn Baxter Gareth Lamb (resigned 12 December 2017) Daniel Thrower Jason Tipple (appointed 8 May 2018) Anne-Louise Alder (appointed 8 May 2018)
Company registered number	07982312
Company name	The Wensum Trust
Principal and registered office	Middletons Lane Hellesdon Norwich Norfolk NR6 5SB
Company secretary	Linda Mortimer
Chief executive officer	Gerard Batty
Senior management team	G Batty, Chief Executive Officer D Thrower, Executive Headteacher H Watts, Head of School at Acle Academy R Stroulger, Head of School at Burnham Market Primary School R Robinson, Head of School at Firside Junior School S Waterfield, Head of School at Arden Grove Infant and Nursery School R Dewing, Head of School at Garrick Green Infant School S Coleman, Head of School at Heather Avenue Infant School M Earl, Head of School at Hellesdon High School T Rolfe, Head of School at Hellesdon High School A Tovell, Head of School at Lodge Lane Infant School A Ogle, Head of School at Alderman Peel High School C Everard, Director of Data and IT N Aylott, Chief Finance Officer L Mortimer, Strategy and Operations Manager S Warnes, Executive Office Manager
Independent auditors	Price Bailey LLP Chartered Accountants Anglia House, 6 Central Avenue St Andrews Business Park Thorpe St Andrew Norwich Norfolk NR7 0HR

THE WENSUM TRUST
(A Company Limited by Guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2018

Advisers (continued)

Bankers Lloyds Bank Plc
Norwich
Norfolk

Solicitors Eversheds LLP
Ketts House
Station Road
Cambridge
CB1 2JY

THE WENSUM TRUST
(A Company Limited by Guarantee)

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 year 1 September 2017 to 31 August 2018. The Annual report serves the purposes of being both Trustees' report, and the Directors' report as required under company law.

Since the previous report The Wensum Trust welcomed Wells Next The Sea Primary School on the 1st September 2017 and Alderman Peel High School on the 1st November 2017.

The Trust now operates with a family of four infant schools two of which have nursery provision, one junior and two primary schools and three high schools and includes the sixth form at Hellesdon High School. These schools are all located in Norfolk, in three geographically distinct hubs; City, Rural and Coastal.

The Academies have a combined capacity of 3,905 student places. At the time of the January 2018 census, there were 3,789 students on roll.

The Trust is committed to enabling the very best educational outcomes for students aged 3 to 19 years. All schools enjoyed a positive set of results in the last academic year (see later). The Trustees are particularly pleased that Acle Academy is no longer in special measures and since joining the trust our new schools in the coastal hub have significantly improved the outcomes for our young students.

In addition to an academic focus, the Trust is in a unique position in association with our strategic partners to offer a wide variety of experiences to ensure our students are equipped to make the best choices as they move through education. We are particularly pleased to have entered into an exciting partnership with Norwich City Community Sports Foundation. This is expected to further boost our post 16 offer and provides students with a new pathway in further education.

In the forthcoming academic year the Trust plans to welcome Kinsale Junior School on 1st February 2019. This school will further consolidate our city hub and strengthen our strategic aim of seamless education between the ages of 3 to 19 years.

The Trust intends to add further schools which fits with the overall strategic plan and enhances our hub model. This will aid the process of transition and develop further the ethos of providing high quality education from Nursery to Sixth Form.

The Wensum Trust continues to offer a range of centralised services to academies within the Trust. These have continued to be refined and improved to ensure the trust delivers one of the best centralised models and delivers economies of scale. The key areas include; Budgeting and Financial Management, Business Management, Data Management, Estates Management, HR & Payroll services, Information Technology support and Lettings Management.

STRUCTURE, GOVERNANCE AND MANAGEMENT

CONSTITUTION

The Trust is a company limited by guarantee, with no share capital, and is an exempt charity. The charitable company's Memorandum and Articles of Association are the primary governing documents of the Trust. The Trustees of The Wensum Trust are also the Directors of the Charitable Company for the purposes of company law. The terms Trustee and Director are interchangeable. The charitable company, known as The Wensum Trust, at the end of the accounting period included the following Academies:

- Hellesdon High School
 - Converted to Academy status on the 1 April 2012 and became The Wensum Trust in February 2016
- Firside Junior School
 - Converted and joined the Trust on the 1 September 2016
- Acle Academy
 - Converted to Academy status on 1 September 2012 and joined the Trust on the 1 October 2016
- Arden Grove Infant School
 - Converted to Academy on 1 June 2013 and joined the Trust on the 1 October 2016
- Garrick Green Infant School
 - Converted and joined the Trust on the 1 October 2016
- Lodge Lane Infant School
 - Converted and joined the Trust on the 1 February 2017

THE WENSUM TRUST
(A Company Limited by Guarantee)

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

- Heather Avenue Infant School
 - Converted and joined the Trust on the 1 April 2017
- Burnham Market Primary
 - Converted and joined the Trust on the 1 July 2017
- Wells Next The Sea Primary school
 - Converted and joined the Trust on the 1 September 2017
- Alderman Peel High School
 - Converted and joined the Trust on the 1 November 2017

The operations of the Trust's Academies and employment of staff are the responsibility of the Trustees. The Trust retains control of Academy budgets and finances, and monitors these through its Budget, Infrastructure, HR & Audit Committee.

Each Academy has appointed Local Governing Bodies (LGBs) who are responsible for the monitoring of Teaching and Learning and have customised powers in accordance with the scheme of delegation and approved by the Board of Trustees.

Details of the Trustees who served during the year are included in the Reference and Administrative section – see 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 an amount as may be required, not exceeding £10 for the debts and liabilities contracted before they ceased to be a Member.

TRUSTEE AND OFFICERS' INDEMNITIES

In accordance to normal commercial practice, the Trust has purchased insurance to protect Trustees and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The DfE Risk Protection Arrangement (RPA) insurance provides cover up to £10,000,000 on any one claim. This is an aggregated total over the period of one year.

METHOD OF RECRUITMENT AND APPOINTMENT OR ELECTION OF TRUSTEES

The arrangements are set out in the Articles of Association and Funding Agreement. Members of the Trust are able to co opt additional Members. Members are appointed by special resolution.

The Chairman can be elected from the members of the Board of Trustees by ordinary resolution. Appointment of Trustees will focus on the recruitment of people with the right skills who can contribute to the Board.

Trustees are appointed for a fixed term. The Chief Executive Officer (CEO) is an ex officio member of the Board of Trustees. Other Trustees are elected to office or appointed if there are insufficient candidates offering themselves for election. The Articles of Association make provision for 9 Trustees plus a minimum of 2 Parent Trustees elected or appointed under Articles 53 56B. In the absence of 2 Parent Trustees on the Board, their presence is necessary at Local Governing Body level.

During the year a new lead clerk was appointed for the trust. In addition to coordinating the information flow between the trust and LGBs the lead clerk will undertake skills reviews, support trustee training and assist in the coming year with a full governance review.

The Members may appoint by ordinary resolution up to 11 Trustees. The total number of Trustees who are employees of the Academy Trust shall not exceed one third of the total number of Trustees.

THE WENSUM TRUST
(A Company Limited by Guarantee)

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

POLICIES AND PROCEDURES ADOPTED FOR THE TRAINING OF TRUSTEES AND MEMBERS OF LGBs

The Trust is committed to providing opportunities for Trustees and Governors to undertake and receive suitable training to enable them to perform their role effectively. Training is provided for new Trustees and is based on their existing and previous experience and appropriate to the role they undertake with particular emphasis on the committee work that they will undertake. Additional training is identified by the individuals and through the annual skills audit. Records of any training undertaken are kept in a training log and on GovernorHub.

The Trust currently subscribes to the Training and Development Programme for Governance and Leadership offered by Educator Solutions, a trading arm of Norfolk County Council as well as by independent providers. Provision of training services for the trust and its academies is currently under review.

ORGANISATIONAL STRUCTURE

The governance of the Trust is defined in the Memorandum and Articles of Association together with the Funding Agreement with the Department for Education.

The Trust Board meets on at least 5 occasions per year, additionally its sub committees at least 4 times per year. The Board of the Trust is responsible for the strategic direction of the Trust. The Trustees are responsible for setting strategic policy, adopting an annual budget, monitoring the Trust's operational and financial performance by use of those budgets, bench marking data of individual Academies and making major decisions about the direction of the Trust including capital expenditure and senior staff appointments.

The Standards and Achievement Committee meet at regular intervals throughout the academic year, with a focus on standards, relating specifically to: learning, curriculum, teaching, attendance, behaviour and safeguarding.

A dedicated Budget, Infrastructure, HR & Audit Committee has been constituted to scrutinise risk management and governance as well as monitoring of the Trust Budget both at a high level and individual Academy level. The Committee also monitors the academy's buildings and facilities, ongoing works which may affect site safety including results of annual fire inspections and other health and safety inspections.

A Policy sub committee meet regularly as a strategic requirement for the next 1 – 3 years. The committee's aim is to review and standardise all policies required by the Trust.

Local Governing Bodies (LGB) have been established for each Academy within the Trust. LGBs have tailored delegated responsibility for the monitoring of Teaching and Learning and the Trust Board retains formal accountability for their operation and the strategic management and the policies of the Trust as a whole.

An Operations Board has also been established, where each academy is represented by their Principals / Headteacher and meet on a monthly basis. This is a key decision making forum responsible for arranging collaborative working between primary and secondary phase, enabling the sharing of good practice to support the aims and objectives of the Trust. The Operations Board provide information regarding school performance, share experience of external monitoring ie result of Ofsted inspections as well as sharing in local, regional and national educational developments.

During 2017 – 18 the Trust Board met 7 times; all the meetings scheduled in the Trust calendar.

ARRANGEMENTS FOR SETTING PAY AND REMUNERATION OF KEY MANAGEMENT PERSONNEL

Key management personnel include Trustees and those staff to whom the Trustees have delegated significant authority and responsibility in the day to day running of the Trust.

Arrangements for setting the pay and remuneration of the Trust's key management personnel is overseen by a Remuneration Committee and approved by the Trust Board. Pay and remuneration key management personnel is decided by a variety of contributory factors, such as the Academy group size, ISR, the pay scales for each role and the level of experience of each staff member. In addition, pay levels may be affected by nationally agreed pay awards, the ability to recruit and retain in post, all of which are in accordance with the Trust's appoint and pay policies. The Trust's teachers' pay policy is based on the national, agreed pay policy as outlined in the School Teachers' Pay and Conditions Document. The Trust adheres to Local Government pay arrangements for support staff and follows the Local Government pay spine.

THE WENSUM TRUST
(A Company Limited by Guarantee)

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

RELATED PARTIES AND OTHER CONNECTED CHARITIES AND ORGANISATIONS

All transactions with connected parties/organisations are conducted at arm's length, and in accordance with the Trust's financial regulations and normal procurement procedures.

Any transaction where the Trustee may have a pecuniary interest is only undertaken in accordance with the 'at cost' principle described in the Academies Financial Handbook.

The Trust cooperated with various organisations during the academic year in pursuit of its charitable activities. Formal agreements are in place with:

- The Theatre Royal Norwich
- Norfolk County Council (including Educator Solutions and NP Law)
- North Walsham Rugby Club

The Trust does not have a formal sponsor.

OBJECTIVES AND ACTIVITIES

OBJECTS AND AIMS

The principal object and aims of the Charitable Company is the operation of a number of Academies to provide free education and care for students of different abilities within its local community between the ages of 3 and 19 years.

The Trust is to advance for the public benefit the quality of education in Norfolk by establishing, maintaining and developing schools to provide broad, balanced and challenging curricula and learning environments.

OBJECTIVES, STRATEGIES AND ACTIVITIES

The Wensum Trust objectives are set out in the Articles of Association. In summary, it is to improve the level of education provision in Norfolk whether directly through our own Academies or indirectly through working with other education providers in the region.

In accordance with the Articles of Association the Trust has adopted a Master Funding Agreement (MFA) approved by the Secretary of State for Education, as restated in the agreement dated 16 February 2016. The MFA, together with the Supplemental Funding Agreements relating to each academy, stipulates the obligations of the Trust in running academies under its control and how we are regulated and overseen by the Department for Education.

Our Trust aim is to deliver an exceptionally high standard of education for the children of East Anglia. Our Academies have one mission: to provide the best education possible to achieve the highest outcomes for our students.

We deliver through:

- A knowledge based curriculum, structured by traditional subjects, properly sequenced to ensure systematic, thorough teaching for all,
- Rich cultural pursuits as essential activities, championing access and involvement in the arts and sport,
- A robust collegial approach that promotes sustained improvement across all areas of the Trust.

Our success in fulfilling our aims can be measured by:

- Sustained increase in student outcomes measured at the end of Key Stage 2, Key Stage 4, Key Stage 5,
- Increase in student numbers,
- Retention of students on roll,
- Increase in the number of students accessing Russell Group universities,
- Increase in the number of students gaining college places for continued vocational study,
- Increase in the number of students gaining apprenticeships,
- Decrease in the number of students not in education, employment or training.

The Trust expects to welcome Kinsale Junior School in February 2019.

The Trust has developed a central services team of highly skilled and experienced professionals who continue to identify opportunities to work across our schools. Consolidating finance, human resources, payroll function, procurement and other operational functions across all schools. These have been restructured to increase efficiency and exploit the size of the Trust to bring about economies of scale.

THE WENSUM TRUST
(A Company Limited by Guarantee)

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

Specific priorities for the year ahead include:

- Ongoing improvement in educational standards at all of our schools,
- Assisting in the development of academies in the three hubs, both through advice and support,
- Offering all students unique learning opportunities,
- Consider sponsorship of additional academies that offer a good fit with the Trust's aims and existing schools,
- Working in collaboration with other Trusts to develop mutual benefits,
- Generate cost savings through applying economies of scale to increase funding available to support the Trust's core purpose in providing a broad and balanced curriculum for each and every student,
- Outreach to local communities.

The trust is fortunate to have a large group of committed volunteers who take an active part in the educational and non educational activities of the Trust.

PUBLIC BENEFIT

The Trustees believe that by working towards the objects and aims of the Trust as detailed above, they have complied with their duty to have due regard to the guidance on public benefit published by the Charity Commission. The catchment area of The Wensum Trust is Norfolk.

STRATEGIC REPORT

ACHIEVEMENT AND PERFORMANCE

The Trust continued its mission that students achieved their potential in public examinations; encouraged a wide range of extra curricular activities; developed and retained suitable staff and guided students in suitable progression when they left their Academy.

Specific achievements were as follows:

Hellesdon High School

Year 13 achieved 86% A* C

Year 13 progress 0.06

Year 11 achieved 63% 9 – 4 in English and Maths

Year 11 achieved 44% 9 – 5 in English and Maths

Year 11 attainment 8 score 46.5

Year 11 progress 8 score 0.21

The Trustees are very pleased that the sixth form continues to perform well and its academic achievement is in the top 25% of sixth forms in the country. The school has delivered excellent progress in its GCSE results with the eighth best progress score in the county.

Acle Academy

Year 11 achieved 67% 9 – 4 in English and Maths

Year 11 achieved 48% 9 – 5 in English and Maths

Year 11 Attainment 8 score 46.3

Year 11 Progress 8 score 0.05

Following an OFSTED inspection on 1 May 2018, the Trustees are delighted to report that Acle has been removed from special measures and is making progress towards good. This has been supported by a solid set of exam results.

Alderman Peel High School

Year 11 achieved 60% 9 – 4 in English and Maths

Year 11 achieved 38% 9 – 5 in English and Maths

Year 11 Attainment 8 score 43.0

Year 11 Progress 8 score 0.17

The achievements of the pupils at Alderman Peel is particularly satisfying given their starting points. Overall Alderman Peel achieved a record progress score for the school.

THE WENSUM TRUST
(A Company Limited by Guarantee)

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

Burnham Market Primary School

Year 6 % Expected standard in RWM 64%
Year 6 Progress in Reading 2.9
Year 6 Progress in writing 0.1
Year 6 Progress in Maths 1.7
Year 2 % Expected Standard in Reading 80%
Year 2 % Expected standard in Writing 70%
Year 2 Expected standard in Maths 80%
Year 1 % achieving phonics 76%
EYFS % Good Level of Development 77%

An exceptional set of results. The school joined the trust after receiving a warning letter from the Department of Education. In a short space of time the school with the support of the trust has transformed the outcomes for students.

Firside Junior School

Year 6 % Expected standard in RWM 68%
Year 6 Progress in Reading 2.4
Year 6 Progress in writing 1.2
Year 6 Progress in Maths 2.4

The school continues to achieve good results well above government expectations.

Wells Primary & Nursery School

Year 6 % Expected standard in RWM 63%
Year 6 Progress in Reading 2.3
Year 6 Progress in writing 2.0
Year 6 Progress in Maths 2.4
Year 2 % Expected Standard in Reading 78%
Year 2 % Expected standard in Writing 71%
Year 2 Expected standard in Maths 74%
Year 1 % achieving phonics 83%
EYFS % Good Level of Development 74%

Wells Primary joined the Trust also having had a warning letter from the Department of Education. The school's leadership and staff has responded well to the trust's school improvement proposals and have delivered an impressive set of results in a short space of time.

Infant schools:

All our infant schools have worked hard and have delivered results above expected standards in virtually all areas:

Arden Grove Infant and Nursery School

Year 2 % Expected Standard in Reading 83%
Year 2 % Expected standard in Writing 77%
Year 2 Expected standard in Maths 78%
Year 1 % achieving phonics 94%
EYFS % Good Level of Development 80%

Garrick Green Infant and Nursery School

Year 2 % Expected Standard in Reading 84%
Year 2 % Expected standard in Writing 81%
Year 2 Expected standard in Maths 81%
Year 1 % achieving phonics 90%
EYFS % Good Level of Development 79%

Heather Avenue Infant School

Year 2 % Expected Standard in Reading 91%
Year 2 % Expected standard in Writing 88%
Year 2 Expected standard in Maths 93%
Year 1 % achieving phonics 91%
EYFS % Good Level of Development 7%

THE WENSUM TRUST
(A Company Limited by Guarantee)

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

Lodge Lane Infant School

Year 2 % Expected Standard in Reading 72%

Year 2 % Expected standard in Writing 61%

Year 2 Expected standard in Maths 76%

Year 1 % achieving phonics 81%

EYFS % Good Level of Development 72%

The Wensum Trust has an agreed 3 year strategic plan and this is being implemented. The strategic plan is aligned to the Trust's Vision and the following set of Strategic Aims which set the culture and ethos of all academies in the Trust:

Lead, Influence and Engage
Inspire, Motive and Transform
Innovate, Collaborate and Build

KEY PERFORMANCE INDICATORS

The Trustees receive regular information at each Board meeting to enable them to monitor the performance of each school within the Trust and the Trust as a whole, compared to aims, strategies and financial budgets. The Trust's primary KPIs are based on teaching and learning outcomes, looking at achievement and progress for all our students.

In addition, the Trustees have agreed a suite of financial KPIs including:

- Staff as a percentage of General Annual Grant (GAG)
- Teaching staff as a percentage of GAG
- Cost of staff as percentage of total income
- Self generated income
- Staff as a percentage of total expenditure
- Average monthly teacher cost
- Average annual teacher cost
- Cost of Teaching and Learning Responsibility point per student
- Teacher contact ratio
- Annual leadership cost per student

As funding is based on student numbers this is a key performance indicator. Total student numbers for 2018 were 3,789 against a forecast of 3,905 (2017: 2,947 against a forecast of 2,951).

A key financial performance indicator is staffing costs as a percentage of total income excluding amounts on conversion, for 2017/18 this was 82% (2016/17 this was 76%). The Trustees are confident that staffing levels are closely monitored to agreed Full Time Equivalents and staffing structure are approved by the Board.

The Budget, Infrastructure, HR & Audit Committee also monitor premises costs to GAG income, capitation spent for curriculum departments to GAG income, total income less grants and cash flow on a regular basis to ensure that the budget is set and managed appropriately. Benchmarking data is also monitored by the committee as well as the Board of Trustees, and encourages rigorous questioning and in depth explanations for any anomalies that are evident.

GOING CONCERN

The Trust is in a challenging financial position due to its investment in improving schools in educational difficulty.

The Trust has been tasked with providing recovery plans for two of its schools as they have significant deficits at the year end (Hellesdon totalling £816,199 and Acle of £354,834). The Wensum Trust also has a deficit at the year end of £296,004. The overall deficit in revenue funds carried forwards (i.e. excluding fixed assets and pension) as at 31 August 2018 is £593,673.

The Trust has deliberately invested in extra senior leadership at Acle Academy to bring the school out of special measures and give better life chances for its students. This investment has been successful as mentioned above. The school is now on the path to being a school rated good by Ofsted and for this reason the Trust is keen to maintain its current staffing strategy for the time being. An initial promise of £100,000 from the ESFA to help with the restructuring of the staffing has not been forthcoming and has exacerbated the financial problems. In this transformation of the school we have had to commit to other changes to staffing resulting in some significant cost. The expected financial support with this from the Department for Education has not been forthcoming and is contributing to the school's current budget position.

THE WENSUM TRUST
(A Company Limited by Guarantee)

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

Hellesdon High School has had specific staffing challenges as well as unexpected rises on costs that have delayed its credible recovery plan. The census data for October 2018 shows a significant rise in the number of sixth form students (from 172 to 215). The courses for these students will be delivered at no additional cost. The Trust has worked hard to secure a significant new strategic partnership with Norwich City Community Sports Foundation. This will, in the long term, deliver increased net income to the school and add significant value to the Trust by offering additional facilities and experiences to students in the Trust's other schools. The financial year 2018-19 will be challenging. Due to lagged funding the finances will improve rapidly but not until the following year (2019-20).

The financial recovery plans for both Acle and Hellesdon have been prepared by the Principal and the Trust's CFO and have been reviewed and accepted as being realistic targets by the Accounting Officer and the Chairman of the Board.

Central services shows a deficit at year end. The trust has had high set up costs during formation period of the MAT. The 5% top slice model only provides sufficient income to cover the core costs of the central team. A number of one-off costs have been incurred as the Trust develops an ambitious business model including the appointment of a business development manager who is already increasing income and introducing new revenue streams into Central Services. Also, future staffing changes will reduce costs. A full review of the central service model and basis of funding is already underway.

Despite the above, the Trustees believe that the Trust has adequate resources to continue in operational existence for the foreseeable future, being 12 months from the date of approval of these financial statements. For this reason the Trust continues to adopt the going concern basis in preparing the financial statements.

FINANCIAL REVIEW

During the year the Trust was under particular financial strain due to increased support staff costs and the national living wage that increased costs mid year for many contracted out services. There has also been frequent long term sickness that have proved financially and academically challenging.

The principle financial risks for the Trust are the uncertainty of government funding, high needs funding, pay increases and pensions. To mitigate the risks the Trust has successfully increased pupil numbers across the Trust. Also, the trust has developed an ambitious business development plan that will deliver significant additional revenue income to the Trust and its academies. To deliver this plan the trust has engaged a business development manager with experience in lettings, marketing and business development.

The future financial position will depend on the comprehensive spending review as this will inform how schools will be funded in the future. The trust will ensure it is in a stronger position by focusing on reducing cost, identifying value for money and increasing income from greater pupil numbers and higher lettings and other revenue streams.

The Trust recognises that more efficiency measures need to be taken and the area where some significant savings can be made will be to use Curriculum Led Financial Planning based on the Outwood Grange model, the DfE have actively worked with OGAT to develop their own model Integrated Curriculum Financial Planning. To this end the CEO of the Trust recently attended training at the OGAT teaching school in Doncaster so that this model can be incorporated into all schools' curriculum planning for 2019/20.

The principal source of funding for the Trust is the General Annual Grant (GAG) and other grants that it receives from the Education and Skills Funding Agency (ESFA). For the year end 31 August 2018 the Trust received £28,992,392 of GAG and other funding, including £8,808,886 relating to income on conversion. A high percentage of this income (excluding funds on conversion) is spent on staff wages, salaries and support costs to deliver the Trust's primary objective of the provision of education.

During the year the Trust spent £22,796,674 on expenditure, including £1,014,484 on depreciation.

During the year the Trust made a total in year surplus of £6,195,718 and an actuarial gain of £1,446,000. This has left an overall reserves figure of £37,451,000.

This is made up of £10,000 in designated funds, a deficit of (£603,673) in restricted funds, a pension deficit of (£5,910,000) and fixed assets of £43,954,673. The deficit on restricted funds will reduce over the next 3 years with the Trust planning to generate an overall surplus by August 2021. This improvement in the financial position will be in line with the recovery plans previously mentioned.

The Trust brought forward from 16/17 a restricted funds surplus of £431,729 and unrestricted funds of £10,000. Overall, the in year deficit on restricted and unrestricted funds excluding fixed assets and pension totalled (£1,035,402).

THE WENSUM TRUST
(A Company Limited by Guarantee)

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

Due to the accounting rules for Local Government Pension Scheme under FRS102, the Trust is recognising a significant pension fund deficit of (£5,910,000). This does not mean that an immediate liability for this amount crystallises and such a deficit generally results in a cash flow effect in the form of increased employer contributions over a number of years.

RESERVES POLICY

The Trustees are aware of the requirement to balance current and future needs and always aim to set a balanced budget with annual income balancing annual expenditure. The Trustees monitor estimated year end carry forward figures via the monthly reports from the Chief Financial Officer. The budget plan identifies how any carry forward will be allocated in the plan for the following academic year, including the identification of any funds earmarked from the predecessor schools.

At the year end, the Trust has a negative balance on the total of unrestricted and restricted funds excluding fixed assets and pension of (£593,673).

INVESTMENT POLICY

The Trust is still to formalise its investment policy. The aim of the policy will be to ensure funds that the Trust does not immediately need to cover anticipated expenditure are invested to maximise its income but with minimal risk. The aim is to research where funds may be deposited applying prudence in ensuring there is minimum risk. The Trustees do not consider the investment of surplus funds as a primary activity, rather as good stewardship and as and when circumstances allow.

PRINCIPAL RISKS AND UNCERTAINTIES

A risk register exists for the Trust and is used for identifying the major risks to which the Trust and its Academies are exposed. It identifies the actions and procedures to mitigate those risks. The register was updated in Summer 2017 and is monitored by the Board of the Trust via the Finance, Infrastructure, HR & Audit Committee, with a formal review undertaken annually.

The principal risks facing the Trust and the Academies within it are outlined below:

1. Strategic & Reputational Risk Leading to falling roll, funding impact or school closure
2. Operational risks Failure to deliver the curriculum and maintain standards
3. Human resources risks Appropriate staffing to deliver the curriculum and maintain standards of support services
4. Compliance risks Prosecution or loss of reputation and closure of the academies within the trust.
5. Property related risks Inability to deliver curriculum or academy closures.
7. ICT risks Inability to manage day to day operations.

The principle financial risks for the trust are the uncertainty of government funding, high needs funding, pay increased and pensions. To mitigate the risks the Trust has successfully increased pupil numbers across the trust. A business development manager has also been employed to increase income and add additional revenue streams to the trust's finances.

The Trustees report that the Trust's financial and internal controls conform to guidelines issues by the ESFA's Academies Financial Handbook, and that improvements to the wider framework of systems dealing with business risk and risk management strategy continue to be made and formally documented.

It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

Cash flows can be reliably forecast, monitored and reported. Staff costs make up the majority of expenditure and are relatively stable with contingencies in place to cover such items as sickness and maternity.

PLANS FOR FUTURE PERIODS

The Trust will aim to continue to develop its Academy Hubs to ensure that the schools that converted into the Trust during and after the end of the year will continue to improve student outcomes and receive best value for money in all aspects of their operations.

The trustees aim to have controlled strategic growth in the trust as outlined above. Additionally, the Trust is actively exploring new strategic partnerships to further enhance its revenue generating potential and to further add to student opportunities.

THE WENSUM TRUST
(A Company Limited by Guarantee)

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

The trust is currently introducing an ambitious business model to help develop additional income streams including through lettings. Linked to this is the Trust's Health and Well-being strategy which will actively promote and support healthier lifestyles for our students and the wider community. A business development and marketing manager is now in place.

EMPLOYING STAFF UNDER THE TRUST POLICY FOR EQUALITY AND DIVERSITY

The Wensum Trust recognises that as an employer of in excess of 250 staff, there is a requirement to publish its policy regarding the employment, continued employment, training, career development and promotion of disabled persons. This is delivered through the practice as outlined in the Trust's Equality Policy and in conjunction with Annex A, Equality and Diversity for School Staff.

The Trust works diligently to:

- Eliminate disability discrimination
- Eliminate harassment of disabled people
- Promote equality of opportunity of disabled people
- Take steps to take account for disabled person's disabilities
- Promote positive attitudes towards disabled people
- Create a supportive and inclusive working environment, free from discrimination
- Encourage participation by disabled people in public and Trust/MAT life

Managers will be given appropriate training on equal opportunities awareness and equal opportunities recruitment and selection best practice.

TRADE UNION FACILITIES TIME

The Trust reports that it has been required to pay a total of £9,463 to the 31 August 2018 to Norfolk County Council for outsourced trade union facility time. This figure is calculated on student numbers and was based, pro rata (dependent on the time of joining the Trust) at 3,789 student on roll. This cost does include some discount, however will increase with escalating student numbers.

FUNDRAISING

The trust only held small fundraising events during the year. The trust does not work with professional fundraisers or companies who carry out fundraising on its behalf. During the year no complaints or issues have arisen as a result of the fundraising events.

FUNDS HELD AS CUSTODIAN TRUSTEE ON BEHALF OF OTHERS

The Trust did not hold any funds as custodian trustee on behalf of any charities within the year.

AUDITORS

Insofar as the Trustees are aware:

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

By order of the Board of Trustees, as the company directors, the Trustees' Report, incorporating a strategic report, was delegated to be finalised by the Chair of Trustees on 21 December 2018 and signed on its behalf by:

John Smith
Chair of Trustees

THE WENSUM TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT

SCOPE OF RESPONSIBILITY

As trustees, we acknowledge we have overall responsibility for ensuring that The Wensum 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 Finance, Infrastructure, HR and Audit Committee and Board of Trustees has delegated the day-to-day responsibility to the CEO, as Accounting Officer, for ensuring financial controls conform with the requirements of both propriety and good financial management and in accordance with the requirements and responsibilities assigned to it in the funding agreement between The Wensum Trust and the Secretary of State for Education. They are also responsible for reporting to the Finance, Infrastructure, HR and Audit Committee and 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 Finance, Infrastructure, HR and Audit Committee and Board of Trustees has formally met 7 times during the year. Attendance during the year at meetings of the Finance, Infrastructure, HR and Audit Committee and Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
John Smith, Chair	7	7
Mary Richards, Vice Chair	6	7
Gerard Batty	7	7
Edwin Pearson	5	7
Patrick Gorman	6	7
Neil Aylott	7	7
Carolyn Baxter	6	7
Gareth Lamb	1	2
Daniel Thrower	7	7
Jason Tipple	3	3
Anne-Louise Alder	3	3

The Board of Trustees has remained stable this year. Two new trustees were appointed adding additional finance experience and the ability to offer social, spiritual and well-being guidance to trustees.

A high level review of governance was started by the lead clerk during the year and will be completed in 2018-19.

The Finance, Infrastructure, HR and Audit Committee

One new trustee joined the committee, adding business and finance skills. The key focus of the committee this year has been the recovery plans for two of the academies, these plans have been delivered to the ESFA. The committee has faced particular challenges during the year, with frequent changes to school funding, teachers' pay, support staff pay, and uncertainty over the teachers' pension cost. The committee has also worked on the development of new strategic partnerships which will have the combined development of a broader curriculum and increased student numbers.

The Finance, Infrastructure, HR and Audit Committee met 7 times during the accounting period.

Attendance at meetings in the year was as follows:

Trustee	Meetings attended	Out of a possible
Gerard Batty	7	7
John Smith	7	7
Mary Richards	7	7
Patrick Gorman	6	7
Daniel Thrower	7	7
Neil Aylott	7	7
Jason Tipple	1	2

THE WENSUM TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (continued)

REVIEW OF VALUE FOR MONEY

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

The Accounting Officer considers how the academy trust's use of its resources has provided good value for money during each academic year, and reports to the Finance, Infrastructure, HR and Audit Committee and Board of Trustees where value for money can be improved, including the use of benchmarking data where appropriate. The Accounting Officer for the academy trust has delivered improved value for money during the year by:

- Entering into a lease agreement with a local IT company. This company are using the bungalow at Acle as a base for their business, and in return are providing computer services and technical support. This has resulted in zero data loss, faster services and less loss of service. To buy the equipment to achieve this would cost in excess of £50,000.
- Installing whiteboards across the trust rather than paying a company to install them. This is all done during the summer when the trust technicians are on site. This has saved over £20,000.
- Using our buying power we have negotiated lower costs for our Management Information System (SIMs). We have managed to negotiate a 15% reduction on costs for a product whose licence was up for renewal.

THE PURPOSE OF THE SYSTEM OF INTERNAL CONTROL

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in The Wensum 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 Finance, Infrastructure, HR and Audit Committee and Board of Trustees has reviewed the key risks to which the academy trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Finance, Infrastructure, HR and Audit Committee and Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy trust'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 Finance, Infrastructure, HR and Audit Committee and Board of Trustees.

THE RISK AND CONTROL FRAMEWORK

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

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

The Finance, Infrastructure, HR and Audit Committee and Board of Trustees has considered the need for a specific internal audit function and has decided not to appoint an internal auditor.

Additional checks were carried out by the external auditors during the financial year, however a full programme of internal audit was not undertaken during the year.

During the year, the CFO and senior finance officers held monthly meetings with the high schools, and half-termly meetings with the primary schools, to update budget plans and look at the financial situation at each school individually. No material control issues have been found but we have found one instance of attempted credit card misuse, which was prevented by the support staff. Remedial action has been taken and this has resulted in the reissue of guidance and additional training.

THE WENSUM TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (continued)

The position of internal auditor is currently being tendered for.

REVIEW OF EFFECTIVENESS

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

- the work of the external auditors;
- the financial management and governance self-assessment process;
- the work of the executive managers within the academy trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the Finance, Infrastructure, HR and Audit Committee and Board of Trustees on 21 December 2018 and signed on their behalf, by:

John Smith
Chair of Trustees

Gerard Batty
Accounting Officer

THE WENSUM TRUST
(A Company Limited by Guarantee)

STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

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

Gerard Batty
Accounting Officer

Date: 21 December 2018

THE WENSUM 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 Strategic Report, 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 Finance, Infrastructure, HR and Audit Committee and Board of Trustees on 21 December 2018 and signed on its behalf by:

John Smith
Chair of Trustees

THE WENSUM TRUST
(A Company Limited by Guarantee)

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

OPINION

We have audited the financial statements of The Wensum Trust (the 'academy trust') 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', the Charities SORP 2015 and the Academies Accounts Direction 2017 to 2018 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the academy trust'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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the academy trust 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 trust'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.

THE WENSUM TRUST
(A Company Limited by Guarantee)

INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE WENSUM TRUST

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 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 (incorporating the Strategic Report and the Directors' Report) for which the financial statements are prepared is consistent with the financial statements .
- the Strategic Report and the Directors' 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 trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

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

- adequate accounting records have not been kept, 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 trust for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

THE WENSUM TRUST
(A Company Limited by Guarantee)

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

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.

USE OF OUR REPORT

This report is made solely to the academy trust's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the academy trust's members those matters we are required to state to them in an 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 the academy trust's members, as a body, for our audit work, for this report, or for the opinions we have formed.

John Warren BSc FCA (Senior Statutory Auditor)

for and on behalf of

Price Bailey LLP

Chartered Accountants
Statutory Auditors

Anglia House, 6 Central Avenue
St Andrews Business Park
Thorpe St Andrew
Norwich
Norfolk
NR7 0HR
21 December 2018

THE WENSUM TRUST
(A Company Limited by Guarantee)

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

In accordance with the terms of our engagement letter dated 20 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 The Wensum 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 The Wensum Trust and the ESFA in accordance with the terms of our engagement letter. Our work has been undertaken so that we might state to The Wensum 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 The Wensum Trust and the ESFA, for our work, for this report, or for the conclusion we have formed.

RESPECTIVE RESPONSIBILITIES OF THE WENSUM TRUST'S ACCOUNTING OFFICER AND THE REPORTING ACCOUNTANT

The Accounting Officer is responsible, under the requirements of The Wensum Trust's funding agreement with the Secretary of State for Education dated 16 February 2016, 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 trust's income and expenditure.

THE WENSUM TRUST
(A Company Limited by Guarantee)

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

CONCLUSION

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the 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.

Price Bailey LLP

Reporting Accountant

Anglia House, 6 Central Avenue
St Andrews Business Park
Thorpe St Andrew
Norwich
Norfolk
NR7 0HR

21 December 2018

THE WENSUM 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 & capital grants:						
Assets transferred on conversion	2	235,441	(1,082,000)	9,655,445	8,808,886	9,468,978
Assets received on academy transfers	2	-	-	-	-	7,798,710
Other donations and capital grants	2	12,458	412,652	905,932	1,331,042	725,045
Charitable activities	5	318,782	18,114,485	-	18,433,267	14,425,393
Other trading activities	3	353,186	65,181	-	418,367	204,472
Investments	4	830	-	-	830	875
TOTAL INCOME		920,697	17,510,318	10,561,377	28,992,392	32,623,473
EXPENDITURE ON:						
Charitable activities		906,277	20,875,913	1,014,484	22,796,674	15,878,056
TOTAL EXPENDITURE	6	906,277	20,875,913	1,014,484	22,796,674	15,878,056
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS		14,420	(3,365,595)	9,546,893	6,195,718	16,745,417
Transfers between Funds	19	(14,420)	307,193	(292,773)	-	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES		-	(3,058,402)	9,254,120	6,195,718	16,745,417
Actuarial gains on defined benefit pension schemes	24	-	1,446,000	-	1,446,000	1,651,000
NET MOVEMENT IN FUNDS		-	(1,612,402)	9,254,120	7,641,718	18,396,417
RECONCILIATION OF FUNDS:						
Total funds brought forward		10,000	(4,901,271)	34,700,553	29,809,282	11,412,865
TOTAL FUNDS CARRIED FORWARD		10,000	(6,513,673)	43,954,673	37,451,000	29,809,282

The notes on pages 26 to 53 form part of these financial statements.

THE WENSUM TRUST
(A Company Limited by Guarantee)
REGISTERED NUMBER: 07982312

BALANCE SHEET
AS AT 31 AUGUST 2018

	Note	£	2018 £	£	2017 £
FIXED ASSETS					
Tangible assets	14		43,641,930		34,285,336
CURRENT ASSETS					
Debtors	15	664,153		760,475	
Cash at bank and in hand		790,301		1,793,223	
		<u>1,454,454</u>		<u>2,553,698</u>	
CREDITORS: amounts falling due within one year	16	<u>(1,562,134)</u>		<u>(1,498,752)</u>	
NET CURRENT (LIABILITIES)/ASSETS			<u>(107,680)</u>		<u>1,054,946</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>43,534,250</u>		<u>35,340,282</u>
CREDITORS: amounts falling due after more than one year	17		<u>(173,250)</u>		<u>(198,000)</u>
NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES			<u>43,361,000</u>		<u>35,142,282</u>
Defined benefit pension scheme liability	24	(5,910,000)		(5,333,000)	
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			<u>37,451,000</u>		<u>29,809,282</u>
FUNDS OF THE ACADEMY					
Restricted income funds:					
Restricted income funds	19	(603,673)		431,729	
Restricted fixed asset funds	19	43,954,673		34,700,553	
		<u>43,351,000</u>		<u>35,132,282</u>	
Restricted income funds excluding pension liability		43,351,000		35,132,282	
Pension reserve		<u>(5,910,000)</u>		<u>(5,333,000)</u>	
Total restricted income funds			37,441,000		29,799,282
Unrestricted income funds	19		10,000		10,000
TOTAL FUNDS			<u>37,451,000</u>		<u>29,809,282</u>

The financial statements on pages 23 to 53 were approved by the Trustees, and authorised for issue, on 21 December 2018 and are signed on their behalf, by:

John Smith
Chair of Trustees

The notes on pages 26 to 53 form part of these financial statements.

THE WENSUM 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	(1,404,742)	622,480
Cash flows from investing activities:			
Interest from investments		830	875
Purchase of tangible fixed assets		(715,633)	(156,384)
Capital grants from DfE Group		905,932	489,439
Cash received from Local Authority on conversion		235,441	519,878
Net cash provided by investing activities		426,570	853,808
Cash flows from financing activities:			
Repayments of borrowings		(24,750)	-
Cash inflows from new borrowing		-	198,000
Net cash (used in)/provided by financing activities		(24,750)	198,000
Change in cash and cash equivalents in the year		(1,002,922)	1,674,288
Cash and cash equivalents brought forward		1,793,223	118,935
Cash and cash equivalents carried forward	22	790,301	1,793,223

The notes on pages 26 to 53 form part of these financial statements.

THE WENSUM 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.

The Wensum Trust constitutes a public benefit entity as defined by FRS 102.

1.2 General information

The Wensum Trust is a private company limited by guarantee incorporated in the United Kingdom under the Companies Act 2006. The address of its registered office is: The Wensum Trust, Middletons Lane, Hellesdon, Norwich, Norfolk, NR6 5SB.

The financial statements are presented in pounds sterling, which is the functional currency of the Trust, and rounded, and rounded to the nearest pound.

1.3 Fund accounting

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

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.

1.4 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 trust 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.

The Trust is in a challenging financial position due to its investment in improving schools in educational difficulty. As detailed in the Trustees' Report going concern paragraph, recovery plans are in place for the two schools in deficit. The deficit on central services has also been addressed.

In view of above, the Trustees believe that the Trust has adequate resources to continue in operational existence for the foreseeable future, being 12 months from the date of approval of these financial statements. For this reason the Trust continues to adopt the going concern basis in preparing the financial statements.

THE WENSUM TRUST
(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.5 Income

All income is recognised once the academy trust 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.

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.

Where assets are received on the transfer of an existing academy into the trust, the transferred assets are measured at fair value and recognised in the Balance Sheet at the point when the risks and rewards of ownership pass to the trust, which is on signing of the transfer agreement with the transferring trust. An equal amount of income is recognised for the transfer of an existing academy into the trust within Income and donations and capital grants.

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

All expenditure is inclusive of irrecoverable VAT.

THE WENSUM TRUST
(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.7 Tangible fixed assets and depreciation

All assets costing more than £2,000 (£1,000 for computer equipment) 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. Where tangible fixed assets have been acquired with unrestricted funds, depreciation on such assets is charged to the unrestricted fund.

Depreciation is provided on all tangible fixed assets other than freehold land, at rates calculated to write off the cost of these assets, less their estimated residual value, over their expected useful lives on the following bases:

Long term leasehold land	-	over the life of the lease (125 years)
Long term leasehold buildings	-	2% straight line
Freehold buildings	-	2% straight line
Furniture and fixtures	-	10% straight line
Plant and equipment	-	15% straight line
Motor vehicles	-	25% straight line
Computer equipment	-	25% straight line

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

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

1.8 Operating leases

Rentals under operating leases are charged to the Statement of Financial Activities incorporating Income and Expenditure Account on a straight line basis over the lease term.

1.9 Taxation

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

1.10 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.11 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.

THE WENSUM TRUST
(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.12 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 trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions 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.

1.13 Concessionary loans

Concessionary loans are recognised at the amount received, with the carrying amount adjusted in subsequent years to reflect repayments and any accrued interest and adjusted if necessary for any impairment.

1.14 Financial instruments

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

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 15. Prepayments are not financial instruments. Amounts due to the academy trust's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised costs as detailed in notes 16 and 17. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instruments. Amounts due to the academy trust's wholly owned subsidiary are held at face value less any impairment.

THE WENSUM TRUST
(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.15 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 a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

1.16 Conversion to an academy trust

The conversion from a state maintained school to an academy trust involved the transfer of identifiable assets and liabilities and the operation of the school for £Nil consideration. The substance of the transfer is that of a gift and it has been accounted for on that basis as set out below.

The assets and liabilities transferred on conversion from Alderman Peel High School and Wells-Next-The-Sea Primary & Nursery School to an academy trust have been valued at their fair value. The fair value has been derived based on that of equivalent items. The amounts have been recognised under the appropriate balance sheet categories, with a corresponding amount recognised in Charitable activities - transfer from local authority on conversion in the Statement of Financial Activities incorporating Income and Expenditure Account and analysed under unrestricted funds, restricted general funds and restricted fixed asset funds.

Further details of the transactions are set out in note 23.

1.17 Redundancy and termination payments

Redundancy and termination costs are recognised as an expense in the Statement of Financial Activities and a liability on the Balance Sheet immediately at the point the Academy Trust is demonstrably committed to either:

- terminate the employment of an employee or group of employees before normal retirement date; or
- provide termination benefits as a result of an offer made in order to encourage voluntary redundancy.

The Trust is considered to be demonstrably committed only when it has a detailed formal plan for the termination and is without realistic possibility of withdrawal from the plan.

THE WENSUM TRUST
(A Company Limited by Guarantee)

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

1. ACCOUNTING POLICIES (continued)

1.18 Agency arrangements

The academy trust acts as an agent in distributing 16-19 bursary funds from ESFA. Payments received from ESFA and subsequent disbursements to students are excluded from the statement of financial activities as the trust does not have control over the charitable application of the funds. The trust does not use any of the allocation towards its own administration costs and so none is recognised in the statement of financial activities. The funds received and paid and any balance held are disclosed in note 28.

1.19 Critical accounting estimates and areas of judgment

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.

Critical accounting estimates and assumptions:

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

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.

Depreciation is an estimate based on the useful economic life of the assets.

Assets on conversion in the financial statements, included as income in the financial year and as fixed assets on the balance sheet, have been valued at the trustees' best estimate of the market value of the land and buildings. This carries an inevitable degree of estimation and judgement.

THE WENSUM TRUST
(A Company Limited by Guarantee)

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 £	As restated Total funds 2017 £
Assets transferred on conversion	235,441	(1,082,000)	9,655,445	8,808,886	9,468,978
Assets received on academy transfers	-	-	-	-	7,798,710
Subtotal detailed disclosure	<u>235,441</u>	<u>(1,082,000)</u>	<u>9,655,445</u>	<u>8,808,886</u>	<u>17,267,688</u>
Donations	12,458	412,652	-	425,110	235,606
Capital Grants	-	-	905,932	905,932	489,439
Subtotal	<u>12,458</u>	<u>412,652</u>	<u>905,932</u>	<u>1,331,042</u>	<u>725,045</u>
	<u>247,899</u>	<u>(669,348)</u>	<u>10,561,377</u>	<u>10,139,928</u>	<u>17,992,733</u>
Total 2017	<u><u>470,137</u></u>	<u><u>(3,775,428)</u></u>	<u><u>21,298,024</u></u>	<u><u>17,992,733</u></u>	

The restatements in notes 2, 3 and 5 relate to the reclassification of income between Income from donations, Funding for the academy Trust's educational operations and Other trading activities. Overall this has no effect on the total income in the year ended 31 August 2017.

3. OTHER TRADING ACTIVITIES

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	As restated Total funds 2017 £
Rental Income	277,494	-	277,494	90,667
Other Income	47,479	65,181	112,660	96,186
Music lessons	28,213	-	28,213	17,619
	<u>353,186</u>	<u>65,181</u>	<u>418,367</u>	<u>204,472</u>
Total 2017	<u><u>109,577</u></u>	<u><u>94,895</u></u>	<u><u>204,472</u></u>	

The restatements in notes 2, 3 and 5 relate to the reclassification of income between Income from donations, Funding for the academy Trust's educational operations and Other trading activities. Overall this has no effect on the total income in the year ended 31 August 2017.

THE WENSUM TRUST
(A Company Limited by Guarantee)

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

4. INVESTMENT INCOME

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Bank Interest	830	-	830	875
Total 2017	875	-	875	

5. FUNDING FOR ACADEMY TRUST'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	As restated Total funds 2017 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	16,331,065	16,331,065	12,110,846
Other DfE / ESFA grants	-	1,291,179	1,291,179	1,341,359
Start up grant	-	25,000	25,000	150,000
Deficit funding	-	-	-	178,000
	-	17,647,244	17,647,244	13,780,205
Other government grants				
Local authority grants	-	301,230	301,230	263,080
	-	301,230	301,230	263,080
Other income from the Trust's educational operations				
Other income from educational operations	-	11,160	11,160	4,289
Income from other schools	-	12,998	12,998	46,993
Catering income	318,782	-	318,782	236,010
Income from extended provision / clubs	-	141,853	141,853	94,816
	318,782	166,011	484,793	382,108
	318,782	18,114,485	18,433,267	14,425,393
Total 2017	236,010	14,189,383	14,425,393	

The restatements in notes 2, 3 and 5 relate to the reclassification of income between Income from donations, Funding for the academy Trust's educational operations and Other trading activities. Overall this has no effect on the total income in the year ended 31 August 2017.

THE WENSUM TRUST
(A Company Limited by Guarantee)

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

6. EXPENDITURE

	Staff costs 2018 £	Premises 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Provision of education:					
Direct costs	14,695,870	-	1,323,343	16,019,213	11,074,492
Support costs	1,916,107	2,409,029	2,452,325	6,777,461	4,803,564
	<u>16,611,977</u>	<u>2,409,029</u>	<u>3,775,668</u>	<u>22,796,674</u>	<u>15,878,056</u>
Total 2017	<u>11,702,813</u>	<u>1,248,077</u>	<u>3,023,346</u>	<u>15,974,236</u>	

7. CHARITABLE ACTIVITIES

	2018 £	2017 £
Direct costs - educational operations	16,019,213	11,070,251
Support costs - educational operations	6,777,461	4,803,564
Total	<u>22,796,674</u>	<u>15,873,815</u>

Analysis of support costs

	2018 £	2017 £
Support staff costs	2,456,313	1,916,107
Depreciation	1,014,484	774,061
Premises costs	1,651,310	987,961
Other support costs	1,602,455	1,064,555
Governance costs	52,899	60,880
Total	<u>6,777,461</u>	<u>4,803,564</u>

8. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets:		
- owned by the charity	1,014,484	774,061
Operating lease rentals	43,241	27,731
	<u>1,057,725</u>	<u>801,792</u>

THE WENSUM TRUST
(A Company Limited by Guarantee)

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

9. AUDITORS' REMUNERATION

	2018 £	2017 £
Fees payable to the academy trust's auditor for the audit of the academy trust's annual accounts	17,670	14,900
Fees payable to the academy trust's auditor in respect of:		
The preparation of the financial statements	2,750	1,950
Audit-related assurance services	3,940	3,500
Other assurance services not included above	1,735	1,290
Other non-audit services not included above	6,429	-
	2018 £	2017 £
Fees payable to the academy trust's auditor in connection with the academy trust's pension scheme(s) in respect of:		
Teachers' Pension Scheme EOYC assurance	8,250	6,000
	8,250	6,000

10. CENTRAL SERVICES

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

- Human resources
- Financial services
- Educational support services

The academy trust charges for these services on the following basis:

Central costs are charged to each academy based on 5% of total GAG income.

The actual amounts charged during the year were as follows:

	2018 £	2017 £
Acle Academy	108,187	131,028
Arden Grove Infant and Nursery School	34,230	30,900
Burnham Market Primary School	25,990	4,440
Firside Junior School	57,171	42,137
Garrick Green Infant School	36,848	34,230
Heather Avenue Infant School	34,899	13,477
Hellesdon High School	323,417	291,135
Lodge Lane Infant School	45,632	29,995
Wells-next-the-sea Primary	36,563	-
Alderman Peel Academy	106,261	-
	809,198	577,342
Total		

Also during the year, catering was provided to Firside by Hellesdon. The cost of this was £70,000 and was recharged to Firside.

THE WENSUM TRUST
(A Company Limited by Guarantee)

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

11. STAFF COSTS

a. Staff costs

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	12,488,472	8,831,623
Social security costs	1,173,597	814,627
Operating costs of defined benefit pension schemes	2,850,527	1,890,562
	16,512,596	11,536,812
Agency staff costs	4,020	-
Staff restructuring costs	95,361	69,821
Supply costs in payroll in 2017	-	96,180
	16,611,977	11,702,813

Staff restructuring costs comprise:

	2018 £	2017 £
Redundancy payments	77,783	39,821
Severance payments	17,579	30,000
	95,362	69,821

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

Included in the staff restructuring costs are non-statutory/non-contractual severance payments totalling £10,520 (2017: £30,000). Individually the payments were £2,000, £3,520 and £5,000 (2017: £15,000 and £15,000) paid on 19 July 2018, 19 September 2018 and 17 August 2018 respectively.

c. Staff numbers

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

	2018 No.	2017 No.
Teachers	215	184
Administration and support	311	251
Management	29	27
	555	462

The average number of persons employed by the academy trust during the year expressed as full time equivalents was as follows:

	2018 No.	2017 No.
Teachers	185	181
Administration and support	203	163
Management	27	25
	415	369

THE WENSUM TRUST
(A Company Limited by Guarantee)

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

11. STAFF COSTS (continued)

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	3	4
In the band £ 70,001 - £ 80,000	5	2
In the band £110,001 - £120,000	1	1

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 £1,321,600 (2017 : £1,029,184).

Included in the above are employer national insurance contributions of £123,059 (2017: £95,879).

Included in the above are employer pension contributions of £175,969 (2017: £135,046).

12. TRUSTEES' REMUNERATION AND EXPENSES

One or more Trustees has been paid remuneration or has received other benefits from an employment with the academy trust. The CEO and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and other staff members under their contracts of employment, and not in respect of their role as Trustees. The value of Trustees' remuneration and other benefits was as follows:

		2018 £	2017 £
Gerard Batty	Remuneration	115,000-120,000	115,000-120,000
	Pension contributions paid	15,000-20,000	15,000-20,000
Neil Aylott	Remuneration	45,000-50,000	45,000-50,000
	Pension contributions paid	5,000-10,000	5,000-10,000
Daniel Thrower	Remuneration	70,000-75,000	65,000-70,000
	Pension contributions paid	10,000-15,000	10,000-15,000

During the year ended 31 August 2018, expenses totalling £2,900 (2017 - £2,598) were reimbursed to 4 Trustees (2017 - 4).

13. TRUSTEES' AND OFFICERS' INSURANCE

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

THE WENSUM TRUST
(A Company Limited by Guarantee)

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

14. TANGIBLE FIXED ASSETS

	Freehold property £	Long term leasehold property £	Furniture and fixtures £	Plant and equipment £	Motor vehicles £	Computer equipment £		
Cost								
At 1 September 2017	7,443,225	27,435,532	873,694	181,126	26,750	803,304		
Additions	388,039	32,372	51,921	-	-	124,819		
Transfer on conversion	-	9,542,812	102,245	-	3,250	7,138		
At 31 August 2018	<u>7,831,264</u>	<u>37,010,716</u>	<u>1,027,860</u>	<u>181,126</u>	<u>30,000</u>	<u>935,261</u>		
Depreciation								
At 1 September 2017	96,895	1,584,543	247,041	52,804	17,000	480,012		
Charge for the year	104,105	653,614	94,785	27,169	3,927	130,884		
At 31 August 2018	<u>201,000</u>	<u>2,238,157</u>	<u>341,826</u>	<u>79,973</u>	<u>20,927</u>	<u>610,896</u>		
Net book value								
At 31 August 2018	<u>7,630,264</u>	<u>34,772,559</u>	<u>686,034</u>	<u>101,153</u>	<u>9,073</u>	<u>324,365</u>		
At 31 August 2017	<u>7,346,330</u>	<u>25,850,989</u>	<u>626,653</u>	<u>128,322</u>	<u>9,750</u>	<u>323,292</u>		
					Assets under construction £	Total £		
Cost								
At 1 September 2017					-	36,763,631		
Additions					118,482	715,633		
Transfer on conversion					-	9,655,445		
At 31 August 2018					<u>118,482</u>	<u>47,134,709</u>		
Depreciation								
At 1 September 2017					-	2,478,295		
Charge for the year					-	1,014,484		
At 31 August 2018					<u>-</u>	<u>3,492,779</u>		
Net book value								
At 31 August 2018					<u>118,482</u>	<u>43,641,930</u>		
At 31 August 2017					<u>-</u>	<u>34,285,336</u>		

THE WENSUM TRUST
(A Company Limited by Guarantee)

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

14. TANGIBLE FIXED ASSETS (continued)

The Trust's transactions relating to land and buildings in the year related to the taking up of two long term leasehold properties including land, over a term of 125 years. The properties were transferred from the Local Authority on conversion of the two schools to academy status. The land and buildings were valued on transfer to the Trust by the Trustees.

15. DEBTORS

	2018	2017
	£	£
Trade debtors	41,138	34,377
VAT debtor	168,669	120,736
Prepayments and accrued income	454,346	605,362
	664,153	760,475
	664,153	760,475

16. CREDITORS: Amounts falling due within one year

	2018	2017
	£	£
Trade creditors	908,343	544,389
Other taxation and social security	290,714	230,104
Other creditors	44,804	246,386
Accruals and deferred income	318,273	477,873
	1,562,134	1,498,752
	1,562,134	1,498,752

	2018	2017
	£	£
Deferred income		
Deferred income at 1 September 2017	214,844	15,656
Resources deferred during the year	222,009	214,844
Amounts released from previous years	(214,844)	(15,656)
	222,009	214,844
	222,009	214,844

At the balance sheet date, the amount included in deferred income was in relation to rates relief from the ESFA and funds received in advance for Universal Infant Free School Meals.

17. CREDITORS: Amounts falling due after more than one year

	2018	2017
	£	£
Concessionary loan from ESFA	173,250	198,000
	173,250	198,000
	173,250	198,000

This loan relates to an unsecured long term interest free loan provided in September 2016 to Acle Academy by the ESFA to support the payment of staff wages for September 2016. Repayments of the loan commenced in September 2017 but have been delayed by the ESFA with a review to take place in 2019/2020.

THE WENSUM TRUST
(A Company Limited by Guarantee)

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

18. FINANCIAL INSTRUMENTS

	2018 £	2017 £
Financial assets measured at amortised cost	1,106,658	2,317,922
Financial liabilities measured at amortised cost	1,222,661	1,251,804

Financial assets measured at amortised cost comprise trade debtors, bank balances and accrued income.

Financial liabilities measured at amortised cost comprise trade creditors, accruals, other creditors (and amounts payable to the pension scheme in 2017 only).

THE WENSUM TRUST
(A Company Limited by Guarantee)

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

19. STATEMENT OF FUNDS

	Balance at 1 September 2017 £	Income £	Resources expended £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Designated funds						
3G Pitch	10,000	-	-	-	-	10,000
General funds						
Other unrestricted funds	-	920,697	(906,277)	(14,420)	-	-
Total Unrestricted funds	10,000	920,697	(906,277)	(14,420)	-	10,000
Restricted funds						
General Annual Grant (GAG)	(43,253)	15,634,232	(16,255,966)	23,423	-	(641,564)
CIF moved from capital	351,074	-	(341,603)	-	-	9,471
Educational visits	41,900	166,949	(180,429)	-	-	28,420
Other government grants	-	155,402	(155,402)	-	-	-
Other DfE/ESFA grants	-	697,525	(697,525)	-	-	-
Start up grants	82,008	25,000	(107,008)	-	-	-
Pupil premium	-	845,411	(845,411)	-	-	-
Other restricted	-	476,895	(476,895)	-	-	-
SCA moved from capital	-	-	(283,770)	283,770	-	-
PE sports premium grant	-	123,080	(123,080)	-	-	-
Universal infant free school meals	-	285,161	(285,161)	-	-	-
Cluster funding	-	182,663	(182,663)	-	-	-
Pension reserve	(5,333,000)	(1,082,000)	(941,000)	-	1,446,000	(5,910,000)
	<u>(4,901,271)</u>	<u>17,510,318</u>	<u>(20,875,913)</u>	<u>307,193</u>	<u>1,446,000</u>	<u>(6,513,673)</u>
Restricted fixed asset funds						
Restricted fixed assets	33,994,338	9,655,445	(1,014,484)	715,633	-	43,350,932
DfE/ESFA Capital grants	-	99,258	-	(94,755)	-	4,503
Capital expenditure from GAG	290,998	-	-	-	-	290,998
Capital grant income	415,217	-	-	(397,042)	-	18,175
Healthy Pupils Capital Fund	-	54,200	-	-	-	54,200
SCA	-	752,474	-	(516,609)	-	235,865
	<u>34,700,553</u>	<u>10,561,377</u>	<u>(1,014,484)</u>	<u>(292,773)</u>	<u>-</u>	<u>43,954,673</u>
Total restricted funds	<u>29,799,282</u>	<u>28,071,695</u>	<u>(21,890,397)</u>	<u>14,420</u>	<u>1,446,000</u>	<u>37,441,000</u>
Total of funds	<u>29,809,282</u>	<u>28,992,392</u>	<u>(22,796,674)</u>	<u>-</u>	<u>1,446,000</u>	<u>37,451,000</u>

THE WENSUM TRUST
(A Company Limited by Guarantee)

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

19. STATEMENT OF FUNDS (continued)

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

Designated fund

A separate fund has been designated for future maintenance of the 3G pitch at Hellesdon High School. As unrestricted funds allow, the Trust will set aside unrestricted surplus funds for the designated purpose of maintaining the 3G pitch.

General Annual Grant

This represents funding from the ESFA to cover the costs of recurrent expenditure.

Under the funding agreement with the Secretary of State, the academies were not subject to a limit on the amount of GAG that they could carry forward at 31 August 2018. GAG funding is not pooled by the Trust and each Academy receives and expends the GAG funding pertaining to it.

CIF and SCA moved from capital

CIF (Condition Improvement Fund) and SCA (Schools Condition Allocation) relate to capital funding received from ESFA. Where the amounts have been used for repair projects rather than capitalised projects, the funds have been transferred from restricted fixed asset fund to restricted funds.

Educational visits

This represents contributions made by parents to the running of educational visits for the pupils of the Academies and the associated costs of running the trips.

Other government grants

This represents other funding from the government towards the provision of education such as provision of Nursery funding and Attachment Outreach Service.

Other DfE/ESFA grants

This represents other funding from the DfE and ESFA towards the provision of education such as improvement funding which is used improve schools and increase social mobility.

Start up grants

This represents a grant to aid with start up costs for academies on conversion. The balance is towards ongoing costs at the year end.

Pupil Premium

This funding is to be used to raise achievement and improve outcomes for pupils from low-income families who are eligible for free school meals, looked after children and those from families with parents in the Armed Forces.

Other restricted

This represents funding received from other bodies towards a specific purpose.

PE sports grant premium

This premium is used to fund additional and sustainable improvements to the provision of PE and sport, for the benefit of primary-aged pupils, to encourage the development of healthy, active lifestyles.

Universal infant free school meals

This funding is received from the ESFA for the provision of school meals to pupils in years 1 and 2.

THE WENSUM TRUST
(A Company Limited by Guarantee)

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

19. STATEMENT OF FUNDS (continued)

Cluster funding

This funding originates from the local authority, and is distributed to the Trust via the cluster of schools.

Pension reserve

This fund represents the Trust's share of the deficit on the Local Government Pension Scheme (LGPS) transferred on conversion from state controlled schools.

The restricted pension fund is materially in deficit and plans to eliminate the liability on the defined benefit pension scheme are set out in note 23 based on the period end actuarial valuation.

Restricted fixed asset fund

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

Transfers to this fund are in relation to fixed assets purchased from other funding sources.

ANALYSIS OF ACADEMIES BY FUND BALANCE

Fund balances at 31 August 2018 were allocated as follows:

	Total 2018 £	Total 2017 £
The Wensum Trust	(296,004)	(60,924)
Hellesdon High School	(816,199)	(559,696)
Acle Academy	(354,834)	7,107
Arden Grove Infant and Nursery	83,994	189,526
Burnham Market	72,235	95,055
Firsides Junior School	141,151	248,689
Garrick Green Infant School	101,054	302,585
Heather Avenue Infant School	146,784	89,337
Lodge Lane Infant School	172,191	130,050
Alderman Peel Academy	33,624	-
Wells-next-the-sea Primary	122,331	-
	<hr/>	<hr/>
Total before fixed asset fund and pension reserve	(593,673)	441,729
Restricted fixed asset fund	43,954,673	34,700,553
Pension reserve	(5,910,000)	(5,333,000)
	<hr/>	<hr/>
Total	<u>37,451,000</u>	<u>29,809,282</u>

The following academies are carrying net deficits on their portion of the funds as follows:

Name of academy	Amount of deficit £
The Wensum Trust	(296,044)
Hellesdon High School	(806,199)
Acle Academy	(354,834)

The Reasons for the deficits are noted below:

The Wensum Trust

The trust has had high set up costs during formation period of the MAT. The 5% top slice model top slice model only provides sufficient income to cover the core costs of the central team.

THE WENSUM TRUST
(A Company Limited by Guarantee)

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

19. STATEMENT OF FUNDS (continued)

Hellesdon High School

The curriculum model followed by the school, including the sixth form has not directly followed a temporary drop in pupil numbers and has driven a deficit in the short term.

Acle Academy

The school was taken on by the trust when it had gone into special measures. The Trust decided to invest significantly in additional leadership, training and infrastructure to bring it out of Special measures and into a higher Ofsted category. This was a significant challenge and has now been achieved validating the actions taken by the Trust. During the time that the school was in measures pupil numbers dropped dramatically.

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

The Wensum Trust

A number of one-off costs have been incurred as the Trust develops an ambitious business model including the appointment of a business development manager who is already increasing income and introducing new revenue streams into Central Services. Also, future staffing changes will reduce costs. A full review of the central service model and basis of funding is already underway.

Hellesdon High School

The anticipated increase in pupil numbers is happening and future forecasts are very positive. Due to the lagged funding the school will see an increase in income in financial years 2018-19 and 2019-20. The school is oversubscribed for September 2019. Income and pupil numbers will also be increased by the partnership that has been signed by Norwich City Community Sports Foundation. The school has already reduced teaching costs in 2018-19. The school will be introducing the Integrated Curriculum Finance Planning model (as recommended by the ESFA) in financial year 2019-20.

Acle Academy

Since joining the Trust the school's pupil numbers have grown, especially now it is out of special measures. Early 1st preference reports suggest pupil numbers will increase again in the following year. Staff who are leaving in year are not being replaced or are being replaced at a lower cost. The school will be introducing the Integrated Curriculum Financial Planning model from September 2019. This will significantly reduce costs.

THE WENSUM TRUST
(A Company Limited by Guarantee)

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 £
The Wensum Trust	764,558	-	225	220,513	985,296	824,230
Hellesdon High School	5,815,934	67,669	481,260	1,110,976	7,475,839	7,158,849
Burham Market Primary School	451,798	-	42,786	194,442	689,026	177,842
Firside Junior School	978,319	32,472	106,266	269,753	1,386,810	1,434,093
Garrick Green Infant School	746,907	1,470	41,090	337,198	1,126,665	898,751
Heather Avenue Infant School	555,844	-	32,133	218,888	806,865	359,470
Acle Academy	2,048,152	45,071	150,061	464,562	2,707,846	2,580,118
Arden Grove Infant and Nursery	820,965	3,183	69,455	123,817	1,017,420	932,485
Lodge Lane Infant School	922,522	-	34,839	204,369	1,161,730	738,157
Alderman Peel High School	2,011,051	5,214	164,376	405,064	2,585,705	-
Wells Primary School	721,927	-	50,168	125,893	897,988	-
	<u>15,837,977</u>	<u>155,079</u>	<u>1,172,659</u>	<u>3,675,475</u>	<u>20,841,190</u>	<u>15,103,995</u>

THE WENSUM TRUST
(A Company Limited by Guarantee)

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

19. STATEMENT OF FUNDS (continued)

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 September 2016 £	Income £	Resources expended £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
Designated funds						
3G Pitch	10,000	-	-	-	-	10,000
General funds						
Other unrestricted	(444,486)	994,239	(549,753)	-	-	-
	(444,486)	994,239	(549,753)	-	-	-
Total Unrestricted funds	(434,486)	994,239	(549,753)	-	-	10,000
Restricted funds						
General Annual Grant (GAG)	-	11,436,244	(11,401,662)	(77,835)	-	(43,253)
Other DfE/ESFA grants	71,981	1,298,877	(1,019,784)	-	-	351,074
Educational visits	49,615	189,279	(196,994)	-	-	41,900
Other government grants	-	327,781	(327,781)	-	-	-
Start up grants	-	150,000	(67,992)	-	-	82,008
Pupil premium	-	573,356	(573,356)	-	-	-
Other restricted	-	404,168	(404,168)	-	-	-
Restricted donations	-	1,505	(1,505)	-	-	-
Pension reserve	(2,373,000)	(4,050,000)	(561,000)	-	1,651,000	(5,333,000)
	(2,251,404)	10,331,210	(14,554,242)	(77,835)	1,651,000	(4,901,271)
Restricted fixed asset funds						
Restricted fixed assets	13,881,265	20,808,585	(774,061)	78,549	-	33,994,338
DfE/ESFA Capital grants	4,327	74,222	-	(78,549)	-	-
Capital expenditure from GAG	213,163	-	-	77,835	-	290,998
Capital grant income	-	415,217	-	-	-	415,217
	14,098,755	21,298,024	(774,061)	77,835	-	34,700,553
Total restricted funds	11,847,351	31,629,234	(15,328,303)	-	1,651,000	29,799,282
Total of funds	11,412,865	32,623,473	(15,878,056)	-	1,651,000	29,809,282

THE WENSUM TRUST
(A Company Limited by Guarantee)

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	-	-	43,641,930	43,641,930
Current assets	10,000	1,076,122	368,332	1,454,454
Creditors due within one year	-	(1,506,545)	(55,589)	(1,562,134)
Creditors due in more than one year	-	(173,250)	-	(173,250)
Provisions for liabilities and charges	-	(5,910,000)	-	(5,910,000)
	<u>10,000</u>	<u>(6,513,673)</u>	<u>43,954,673</u>	<u>37,451,000</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	-	-	34,285,336	34,285,336
Current assets	10,000	2,128,481	415,217	2,553,698
Creditors due within one year	-	(1,498,752)	-	(1,498,752)
Creditors due in more than one year	-	(198,000)	-	(198,000)
Provisions for liabilities and charges	-	(5,333,000)	-	(5,333,000)
	<u>10,000</u>	<u>(4,901,271)</u>	<u>34,700,553</u>	<u>29,809,282</u>

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

	2018 £	2017 £
Net income for the year (as per Statement of Financial Activities)	6,195,718	16,745,417
Adjustment for:		
Depreciation charges	1,014,484	774,061
Donated assets	(9,655,445)	(20,804,258)
Interest from investments	(830)	(875)
Decrease/(increase) in debtors	96,322	(449,670)
Increase in creditors	63,382	756,122
Capital grants from DfE and other capital income	(905,932)	(489,439)
Defined benefit pension scheme obligation inherited	1,082,000	4,050,000
Cash received from local authority on conversion	(235,441)	(519,878)
Pension adjustments	941,000	561,000
Net cash (used in)/provided by operating activities	<u>(1,404,742)</u>	<u>622,480</u>

22. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2018 £	2017 £
Cash in hand	790,301	1,793,223
Total	<u>790,301</u>	<u>1,793,223</u>

THE WENSUM TRUST
(A Company Limited by Guarantee)

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

23. CONVERSION TO AN ACADEMY TRUST

WELLS-NEXT-THE-SEA PRIMARY SCHOOL

On 1 September 2017 Wells-Next-The-Sea Primary School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to The Wensum Trust from Norfolk County Council for £nil consideration.

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

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of Financial Activities incorporating Income and Expenditure Account .

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets				
- Leasehold land and buildings	-	-	2,028,204	2,028,204
- Other tangible fixed assets	-	-	44,608	44,608
Budget surplus/(deficit) on LA funds	39,923	-	-	39,923
Net assets/(liabilities)	<u>39,923</u>	<u>-</u>	<u>2,072,812</u>	<u>2,112,735</u>

The above net assets include £39,923 that were transferred as cash.

ALDERMAN PEEL HIGH SCHOOL

On 1 November 2017 Alderman Peel High School converted to academy trust status under the Academies Act 2010 and all the operations and assets and liabilities were transferred to The Wensum Trust from Norfolk County Council for £nil consideration.

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

The following table sets out the fair values of the identifiable assets and liabilities transferred and an analysis of their recognition in the Statement of Financial Activities Incorporating Income and Expenditure Account.

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total £
Tangible fixed assets				
- Leasehold land and buildings	-	-	7,514,608	7,514,608
-Other tangible fixed assets	-	-	68,025	68,025
Budget surplus/(deficit) on LA funds	177,650	-	-	177,650
Total	<u>177,650</u>	<u>-</u>	<u>7,582,633</u>	<u>7,760,283</u>

The above net assets include £177,650 that were transferred as cash.

The total pension deficit taken on conversion for the two academies joining The Wensum Trust during the year totalled £1,082,000.

THE WENSUM TRUST
(A Company Limited by Guarantee)

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

24. PENSION COMMITMENTS

The academy trust'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 Norfolk 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 £Nil were payable to the schemes at 31 August 2018 (2017 - 209,688) 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 (2010) and, from 1 April 2014, by the Teachers' Pension Scheme 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 £ 1,349,211 (2017 - £971,416).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx).

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2018 was £968,000 (2017 - £619,000), of which employer's contributions totalled £757,000 (2017 - £478,000) and employees' contributions totalled £211,000 (2017 - £141,000).

THE WENSUM TRUST
(A Company Limited by Guarantee)

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

24. PENSION COMMITMENTS (continued)

The agreed contribution rates for future years for employers are specific to each individual academy within the Trust and range between 19.8% and 21.9%, plus an additional annual deficit contribution in aggregate of £11,700 to 31 March 2019 and £27,400 to 31 March 2020. The agreed future contribution rate for employees is tiered based on salary levels between the following rates, 5.5% and 12.5%.

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	2.70 %	2.70 %
Rate of increase for pensions in payment / inflation	2.40 %	2.40 %
Commutation of pensions to lump sums	50.00 %	50.00 %

The commutation rate of 50% relates to pre April 2008 service and increased to 75% for post April 2008 service.

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	24.4	24.4
Retiring in 20 years		
Males	24.1	24.1
Females	26.4	26.4

As at the 31 August 2018 the Trust had a pension liability of £5,910,000 (2017 - £5,333,333). The sensitivity analysis detailed below would increase/(decrease) the closing defined obligation in the following way;

Sensitivity Movement	At 31 August 2018 £	At 31 August 2017 £
Discount rate +0.1%	(392,002)	(312,780)
Discount rate -0.1%	392,002	312,780
Mortality assumption - 1 year increase	120,616	96,240
Mortality assumption - 1 year decrease	(120,616)	(96,240)
CPI rate +0.1%	301,540	240,600
CPI rate -0.1%	(301,540)	(240,600)

THE WENSUM TRUST
(A Company Limited by Guarantee)

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

24. PENSION COMMITMENTS (continued)

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

	Fair value at 31 August 2018 £	Fair value at 31 August 2017 £
Equities	4,675,200	4,152,140
Bonds	3,116,800	1,674,250
Property	1,100,000	736,670
Cash	275,000	133,940
	<u>9,167,000</u>	<u>6,697,000</u>

The actual return on scheme assets was £498,000 (2017 - £515,000).

The amounts recognised in the Statement of Financial Activities incorporating Income and Expenditure Account are as follows:

	2018 £	2017 £
Current service cost	(1,518,000)	(910,000)
Past service cost	(13,000)	(10,000)
Interest income	202,000	107,000
Interest cost	(369,000)	(226,000)
	<u>(1,698,000)</u>	<u>(1,039,000)</u>

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

	2018 £	2017 £
Opening defined benefit obligation	12,030,000	5,071,000
Upon conversion	2,120,000	3,471,000
Transferred in on existing academies joining the trust	-	3,486,000
Current service cost	1,518,000	910,000
Interest cost	369,000	226,000
Employee contributions	211,000	141,000
Actuarial gains	(1,150,000)	(1,243,000)
Benefits paid	(34,000)	(42,000)
Past service costs	13,000	10,000
	<u>15,077,000</u>	<u>12,030,000</u>

THE WENSUM TRUST
(A Company Limited by Guarantee)

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

24. PENSION COMMITMENTS (continued)

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

	2018 £	2017 £
Opening fair value of scheme assets	6,697,000	2,698,000
Upon conversion	1,038,000	1,094,000
Transferred in on existing academies joining the trust	-	1,813,000
Interest income	202,000	107,000
Actuarial losses	296,000	408,000
Employer contributions	757,000	478,000
Employee contributions	211,000	141,000
Benefits paid	(34,000)	(42,000)
	<u>9,167,000</u>	<u>6,697,000</u>
Closing fair value of scheme assets	<u>9,167,000</u>	<u>6,697,000</u>

25. OPERATING LEASE COMMITMENTS

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

	2018 £	2017 £
Amounts payable:		
Within 1 year	93,531	31,209
Between 1 and 5 years	232,078	34,603
	<u>325,609</u>	<u>65,812</u>
Total	<u>325,609</u>	<u>65,812</u>

26. 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 Academies Financial Handbook and with the academy trust's financial regulations and normal procurement procedures relating to connected and related party transactions.

The Wensum Trust received income in relation to lettings amounting to £4,451 (2017: £Nil) from Kinsale Junior School, a school in which the Trustee Carolyn Baxter is a governor. There were no amounts outstanding at 31 August 2018 (2017: £Nil).

The Wensum Trust purchased services amounting to £9,538 (2017: £4,720) from Taverham High School, an academy in which the chair of The Wensum Trust John Smith is also a Trustee. There were no amounts outstanding at 31 August 2018 (2017: £Nil). These services relate to membership of the 'School Sport Partnership', 'Dyslexia Outreach' service and the provision of training courses. The decision to purchase the services was not influenced by John Smith. The element above £2,500 has been provided 'at no more than cost' and Taverham High School has provided a statement of assurance confirming this.

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.

THE WENSUM TRUST
(A Company Limited by Guarantee)

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

28. AGENCY ARRANGEMENTS

The academy trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2018 the trust received £13,845 (2017 - £14,579) and disbursed £5,739 (2017 - £5,852) from the fund. An amount of £44,804 (2017: £36,698) is included in other creditors relating to undistributed funds that may be repayable to ESFA.