

THE WENSUM TRUST
(A Company Limited by Guarantee)
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

THE WENSUM TRUST
(A Company Limited by Guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS

Members	Thomas Bailey Maria Piper Chloe Smith John Smith
Trustees	John Smith, Chair Mary Richards, Vice Chair Anne-Louise Alder Neil Aylott (resigned 14 June 2019) Gerard Batty (resigned 16 July 2019) Carolyn Baxter (resigned 30 June 2019) Patrick Gorman Edwin Pearson Daniel Thrower Jason Tipple Zaliha Williamson (appointed 1 August 2019)
Company registered number	07982312
Company name	The Wensum Trust
Principal and registered office	Middletons Lane Hellesdon Norwich Norfolk NR6 5SB
Chief executive officer	Daniel Thrower
Senior management team	G Batty, Chief Executive Officer to 16 July 2019 D Thrower, Chief Executive Officer from 17 July 2019 H Watts, Head of School at Acle Academy R Stroulger, Head of School at Burnham Market and Wells Primary School R Robinson, Head of School at Firside and Kinsdale Junior School S Waterfield, Head of School at Arden Grove Infant and Nursery School R Dewing, Head of School at Garrick Green and Lodge Lane 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 Ogle, Head of School at Alderman Peel High School C Everard, Director of Data and IT N Aylott, Finance Manager S Warnes, Executive Office Manager L Mortimer, Strategy and Operations Manager to 31 August 2019 C Baxter, Head of Kinsale Junior from 1 July 2019 to 31 August 2019

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Independent auditors Price Bailey LLP
Chartered Accountants
Anglia House, 6 Central Avenue
St Andrews Business Park
Thorpe St Andrew
Norwich
Norfolk
NR7 0HR

Bankers Lloyds Bank Plc
Norwich
Norfolk

Solicitors Eversheds LLP
Ketts House
Station Road
Cambridge
CB1 2JY

THE WENSUM TRUST
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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2019

The Trustees present their Annual Report together with the financial statements and Auditor's Report of the charitable company for the year 1 September 2018 to 31 August 2019. 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 has welcomed Kinsale Junior on 1 July 2019.

The Trust now operates with a family of four infant schools two of which have nursery provision, two 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 3,933 student places. At the time of the January 2019 census, there were 3,922 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 Achievements and Performance on page 8). The Trustees are particularly pleased that Garrick Green and Firside Junior had very successful OFSTED inspections during the year, with both schools continuing to achieve a rating of 'Good'.

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 continue to work with the Community Sports Foundation to offer post 16 education. Partnerships continue with North Walsham Rugby Club, The Sea Cadets in Wells-next-the-Sea, Norwich Theatre Royal and the East Anglian Zoological Society. All these partnerships provide extended educational provision and opportunities for students across all phases to widen their experiences.

The Trust intends to add further schools which fit with the overall strategic plan of the Trust and enhance 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, Marketing, Data Management, Estates Management, HR & Payroll services, Information Technology support, Lettings Management and Governance.

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.

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- 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.
- 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.
- Kinsale Junior School
 - Converted and joined the Trust on the 1 July 2019.

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, Risk & 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 with normal commercial practice, the Trust has purchased insurance to protect Trustees and Officers from claims arising from negligent acts, errors or omissions occurring whilst on Trust business. The 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.

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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. For the financial year ending August 2019 the Chief Executive Officer (CEO) was appointed as a 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. The Trustees have not appointed parent members to the Trust Board, each local board's constitution has provision for 2 parent governors.

The trust employs an independent Lead Clerk to provide guidance to the Trustees on their statutory duties and coordinate the flow of information between the trust and the local boards.

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.

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 a skills audit is undertaken every 2 years. Records of any training undertaken are kept in a training log stored on GovernorHub.

For the financial year ending August 2019 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.

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 6 occasions per year, additionally, each of its sub committees meets at least 4 times per year. The Board of the Trust is responsible for the vision, strategic direction and ethos of the Trust. Additionally, the Trustees are responsible for 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, Risk & 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 including key roles focussing on vulnerable groups and safeguarding. The Trust Board retains formal accountability for their operation and the strategic management and the policies of the Trust as a whole.

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An Operations Board, where each academy is represented by their Principals / Headteacher meets on a monthly basis. This is a key delivery and decision-making forum responsible for ensuring collaborative working between primary and secondary phase and across the Trust, 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 2018 – 19 the Trust Board met 8 times; all the meetings were 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 for 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 and individual performance against agreed objectives. 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.

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:

- Norwich City Community Sports Foundation
- Wells-next-the-Sea Sea Cadets
- The Theatre Royal Norwich
- Norfolk County Council (including Educator Solutions)
- 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 are 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.

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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 both socially, emotionally and academically.

We deliver through:

- A knowledge-based broad curriculum (that in everyone of our schools demonstrates clear intent, implementation and impact) with learning that is 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 EYFS, Year 1, Key Stage 1, 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 has developed a central services team of highly skilled and experienced professionals who continue to identify opportunities to work across our schools. This consolidates finance, human resources, payroll function, procurement and other operational functions across all academies. These have been restructured to increase efficiency and exploit the size of the Trust to bring about economies of scale.

Specific priorities for the year ahead include:

- Ongoing improvement in educational standards at all of our schools,
- All schools to be judged 'good' or above,
- Assisting in the development of our hub operating model in delivering a joined-up curriculum and seamless transition for our students, both through advice and support,
- Offering all students unique learning opportunities through existing and new strategic partners,
- Further develop our Talent Management programme to deliver career opportunities for our valued staff,
- Achieve further cost savings through applying economies of scale and generate additional income to increase funding available to support the Trust's core purpose in providing a broad and balanced curriculum for each and every student,
- Work with the Local Authority to establish an SRB supporting special needs and early childhood Trauma,
- For the Trust and its academies to support and promote environmental initiatives and participate in important conservation projects,
- Extend and develop our outreach to local communities,
- Consider sponsorship of additional academies, nurseries or pre-schools that offer a good fit with the Trust's aims and existing schools,
- Working in collaboration with other Trusts to develop mutual benefits.

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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.

ACHIEVEMENT AND PERFORMANCE

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

Specific achievements were as follows:

Secondary Phase Schools (including 6th Form)

Hellesdon High School

Year 13 achieved 61% A* C
Year 13 progress -0.28
Year 11 achieved 40% 9 – 5 in English and Maths
Year 11 attainment 8 score 47.4
Year 11 progress 8 score +0.12

The GCSE results in 2019 show excellent progress once again, with a Progress 8 score above national. Progress of students with SEND was particularly pleasing and continues to be an area of strength for the school. The attainment across a range of subjects, both academic and vocational, was strong in 2019, highlighted by the excellent Attainment 8 score, which once again is above national. Attainment and progress for students following academic pathways in sixth form was disappointing in 2019, however the strong performance in vocational subjects at post-16 highlights the success of the broad and diverse curriculum offer that has been developed in the past two years.

Acle Academy

Year 11 achieved 46% 9 – 5 in English and Maths
Year 11 Attainment 8 score 46.1
Year 11 Progress 8 score -0.07

The school continues to take effective action to tackle the areas requiring improvement, which was noted in the OFSTED monitoring report in June 2019. The school is on a clear pathway to good, with strong outcomes in 2019, which once again continue to be above the national average. The school continues to make good progress with students, which is in line with national expectations.

Alderman Peel High School

Year 11 achieved 40% 9 – 5 in English and Maths
Year 11 Attainment 8 score 47.8
Year 11 Progress 8 score +0.04

Achievement of students at Alderman Peel High School continues to be a success. Progress for all students, particularly those from disadvantaged backgrounds and those with SEND, are once again above national.

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Primary Phase Schools

Burnham Market Primary School

Year 6 % Expected standard in RWM 59%
Year 6 Progress in Reading -1.4
Year 6 Progress in writing -4.7
Year 6 Progress in Maths -1.6
Year 2 % Expected Standard in Reading 74%
Year 2 % Expected standard in Writing 74%
Year 2 Expected standard in Maths 74%
Year 1 % achieving phonics 82%
EYFS % Good Level of Development 77%

Attainment for pupils in Year 6 are in line with national in 2019, which shows a strong improvement from 2017 when the school joined the Trust. In particular the outcomes for pupils in Maths was strong as was performance across all subjects for pupils from disadvantaged backgrounds.

Firside Junior School

Year 6 % Expected standard in RWM 75%
Year 6 Progress in Reading -1.5
Year 6 Progress in writing -1.2
Year 6 Progress in Maths -2.3

Attainment for pupils at Firside Junior School are very strong, with the school outperforming the national average by over 10% across a range of subjects; this is the case for all pupils, especially those from disadvantaged backgrounds and those with SEND.

Kinsale Junior School (joined the Trust July 2019)

Year 6 % Expected standard in RWM 62%
Year 6 Progress in Reading -4.2
Year 6 Progress in writing -0.1
Year 6 Progress in Maths -4.5

Attainment in Reading, Writing and Maths is in line with the national average, however progress for pupils at the school is poor. This is a particular area of focus for the Trust.

Wells Primary & Nursery School

Year 6 % Expected standard in RWM 50%
Year 6 Progress in Reading -0.8
Year 6 Progress in writing 0.0
Year 6 Progress in Maths -0.2
Year 2 % Expected Standard in Reading 71%
Year 2 % Expected standard in Writing 71%
Year 2 Expected standard in Maths 79%
Year 1 % achieving phonics 83%
EYFS % Good Level of Development 77%

Outcomes for pupils at Wells Primary continue to be strong since joining the Trust, with progress in Reading, Writing and Maths at the end of Key Stage 2 particularly pleasing. Outcomes for pupils from disadvantaged backgrounds was a highlight for the school in 2019.

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Infant Phase 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 89%
Year 2 % Expected standard in Writing 87%
Year 2 Expected standard in Maths 89%
Year 1 % achieving phonics 91%
EYFS % Good Level of Development 80%

The school continues to deliver outcomes for pupils that are significantly higher than the national average. Outcomes are excellent for all pupils, especially those from disadvantaged backgrounds and those with SEND. The excellent phonics programme the school has in place is highlighted by the strong outcomes, which has led to Arden Grove supporting Heather Avenue with the development of work through the English Hub.

Garrick Green Infant and Nursery School

Year 2 % Expected Standard in Reading 81%
Year 2 % Expected standard in Writing 82%
Year 2 Expected standard in Maths 82%
Year 1 % achieving phonics 86%
EYFS % Good Level of Development 80%

Garrick Green has once again delivered excellent outcomes for pupils across all subjects, which continue to be significantly above the national average. The results for pupils from disadvantaged backgrounds are once again strong.

Heather Avenue Infant School

Year 2 % Expected Standard in Reading 90%
Year 2 % Expected standard in Writing 90%
Year 2 Expected standard in Maths 90%
Year 1 % achieving phonics 94%
EYFS % Good Level of Development 83%

The school continues to deliver excellent outcomes for pupils, which are significantly above national across all subject areas. The outcomes for pupils from disadvantaged backgrounds are a particular strength for the school. The year on year success of the phonics programme at Heather Avenue continues to deliver outstanding outcomes for pupils. The school will be developing this work further, with the help of Arden Grove, through the English Hub for Norfolk.

Lodge Lane Infant School

Year 2 % Expected Standard in Reading 79%
Year 2 % Expected standard in Writing 69%
Year 2 Expected standard in Maths 72%
Year 1 % achieving phonics 85%
EYFS % Good Level of Development 70%

The outcomes for pupils at Lodge Lane are once again in line with the national average. The improvement in Phonics results over the past year is particularly pleasing.

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As mentioned above, the Trust was appointed by the Minister of State for Schools' Standards to run the English Hub for Norfolk. This recognises the significant achievements in phonics achieved by our two Outstanding Infant schools, Arden Grove and Heather Avenue. The English Hub initiative will be officially launched in the Autumn term 2019.

The Wensum Trust has an agreed 5 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 committee and Board meeting to enable them to monitor the performance of each school within the Trust and the Trust as a whole, compared to in year objectives, 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 a percentage of total 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 2019 were 3,922 against a forecast of 3,933 (2018: 3,789 against a forecast of 3,905).

A key financial performance indicator is staffing costs as a percentage of total income excluding amounts on conversion, for 2018/19 this was 76% (2017/18 this was 82%). The Trustees are confident that staffing levels are closely monitored to the agreed Full Time Equivalents and staffing structures are approved by the Board.

The Budget, Infrastructure, HR, Risk & Audit Committee also monitor premises costs to GAG income, 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. The chair of trustees meets on a monthly basis with the CEO and Finance Manager to review management accounts as per the Academies Finance Handbook. The accounts along with a report showing challenges and questions is shared with the Budget, Infrastructure, HR, Risk & Audit Committee and Trust board.

FINANCIAL REVIEW

During the year the Trust was under 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 has proved financially and academically challenging. The Trust's exceptional growth has triggered additional funding from the ESFA to ease some financial pressures. Restructuring has taken place in schools and in the central team to make the trust financially sustainable in the long term. The financial recovery has been made more challenging as the Local Authority have also taken 5% of school budgets to fund their high needs block deficit, which has had a significant impact on all school budgets and the Trust overall.

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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 for the Trust.

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 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 2019, the Trust received £25,827,558 (2018: £28,992,392) of GAG and other funding, including £3,101,132 (2018: £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 £24,408,054 (2018: £22,796,674) on expenditure, including £1,065,067 (2018: 1,014,484) on depreciation.

During the year the Trust made a total in year surplus of £1,419,504 (2018: £6,195,718) and an actuarial loss of £2,914,000 (2018: gain of £1,446,000). This has left an overall reserves figure of £35,956,504 (2018: £37,451,000).

This is made up of £10,000 in designated funds, a deficit of £576,532 in restricted funds, a pension deficit of £9,813,000 and fixed asset reserve of £43,336,036. 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 17/18 a restricted funds deficit of £603,673 and unrestricted funds of £10,000.

Overall, the in year surplus on restricted and unrestricted funds excluding fixed assets and pension totalled £27,141 (2018: deficit of £1,035,402).

Due to the accounting rules for Local Government Pension Scheme under FRS102, the Trust is recognising a significant pension fund deficit of £9,813,000. 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 management reports from the Finance Manager. 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 £566,532.

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.

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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 spring 2019 and monitored by the Board of the Trust via the Budget, Infrastructure, HR, Risk & 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.
6. 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 increases and pensions. To mitigate the risks the Trust has applied the integrated curriculum financial planning model across its academies. The Trust has also increased the utilisation of its assets through the lettings operation, which has helped to generate income.

The Trustees report that the Trust's financial and internal controls conform to guidelines issued by the ESFA's Academies Financial Handbook, and this is confirmed in the most recent Internal Audit report. Improvements to the wider framework of systems dealing with business risk and risk management strategy continue to be made and formally documented. A separate Risk and Audit Committee is being established from September 2019.

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.

Going Concern

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

At the start of the 2018-19 academic year the Trust was tasked with providing recovery plans for two of its schools as they have significant deficits at the 2017-18 year-end: Hellesdon - £816,199 and Acle - £354,834. The Trust itself also had a brought forward deficit of £296,004 at the start of the year.

Hellesdon High School has made significant inroads into the deficit budget by generating a revenue surplus £233,494 in the year, reducing the carried forward deficit to £582,705. This result is in line with the recovery plan provided to the ESFA, which expects the school to return to a positive revenue funds position in the year 2021/22. The school received growth funding for the sixth form due to the increase in numbers from the partnership with Norwich City Community Sports Foundation. 2018-19 was a challenging year for the school, however, the growth funding has supported the financial recovery plan. The increase in pupil numbers comes with lagged funding, which means the forecast for 2019-20 is looking promising with the school due to make another significant surplus by the end of August 2020. The Integrated Curriculum Financial Planning model continues to be applied to the school, which has reduced the number of full-time equivalent teachers and therefore reduced the staffing costs.

THE WENSUM TRUST
(A Company Limited by Guarantee)

TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

Going Concern (continued)

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 (as confirmed in an Ofsted monitoring visit in July 2019) and for this reason the Trust is keen to maintain its current staffing strategy. The Integrated Curriculum Financial Planning model has been applied to the school, which has reduced the number of full-time equivalent teachers and therefore reduced the staffing costs. Student numbers are rising at the school but due to lagged income the trust will not see the financial benefits of this until the GAG income has caught up with the pupil numbers. Acle generated a deficit of £95,398, increasing its revenue deficit to £450,232. Whilst disappointing, this result is in line with the recovery plan provided to the ESFA, with the carry forward balance being £18,000 better than projected. Acle's recovery plan does not expect the school to return to a positive revenue funds position until the end of 2025/26.

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

Central services generated an in year a deficit of £181,195, increasing its revenue deficit carried forward at the year-end to £477,199. As with any new organisation there were set up costs during the formation of the MAT. The 5% top slice model only provides sufficient income to cover the core costs of the central team. Action has therefore been taken to reduce costs, both staffing (through improved efficiency and use of technology) and non-staffing in central services to make the Central Services operation more efficient and responsive.

Overall the Trust made an in year surplus of £27,141, reducing the deficit in revenue funds carried forwards (i.e. excluding fixed assets and pension) as at 31 August 2019 to £566,532.

The actions taken by the Trust throughout the academic year have meant Acle Academy, Hellesdon High School and the Trust as a whole are on track to meet their financial recovery plans. The forecast for 2019-20 is also looking positive, which means the progress made to recover the deficit will continue. The Trustees therefore believe the Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason the Trust continues to adopt the going concern basis when preparing the financial statements.

PLANS FOR FUTURE PERIODS

The Trust has an ambitious 5-year strategic plan as mentioned above and will 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 consolidate and build on the Trust's early successes with only controlled strategic growth in the trust in the near future as outlined above. The Trust is actively exploring new strategic partnerships to add to student opportunities. The Trust's Central Services team is charged with delivering an ambitious business model to help develop additional income streams including through lettings.

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 WENSUM TRUST
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TRUSTEES' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

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 in the year to the 31 August 2019 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 3,933 students 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.

The Trustees' Report, incorporating a strategic report, was approved by order of the board of Trustees, as the company directors, on 10 December 2019 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 Budget, Infrastructure, HR, Risk 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 Budget, Infrastructure, HR, Risk 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.

Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
John Smith, Chair	8	8
Mary Richards, Vice Chair	5	8
Anne-Louise Alder	7	8
Neil Aylott	5	6
Gerard Batty	6	7
Carolyn Baxter	5	6
Patrick Gorman	6	8
Edwin Pearson	8	8
Daniel Thrower	7	8
Jason Tipple	7	8
Zaliha Williamson	1	1

The Board of Trustees has remained stable this year. Three trustees resigned at the end of the Summer term. Two of these were staff members of the Wensum Trust, and to adhere to the Academies Financial Handbook guidance the Members and Trustees restructured the board so that only the CEO would hold Trusteeship.

The other resignation was due to the retirement of the CEO, Gerard Batty, who retired at the end of August. A robust recruitment procedure was followed during the year and Daniel Thrower was appointed as CEO from 1st September 2019. During the Summer of 2019, Daniel undertook a review of the Central Services Team and a new Executive Leadership Team was created to be implemented in September 2019.

The Trustees, along with the guidance of the Lead Clerk, reviewed governance across the Trust which is to be implemented from 1st September 2019. There will be a dedicated Risk & Audit Committee, meeting at least 3 times per year, with a newly appointed Trustee who is a management accountant leading the committee. The Scheme of Delegation has been reviewed and will be implemented from 1st September 2019.

THE WENSUM TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

Governance (continued)

The Budget, Infrastructure, HR, Risk and Audit Committee

The committee remained stable this year. The key focus of the committee has been the recovery plans for two of the academies, these plans have been delivered to the ESFA, and the implementation of Internal Audit practices. 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 Budget, Infrastructure, HR, Risk 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
Jason Tipple	6	7
Daniel Thrower	7	7
Patrick Gorman	7	7
Gerard Batty	4	7
Mary Richards	5	7
Neil Aylott	6	6
John Smith	7	7

Review of value for money

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

The Accounting Officer considers how the Trust's use of its resources has provided good value for money during each academic year, and reports to the Budget, Infrastructure, HR, Risk 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 Trust has delivered value for money by:

- upgrading the WiFi network at infant and junior schools over the summer saving over £15,000.
- negotiating support contracts, such as Educational Psychology, data protection officer service, saving over £12,000 per year.
- external verification that our energy prices are the most competitive and are achieving excellent value.
- using procurement frameworks to ensure value is achieved on larger contracts, i.e. broadband.
- using our scale of organisation to negotiate discounts on resources and supplies, 7.5% on classroom resources and cleaning products, 5% on catering supplies.
- using our scale of organisation to achieve 20% discount, on average, across ICT hardware replacements

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 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. During this period the Trustees appointed M&A Partners to independently review the adequacy and effectiveness of the system of internal controls and their operation in relation to budgetary controls and financial management. The scope of the work brief was wide and in depth.

THE WENSUM TRUST
(A Company Limited by Guarantee)

GOVERNANCE STATEMENT (CONTINUED)

The purpose of the system of internal control (continued)

Overall, the budgetary and financial management control environment had moved significantly from being deemed to be weak in February 2019 to satisfactory in August 2019. Since August financial controls have strengthened further.

Capacity to handle risk

The Budget, Infrastructure, HR, Risk 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 Budget, Infrastructure, HR, Risk 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 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Budget, Infrastructure, HR, Risk and Audit Committee and Board of Trustees. The monitoring of Risk from 1st September 2019 will be under the remit of the newly formed Risk and Audit Committee.

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 Budget, Infrastructure, HR, Risk and Audit Committee and Board of Trustees;
- regular reviews by the Budget, Infrastructure, HR, Risk 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 Budget, Infrastructure, HR, Risk and Audit Committee and Board of Trustees has considered the need for a specific internal audit function and has decided to appoint M&A Partners as internal auditor.

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

- Review of the budget production process;
- Review of the budget review procedure;
- Review of the budget approval process;
- Review of the budget monitoring process;
- Review of the management accounts production process;
- Review of the management accounts review procedures; and
- Review of the content of the management accounts

On a termly basis the internal auditor reports to the board of trustees through the Finance, Infrastructure, HR and Audit committee on the operation of the systems of control and on the discharge of the board of trustees' financial responsibilities.

THE WENSUM TRUST
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GOVERNANCE STATEMENT (CONTINUED)

Review of effectiveness

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

- the work of the internal auditors ;
- 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 Budget, Infrastructure, HR, Risk 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 board of Trustees and signed on their behalf by:

John Smith
Chair of Trustees
Date: 10 December 2019

Daniel Thrower
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 2018.

I confirm that I and the academy trust board of Trustees are able to identify any material irregular or improper use of all funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2018.

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

Daniel Thrower
Accounting Officer

Date: 10 December 2019

THE WENSUM TRUST
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STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2019

The Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with the Academies Accounts Direction published 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 2018 to 2019;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of Trustees on 10 December 2019 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 2019 which comprise the Statement of Financial Activities, 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 the 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 2018 to 2019 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 2019 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 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
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INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS TO THE MEMBERS OF THE WENSUM TRUST (CONTINUED)

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. Other information includes the Reference and Administrative Details, the Trustees' Report including the Strategic Report, and the Governance Statement. 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 including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the academy trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report including the Strategic 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.

THE WENSUM TRUST
(A Company Limited by Guarantee)

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

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement, 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.

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 trust and its 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
Reporting accountant
Chartered Accountants
Statutory Auditors

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

18 December 2019

THE WENSUM TRUST
(A Company Limited by Guarantee)

**INDEPENDENT REPORTING ACCOUNTANT'S 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 2018 to 2019, 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 2018 to 31 August 2019 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 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 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 2018, 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 2018 to 2019. 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 2018 to 31 August 2019 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 2018 to 2019 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

THE WENSUM TRUST
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**INDEPENDENT REPORTING ACCOUNTANT'S 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 suggest in all material respects the expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 has 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

18 December 2019

THE WENSUM TRUST
(A Company Limited by Guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2019**

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
Income from:						
Donations and capital grants:	3					
Assets transferred on conversion		55,424	(116,000)	3,161,708	3,101,132	8,808,886
Other donations and capital grants		6,555	399,867	1,085,613	1,492,035	1,331,042
Charitable activities	4	317,200	20,471,551	-	20,788,751	18,433,267
Other trading activities	5	281,881	163,176	-	445,057	418,367
Investments		583	-	-	583	830
Total income		<u>661,643</u>	<u>20,918,594</u>	<u>4,247,321</u>	<u>25,827,558</u>	<u>28,992,392</u>
Expenditure on:						
Charitable activities	6	559,826	22,783,161	1,065,067	24,408,054	22,796,674
Total expenditure		<u>559,826</u>	<u>22,783,161</u>	<u>1,065,067</u>	<u>24,408,054</u>	<u>22,796,674</u>
Net income/(expenditure)		<u>101,817</u>	<u>(1,864,567)</u>	<u>3,182,254</u>	<u>1,419,504</u>	<u>6,195,718</u>
Transfers between funds	19	(101,817)	902,708	(800,891)	-	-
Net movement in funds before other recognised gains/(losses)		<u>-</u>	<u>(961,859)</u>	<u>2,381,363</u>	<u>1,419,504</u>	<u>6,195,718</u>
Other recognised gains/(losses):						
Actuarial losses on defined benefit pension schemes	26	-	(2,914,000)	-	(2,914,000)	1,446,000
Net movement in funds		<u>-</u>	<u>(3,875,859)</u>	<u>2,381,363</u>	<u>(1,494,496)</u>	<u>7,641,718</u>
Reconciliation of funds:						
Total funds brought forward	19	10,000	(6,513,673)	43,954,673	37,451,000	29,809,282
Net movement in funds		-	(3,875,859)	2,381,363	(1,494,496)	7,641,718
Total funds carried forward	19	<u>10,000</u>	<u>(10,389,532)</u>	<u>46,336,036</u>	<u>35,956,504</u>	<u>37,451,000</u>

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 31 to 62 form part of these financial statements.

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

BALANCE SHEET
AS AT 31 AUGUST 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	14	46,047,669	43,641,930
Current assets			
Debtors	15	622,607	664,153
Cash at bank and in hand		1,019,379	790,301
		<u>1,641,986</u>	<u>1,454,454</u>
Creditors: amounts falling due within one year	16	(1,746,901)	(1,562,134)
Net current liabilities		(104,915)	(107,680)
Total assets less current liabilities		<u>45,942,754</u>	<u>43,534,250</u>
Creditors: amounts falling due after more than one year	17	(173,250)	(173,250)
Net assets excluding pension liability		<u>45,769,504</u>	<u>43,361,000</u>
Defined benefit pension scheme liability	26	(9,813,000)	(5,910,000)
Total net assets		<u><u>35,956,504</u></u>	<u><u>37,451,000</u></u>

THE WENSUM TRUST
(A Company Limited by Guarantee)

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2019

	Note	2019	2019 £	2018	2018 £
Funds of the academy trust					
Restricted funds:					
Fixed asset funds	19	46,336,036		43,954,673	
Restricted income funds	19	(576,532)		(603,673)	
		<u>45,759,504</u>		<u>43,351,000</u>	
Restricted funds excluding pension reserve	19	45,759,504		43,351,000	
Pension reserve	19	(9,813,000)		(5,910,000)	
		<u>35,946,504</u>		<u>37,441,000</u>	
Total restricted funds	19		35,946,504		37,441,000
Unrestricted income funds	19		10,000		10,000
			<u>35,956,504</u>		<u>37,451,000</u>
Total funds			<u><u>35,956,504</u></u>		<u><u>37,451,000</u></u>

The financial statements on pages 27 to 62 were approved by the Trustees, and authorised for issue on 10 December 2019 and are signed on their behalf, by:

John Smith
(Chair of Trustees)

The notes on pages 31 to 62 form part of these financial statements.

THE WENSUM TRUST
(A Company Limited by Guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2019

	Note	2019 £	2018 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	22	291,629	(779,369)
Cash flows from investing activities	24	(62,551)	(198,803)
Cash flows from financing activities	23	-	(24,750)
Change in cash and cash equivalents in the year		229,078	(1,002,922)
Cash and cash equivalents at the beginning of the year		790,301	1,793,223
Cash and cash equivalents at the end of the year	25	<u>1,019,379</u>	<u>790,301</u>

The notes on pages 31 to 62 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 2019

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 historic 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 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

The Wensum Trust meets the definition of a public benefit entity under FRS 102.

1.2 General information

The Wensum Trust is a private company limited by guarantee incorporated in England and Wales (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 to the nearest pound.

1.3 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 with significant deficits. The deficit on central services is also being addressed.

In view of 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 of accounting in preparing the financial statements.

1.4 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 the 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.

THE WENSUM TRUST
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.4 Fund accounting (continued)

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

1.5 Income

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

• **Grants**

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

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

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

• **Donations**

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

• **Other income**

Other income, including the hire of facilities, is recognised in the year it is receivable and to the extent the academy trust has provided the goods or services.

• **Transfer on conversion**

Where assets and liabilities are received by the academy trust on conversion to an academy, the transferred assets are measured at fair value and recognised in the Balance Sheet at the point when the risks and rewards of ownership pass to the academy trust. An equal amount of income is recognised as a transfer on conversion within 'Income from Donations and Capital Grants' to the net assets received.

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.

THE WENSUM TRUST
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.6 Expenditure (continued)

• **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

1.7 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 at the point the Trust is demonstrably committed to either:

- terminate the employment of an employee or a 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.

1.8 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the academy trust; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

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 Part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

1.10 Tangible fixed assets

Assets costing £2,000 or more are capitalised as tangible fixed assets and are carried at cost, net of depreciation and any provision for impairment.

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

THE WENSUM TRUST
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.10 Tangible fixed assets (continued)

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

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

Assets in the course of construction are included at cost. Depreciation on these assets is not charged until they are brought into use and reclassified to freehold or leasehold land and buildings.

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

1.11 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.

1.12 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.

1.13 Liabilities

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

1.14 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.

1.15 Operating leases

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

THE WENSUM TRUST
(A Company Limited by Guarantee)

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

1. Accounting policies (continued)

1.16 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 bases 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. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 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 instrument.

1.17 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 30.

1.18 Pensions

Retirement benefits to employees of the academy trust are provided by the Teachers' Pension Scheme ("TPS") and the Local Government 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. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

THE WENSUM TRUST
(A Company Limited by Guarantee)

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

2. 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 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.

Assets on conversion

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 assets, which include land and buildings. This carries an inevitable degree of estimation and judgement.

Depreciation

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

Pension Valuation

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 26, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Critical areas of judgment:

No judgements were made in the preparation of these financial statements.

THE WENSUM TRUST
(A Company Limited by Guarantee)

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

3. Income from donations and capital grants

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Assets transferred on conversion	55,424	3,045,708	3,101,132	8,808,886
Donations	6,555	399,867	406,422	425,110
Capital Grants	-	1,085,613	1,085,613	905,932
Subtotal	6,555	1,485,480	1,492,035	1,331,042
Total 2019	61,979	4,531,188	4,593,167	10,139,928
Total 2018	247,899	9,892,029	10,139,928	

The restricted funds column in the above table includes both restricted revenue and restricted fixed asset funds. Included within assets on conversion is £3,161,708 of fixed assets transferred on conversion.

In 2019, capital grants of £1,085,613 (2018: £905,932) were in relation to restricted fixed assets.

In 2018, income transferred on conversion was £8,808,886 of which £235,441 was unrestricted, £(1,082,000) was restricted and £9,655,445 was restricted fixed assets.

In 2018, income from donations was £425,110, of which £12,458 was unrestricted and £412,652 was restricted.

THE WENSUM TRUST
(A Company Limited by Guarantee)

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

4. Funding for the academy trust's provision of educational services

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	18,014,219	18,014,219	16,331,065
Other DfE / EFA grants	-	1,638,602	1,638,602	1,291,179
Start up grant	-	25,000	25,000	25,000
	-	19,677,821	19,677,821	17,647,244
Other government grants				
Local authority grants	-	548,843	548,843	301,230
	-	548,843	548,843	301,230
Other income from educational operations				
Catering income	317,200	-	317,200	318,782
Income from extended provision / clubs	-	181,709	181,709	141,853
Income from other schools	-	46,907	46,907	12,998
Other income from educational operations	-	16,271	16,271	11,160
Total 2019	317,200	20,471,551	20,788,751	18,433,267
Total 2018	318,782	18,114,485	18,433,267	

In 2018 other DfE / EFSA grant income was £1,291,179 of which all was restricted.

In 2018, start up grant income was £25,000, of which all was restricted.

In 2018, local authority grant income was £301,230 of which all was restricted.

In 2018, catering income was £318,782 of which all was unrestricted.

In 2018, income from extended provision / clubs was £141,853 of which all was restricted.

In 2018, income from other schools was £12,998 of which all was restricted.

In 2018, other income from educational operations was £11,160 of which all was restricted.

THE WENSUM TRUST
(A Company Limited by Guarantee)

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

5. Income from other trading activities

	Unrestricted funds 2019 £	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
Rental income	250,883	-	250,883	277,494
Other income	30,998	129,551	160,549	112,660
Music lessons	-	33,625	33,625	28,213
Total 2019	<u>281,881</u>	<u>163,176</u>	<u>445,057</u>	<u>418,367</u>
Total 2018	<u>327,826</u>	<u>90,541</u>	<u>418,367</u>	

In 2018, rental income was £277,494 of which all was unrestricted.

In 2018, other income was £112,660 of which £47,479 was unrestricted and £65,181 was restricted.

In 2018, music lesson income was £28,213 of which all was unrestricted.

6. Expenditure

	Staff Costs 2019 £	Premises 2019 £	Other 2019 £	Total 2019 £	Total 2018 £
Provision of educational services:					
Direct costs	14,892,791	-	2,545,997	17,438,788	16,019,213
Allocated support costs	2,380,638	3,005,454	1,583,174	6,969,266	6,777,461
Total 2019	<u>17,273,429</u>	<u>3,005,454</u>	<u>4,129,171</u>	<u>24,408,054</u>	<u>22,796,674</u>
Total 2018	<u>16,611,977</u>	<u>2,409,029</u>	<u>3,775,668</u>	<u>22,796,674</u>	

In 2019, of the total expenditure, £559,826 (2018: £906,277) was from unrestricted funds, £22,783,161 (2018: £20,875,913) was from restricted funds and £1,065,067 (2018: £1,014,484) was from restricted fixed asset funds.

In 2018, direct expenditure consisted of £14,695,870 staff costs and £1,323,343 other costs.

In 2018, support expenditure consisted of £1,916,107 staff costs, £2,409,029 premises costs and £2,452,325 other costs.

THE WENSUM TRUST
(A Company Limited by Guarantee)

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

7. Charitable Activities

	2019 £	2018 £
Direct costs - educational operations	17,438,788	16,019,213
Support costs - educational operations	6,969,266	6,777,461
	<u>24,408,054</u>	<u>22,796,674</u>

Analysis of support costs

	2019 £	2018 £
Support staff costs	2,380,638	1,916,107
Depreciation	1,065,067	1,014,484
Premises costs	2,226,769	1,654,310
Other support costs	1,235,412	1,384,942
Governance costs	61,380	52,899
	<u>6,969,266</u>	<u>6,022,742</u>

8. Net income/(expenditure)

Net income/(expenditure) for the year includes:

	2019 £	2018 £
Operating lease rentals	98,000	43,241
Depreciation of tangible fixed assets	1,065,067	1,014,484
Internal Audit fees	3,375	-
	<u>3,375</u>	<u>-</u>

THE WENSUM TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

9. Auditors' remuneration

	2019 £	2018 £
Fees payable to the academy trust's auditor and its associates for the audit of the academy trust's annual accounts	18,555	17,670
Fees payable to the academy trust's auditor and its associates in respect of:		
The preparation of the financial statements	2,890	2,750
Audit-related assurance services	4,135	3,940
Other assurance services not included above	1,820	1,735
Other non-audit services not included above	25,225	6,429
	<u> </u>	<u> </u>
Fees payable to the academy trust's auditor and its associates in connection with the academy trust's pension scheme(s) in respect of:		
Teachers Pension Scheme EOYC assurance	8,690	8,250
	<u> </u>	<u> </u>

10. Staff costs

a. Staff costs

Staff costs during the year were as follows:

	2019 £	2018 £
Wages and salaries	13,018,566	12,488,472
Social security costs	1,238,856	1,173,597
Pension costs	2,912,202	2,850,527
	<u>17,169,624</u>	<u>16,512,596</u>
Agency staff costs	-	4,020
Staff restructuring costs	103,805	95,361
	<u>17,273,429</u>	<u>16,611,977</u>

Staff restructuring costs comprise:

	2019 £	2018 £
Redundancy payments	90,305	77,783
Severance payments	13,500	17,579
	<u>103,805</u>	<u>95,362</u>

THE WENSUM TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

10. Staff costs (continued)

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

Included in the staff restructuring costs is a non-statutory/non-contractual severance payment totalling £13,500. In 2018, total non-statutory/non-contractual severance payments totalled £10,520. Individually the payments were £2,000, £3,520 and £5,000.

c. Staff numbers

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

	2019 No.	2018 No.
Teachers	221	215
Administration and support	300	311
Management	35	29
	556	555
	556	555

The average headcount expressed as full-time equivalents was:

	2019 No.	2018 No.
Teachers	197	185
Administration and support	196	203
Management	32	27
	425	415
	425	415

d. Higher paid staff

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

	2019 No.	2018 No.
In the band £60,001 - £70,000	4	3
In the band £70,001 - £80,000	4	5
In the band £80,001 - £90,000	1	-
In the band £110,001 - £120,000	-	1
In the band £120,001 - £130,000	1	-
	10	9
	10	9

THE WENSUM TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

10. Staff costs (continued)

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 £1,334,783 (2018 : £1,321,600).

Included in the above are employer national insurance contributions of £124,718 (2018: £123,059).

Included in the above are employer pension contributions of £177,212 (2018: £175,969).

11. 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:

	2019 £	2018 £
Acle Academy	111,754	108,187
Alderman Peel Academy	131,307	106,261
Arden Grove Infant and Nursery School	34,146	34,230
Burnham Market	23,348	25,990
Firside Junior School	64,328	57,171
Garrick Green Infant School	34,671	36,848
Heather Avenue Infant School	35,488	34,899
Hellesdon High School	342,375	323,417
Kinsale Junior School	8,215	-
Lodge Lane Infant School	45,425	45,632
Wells-next-the-sea Primary	39,197	36,563
Total	870,254	809,198

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

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 principal and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of principal and staff members under their contracts of employment. The value of Trustees' remuneration and other benefits was as follows:

		2019	2018
		£	£
Gerard Batty (resigned 16 July 2019)	Remuneration	105,000 - 110,000	115,000 - 120,000
	Pension contributions paid	15,000 - 20,000	15,000 - 20,000
Neil Aylott (resigned 14 June 2019)	Remuneration	35,000 - 40,000	45,000 - 50,000
	Pension contributions paid	5,000 - 10,000	5,000 - 10,000
Daniel Thrower	Remuneration	75,000 - 80,000	70,000 - 75,000
	Pension contributions paid	10,000 - 15,000	10,000 - 15,000

During the year ended 31 August 2019, expenses totalling £2,111 were reimbursed or paid directly to 2 Trustees (2018 - £2,900 to 2 Trustees). All expenditure reimbursed was in relation to travel costs incurred whilst fulfilling their role at the Trust.

13. Trustees' and Officers' insurance

The academy trust has opted into the Department of 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 membership.

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

14. Tangible fixed assets

	Freehold property £	Long-term leasehold property £	Assets under construction £	Furniture and equipment £	Plant and machinery £	Computer equipment £	Motor vehicles £	Total £
Cost or valuation								
At 1 September 2018	7,831,264	37,010,716	118,482	1,027,860	181,126	935,261	30,000	47,134,709
Additions	-	27,461	-	141,071	-	140,566	-	309,098
Transfer on conversion	-	3,062,428	-	16,480	55,000	27,800	-	3,161,708
Transfers between classes	-	118,482	(118,482)	-	-	-	-	-
At 31 August 2019	<u>7,831,264</u>	<u>40,219,087</u>	<u>-</u>	<u>1,185,411</u>	<u>236,126</u>	<u>1,103,627</u>	<u>30,000</u>	<u>50,605,515</u>
Depreciation								
At 1 September 2018	201,000	2,238,157	-	341,826	79,973	610,896	20,927	3,492,779
Charge for the year	104,105	674,580	-	105,974	28,543	147,802	4,063	1,065,067
At 31 August 2019	<u>305,105</u>	<u>2,912,737</u>	<u>-</u>	<u>447,800</u>	<u>108,516</u>	<u>758,698</u>	<u>24,990</u>	<u>4,557,846</u>
Net book value								
At 31 August 2019	<u>7,526,159</u>	<u>37,306,350</u>	<u>-</u>	<u>737,611</u>	<u>127,610</u>	<u>344,929</u>	<u>5,010</u>	<u>46,047,669</u>
At 31 August 2018	<u>7,630,264</u>	<u>34,772,559</u>	<u>118,482</u>	<u>686,034</u>	<u>101,153</u>	<u>324,365</u>	<u>9,073</u>	<u>43,641,930</u>

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14. Tangible fixed assets (continued)

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

15. Debtors

	2019 £	2018 £
Due within one year		
Trade debtors	34,907	41,138
VAT debtor	118,668	168,669
Other debtors	963	-
Prepayments and accrued income	468,069	454,346
	622,607	664,153
	622,607	664,153

16. Creditors: Amounts falling due within one year

	2019 £	2018 £
Trade creditors	1,002,506	908,343
Other taxation and social security	303,473	290,714
Other creditors	63,714	44,804
Accruals and deferred income	377,208	318,273
	1,746,901	1,562,134
	1,746,901	1,562,134
	2019 £	2018 £
Deferred income at 1 September 2018	222,009	214,844
Resources deferred during the year	203,016	222,009
Amounts released from previous periods	(222,009)	(214,844)
	203,016	222,009
	203,016	222,009

The amounts included in deferred income are in relation to rates relief from the ESFA and funds received in advance for Universal Infant Free School Meals.

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**NOTES TO THE FINANCIAL STATEMENTS
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17. Creditors: Amounts falling due after more than one year

	2019 £	2018 £
Other loans	173,250	173,250
	<u>173,250</u>	<u>173,250</u>

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 were then delayed until September 2020 by the ESFA with a review to take place in 2019/20.

18. Financial instruments

	2019 £	2018 £
Financial assets		
Financial assets that are debt instruments measured at amortised cost	1,337,715	1,106,658
	<u>1,337,715</u>	<u>1,106,658</u>
Financial liabilities		
Financial liabilities measured at amortised cost	(1,413,662)	(1,222,661)
	<u>(1,413,662)</u>	<u>(1,222,661)</u>

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

Financial liabilities measured at amortised cost comprise trade creditors, accruals and other creditors.

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19. Statement of funds

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Unrestricted funds						
Designated funds						
3G Pitch	10,000	-	-	-	-	10,000
General funds						
Unrestricted funds	-	661,643	(559,826)	(101,817)	-	-
Total Unrestricted funds	10,000	661,643	(559,826)	(101,817)	-	10,000
Restricted general funds						
General Annual Grant (GAG)	(641,564)	17,986,981	(17,993,406)	63,059	-	(584,930)
Pupil Premium	-	947,343	(947,343)	-	-	-
Universal Infant Free School Meals	-	300,483	(300,483)	-	-	-
SEN and EHCP funding	-	250,739	(250,739)	-	-	-
Educational visits	-	269,978	(269,978)	-	-	-
Teachers Pay Grant	-	153,443	(153,443)	-	-	-
PE Sports Premium	-	123,184	(123,184)	-	-	-
Start Up Grant	-	25,000	(25,000)	-	-	-
Other Government Grants	-	438,665	(438,665)	-	-	-
School Fund	28,420	-	(28,420)	-	-	-
CIF moved from Capital	9,471	-	(15,313)	14,240	-	8,398
SCA moved from Capital	-	-	(726,002)	726,002	-	-
DFC moved from Capital	-	-	(99,407)	99,407	-	-
Other Restricted Funds	-	538,778	(538,778)	-	-	-
Pension reserve	(5,910,000)	(116,000)	(873,000)	-	(2,914,000)	(9,813,000)
	(6,513,673)	20,918,594	(22,783,161)	902,708	(2,914,000)	(10,389,532)

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

19. Statement of funds (continued)

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
Restricted fixed asset funds						
Restricted Fixed Assets	43,350,932	3,161,708	(1,057,918)	309,098	-	45,763,820
Capital expenditure from GAG	290,998	-	(7,149)	-	-	283,849
School Capital Allocation (SCA)	235,865	789,290	-	(747,127)	-	278,028
DfE / ESFA Capital Grants	22,678	291,323	-	(303,662)	-	10,339
Healthy Pupils Capital Fund	54,200	-	-	(54,200)	-	-
Other Capital Grant Income	-	5,000	-	(5,000)	-	-
	<u>43,954,673</u>	<u>4,247,321</u>	<u>(1,065,067)</u>	<u>(800,891)</u>	<u>-</u>	<u>46,336,036</u>
Total Restricted funds	<u>37,441,000</u>	<u>25,165,915</u>	<u>23,848,228</u>	<u>101,817</u>	<u>(2,914,000)</u>	<u>35,946,504</u>
Total funds	<u><u>37,451,000</u></u>	<u><u>25,827,558</u></u>	<u><u>(24,408,054)</u></u>	<u><u>-</u></u>	<u><u>(2,914,000)</u></u>	<u><u>35,956,504</u></u>

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 academy trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2019. GAG funding is not pooled by the Trust and each Academy receives and expends the GAG funding pertaining to it.

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.

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.

SEN and EHCP funding

This is funding from the ESFA to support children with special educational needs.

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19. Statement of funds (continued)

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.

Teacher Pay Grant

This is funding from the ESFA to fund the increase in teachers pay during the year.

PE Sports Premium Grant

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.

Start up grants

This represents a grant to aid with the start up costs for academies on conversion

Other Government Grants

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

Condition Improvement Fund

CIF relates to capital funding received from the ESFA.

School Condition Allocation

SCA relates to capital funding received from the ESFA - this income replaced CIF in 2018.

Other Restricted Funds

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

Pension Reserve

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

This 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 purpose imposed by the DfE where the asset acquired or created is held for a specific purposes.

Transfers to/from this fund are in relation to fixed assets purchased from other funding sources or capital grants used to purchase items which are not capitalised on the balance sheet.

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**NOTES TO THE FINANCIAL STATEMENTS
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19. Statement of funds (continued)

Total funds analysis by academy

Fund balances at 31 August 2019 were allocated as follows:

	2019 £	2018 £
Acle Academy	(450,232)	(354,834)
Alderman Peel Academy	25,482	33,624
Arden Grove Infant and Nursery	74,226	83,994
Burnham Market	19,344	72,235
Firside Junior School	234,202	141,151
Garrick Green Infant School	56,157	101,054
Heather Avenue Infant School	263,330	146,784
Hellesdon High School	(582,705)	(816,199)
Kinsale Junior School	80,343	-
Lodge Lane Infant School	105,130	172,191
Wells-next-the-sea Primary	85,388	122,331
The Wensum Trust	(477,197)	(296,004)
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	(566,532)	(593,673)
Restricted fixed asset fund	46,336,036	43,954,673
Pension reserve	(9,813,000)	(5,910,000)
	<hr/>	<hr/>
Total	35,956,504	37,451,000
	<hr/> <hr/>	<hr/> <hr/>

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

	Deficit £
Hellesdon High School	(582,705)
Acle Academy	(450,232)
The Wensum Trust	(477,197)
	<hr/> <hr/>

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

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 special measures pupil numbers have dropped dramatically.

The Wensum Trust

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

The academy trust is taking the following action to return the academies to surplus:

Hellesdon High School

The anticipated increase in pupil numbers is happening and future forecasts are very positive. Due to 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 with 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 first preferences 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 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.

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NOTES TO THE FINANCIAL STATEMENTS
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19. Statement of funds (continued)

Total cost analysis by academy

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 2019 £	Total 2018 £
Acle Academy	1,777,520	148,551	229,332	454,012	2,609,415	2,707,846
Alderman Peel Academy	1,939,807	331,589	289,218	829,728	3,390,342	2,585,705
Arden Grove Infant and Nursery	615,714	119,555	54,935	123,834	914,038	1,017,420
Burnham Market	438,453	45,143	32,920	183,551	700,067	689,026
Firside Junior School	937,339	104,212	119,202	291,640	1,452,393	1,386,810
Garrick Green Infant School	660,719	37,815	35,665	159,480	893,679	1,126,665
Heather Avenue Infant School	540,671	50,082	65,630	172,638	829,021	806,865
Hellesdon High School	5,363,754	582,274	991,758	1,094,190	8,031,976	7,475,839
Kinsale Junior School	112,597	20,260	11,769	28,204	172,830	-
Lodge Lane Infant School	865,459	128,561	45,534	232,227	1,271,781	1,161,730
Wells-next-the- sea Primary	736,816	114,090	50,791	126,281	1,027,978	897,988
The Wensum Trust	346,737	409,183	19,294	215,000	990,214	985,296
Lettings	-	148,528	18,983	18,743	186,254	-
Academy trust	14,335,586	2,239,843	1,965,031	3,929,528	22,469,988	20,841,190

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NOTES TO THE FINANCIAL STATEMENTS
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19. Statement of funds (continued)

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

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Unrestricted funds						
Designated funds						
3G Pitch	10,000	-	-	-	-	10,000
General funds						
Unrestricted funds	-	920,697	(906,277)	(14,420)	-	-
Total Unrestricted funds	10,000	920,697	(906,277)	(14,420)	-	10,000
Restricted general funds						
General Annual Grant (GAG)	(43,253)	15,634,232	(16,255,966)	23,423	-	(641,564)
Pupil Premium	-	845,411	(845,411)	-	-	-
Universal Infant Free School Meals	-	285,161	(285,161)	-	-	-
PE Sports Premium	-	123,080	(123,080)	-	-	-
Start Up Grant	82,008	25,000	(107,008)	-	-	-
Other Government Grants	-	155,402	(155,402)	-	-	-
School Fund	41,900	166,949	(180,429)	-	-	28,420
CIF moved from Capital	351,074	-	(341,603)	-	-	9,471
SCA moved from Capital	-	-	(283,770)	283,770	-	-
Cluster Funding	-	182,663	(182,663)	-	-	-
Other DfE / ESFA Grants	-	697,525	(697,525)	-	-	-
Other Restricted Funds	-	476,895	(476,895)	-	-	-
Pension reserve	(5,333,000)	(1,082,000)	(941,000)	-	1,446,000	(5,910,000)
	(4,901,271)	17,510,318	(20,875,913)	307,193	1,446,000	(6,513,673)

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NOTES TO THE FINANCIAL STATEMENTS
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19. Statement of funds (continued)

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
Restricted fixed asset funds						
Restricted Fixed Assets	33,994,338	9,655,445	(1,014,484)	715,633	-	43,350,932
Capital expenditure from GAG	290,998	-	-	-	-	290,998
School Capital Allocation (SCA)	-	752,474	-	(516,609)	-	235,865
DfE / ESFA Capital Grants	-	99,258	-	(94,755)	-	4,503
Healthy Pupils Capital Fund	-	54,200	-	-	-	54,200
Other Capital Grant Income	415,217	-	-	(397,042)	-	18,175
	<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 funds	<u><u>29,809,282</u></u>	<u><u>28,992,392</u></u>	<u><u>(22,796,674)</u></u>	<u><u>-</u></u>	<u><u>1,446,000</u></u>	<u><u>37,451,000</u></u>

20. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	46,047,669	46,047,669
Current assets	10,000	1,343,619	288,367	1,641,986
Creditors due within one year	-	(1,746,901)	-	(1,746,901)
Creditors due in more than one year	-	(173,250)	-	(173,250)
Provisions for liabilities and charges	-	(9,813,000)	-	(9,813,000)
Total	<u><u>10,000</u></u>	<u><u>(10,389,532)</u></u>	<u><u>46,336,036</u></u>	<u><u>35,956,504</u></u>

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20. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	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)
Total	10,000	(6,513,673)	43,954,673	37,451,000

21. Conversion to an academy trust

On 1 July 2019 Kinsale Junior 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 heading with a corresponding net amount recognised as a net gain in the Statement of Financial Activities as Income from Donations and Capital Grants - 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.

	Unrestricted funds £	Restricted funds £	Restricted fixed asset funds £	Total funds £
Tangible fixed assets				
Leasehold land and buildings	-	-	3,062,428	3,062,428
Other tangible fixed assets	-	-	99,280	99,280
Current assets				
Cash - representing budget surplus on LA funds	55,424	-	-	55,424
Pension deficit	-	(116,000)	-	(116,000)
Net assets/(liabilities)	55,424	(116,000)	3,161,708	3,101,132

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22. Reconciliation of net income to net cash flow from operating activities

	2019 £	2018 £
Net income for the year (as per Statement of Financial Activities)	1,419,504	6,195,718
Adjustments for:		
Depreciation	1,065,067	1,014,484
Capital grants from DfE and other capital income	(1,085,613)	(905,932)
Interest receivable	(583)	(830)
Defined benefit pension scheme obligation inherited	116,000	1,082,000
Decrease in debtors	41,546	96,322
Increase in creditors	184,767	63,382
Cash received from local authority on conversion	-	(235,441)
Pension adjustments	873,000	941,000
Donated assets	(3,161,708)	(9,655,445)
Capital grant expenditure in revenue	839,649	625,373
Net cash provided by/(used in) operating activities	291,629	(779,369)

23. Cash flows from financing activities

	2019 £	2018 £
Repayments of borrowing	-	(24,750)
Net cash provided by/(used in) financing activities	-	(24,750)

24. Cash flows from investing activities

	2019 £	2018 £
Dividends, interest and rents from investments	583	830
Purchase of tangible fixed assets	(309,098)	(715,633)
Capital grants from DfE Group	1,085,613	905,932
Cash received from Local Authority on conversion	-	235,441
Capital grant expenditure in revenue	(839,649)	(625,373)
Net cash used in investing activities	(62,551)	(198,803)

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25. Analysis of cash and cash equivalents

	2019	2018
	£	£
Cash in hand	1,019,379	790,301

26. Pension commitments

The academy trust's employees belong to two principal pension schemes: the Teachers' 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 schemes.

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

Contributions amounting to £192,554 were payable to the schemes at 31 August 2019 (2018 - £ -) and are included within creditors.

Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The Teachers' Pension Budgeting And Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – contributions from members, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Acts.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pension Scheme

The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.8%). The timing of the implementation is to align its introduction with employers' budget planning cycles. Until then, employers will pay the current rate of 16.48%.

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26. Pension commitments (continued)

Scheme Changes

The arrangements for a reformed Teachers' Pension Scheme, in line with the recommendations made by Lord Hutton, in particular the introduction of a Career Average Revalued Earnings (CARE) scheme, were implemented from 1 April 2015.

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, have rejected the Government's application for permission to appeal the Court of Appeal's ruling. The case will now be referred to an Employment Tribunal for a decision regarding the remedy which will need to be offered to those members of the two schemes who were subject of the age discrimination.

HM Treasury are clear that the ruling has implications for the other public service schemes, including the Teachers' Pension Scheme. Those implications are currently being considered and any impact on scheme costs is expected to be looked at within the next scheme valuation, which is currently scheduled to be based on April 2020 data and implemented in April 2023.

The employer's pension costs paid to TPS in the year amounted to £1,404,202 (2018 - £1,349,211).

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

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

Local Government Pension Scheme

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £1,029,000 (2018 - £968,000), of which employer's contributions totalled £810,000 (2018 - £757,000) and employees' contributions totalled £ 219,000 (2018 - £211,000). The agreed contribution rates for future years range between 19.8% and 21.9% plus an additional deficit contribution in aggregate of £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

	2019	2018
	%	%
Rate of increase in salaries	2.6	2.7
Rate of increase for pensions in payment/inflation	2.3	2.4
Discount rate for scheme liabilities	1.8	2.8
Commutation of pensions to lump sums	50	50

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26. Pension commitments (continued)

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:

	2019 Years	2018 Years
<i>Retiring today</i>		
Males	22.1	22.1
Females	23.5	24.4
<i>Retiring in 20 years</i>		
Males	22.4	24.1
Females	25	26.4

As at the 31 August 2019 the Trust had a pension liability of £9,813,000 (2018 - £5,910,000). The sensitivity analysis detailed below would increase/(decrease) the closing defined obligation in the following way;

Sensitivity Movement

	2019 £	2018 £
Discount rate +0.1%	(539,994)	(392,002)
Discount rate -0.1%	539,994	392,002
Mortality assumption - 1 year increase	83,076	120,616
Mortality assumption - 1 year decrease	(83,076)	(120,616)
CPI rate +0.1%	456,918	301,540
CPI rate -0.1%	(456,918)	(301,540)

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

	At 31 August 2019 £	At 31 August 2018 £
Equities	5,368,400	4,675,200
Bonds	3,944,200	3,116,800
Property	1,314,700	1,100,000
Cash	328,700	275,000
Total market value of assets	10,956,000	9,167,000

The actual return on scheme assets was £524,000 (2018 - £498,000).

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26. Pension commitments (continued)

The amounts recognised in the Statement of Financial Activities are as follows:

	2019 £	2018 £
Current service cost	(1,427,000)	(1,518,000)
Past service cost	(81,000)	(13,000)
Interest income	271,000	202,000
Interest cost	(446,000)	(369,000)
Total amount recognised in the Statement of Financial Activities	(1,683,000)	(1,698,000)

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

	2019 £	2018 £
At 1 September	15,077,000	12,030,000
Conversion of academy trusts	399,000	2,120,000
Current service cost	1,427,000	1,518,000
Interest cost	446,000	369,000
Employee contributions	219,000	211,000
Actuarial losses/(gains)	3,167,000	(1,150,000)
Benefits paid	(47,000)	(34,000)
Past service costs	81,000	13,000
At 31 August	20,769,000	15,077,000

Changes in the fair value of the academy trust's share of scheme assets were as follows:

	2019 £	2018 £
At 1 September	9,167,000	6,697,000
Conversion of academy trusts	283,000	1,038,000
Interest income	271,000	202,000
Actuarial gains	253,000	296,000
Employer contributions	810,000	757,000
Employee contributions	219,000	211,000
Benefits paid	(47,000)	(34,000)
Closing fair value of scheme assets	10,956,000	9,167,000

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FOR THE YEAR ENDED 31 AUGUST 2019

27. Operating lease commitments

At 31 August 2019 the academy trust had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Not later than 1 year	80,169	93,531
Later than 1 year and not later than 5 years	153,854	232,078
	<u>234,023</u>	<u>325,609</u>

28. 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.

29. Related party transactions

Owing to the nature of the Academy Trust's operations 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 a trustee has an interest. All transactions involving such organisations are conducted in accordance with the requirements of the Academies Financial Handbook, including notifying the ESFA of all transactions made on or after 1 April 2019 and obtaining their approval where required, and with the Academy Trust's financial regulations and normal procurement procedures. The following transactions took place in the financial period:

The Wensum Trust purchased services amounting to £9,883 (2018: £9,538) from Taverham High School, an academy in which the chair of The Wensum Trust, John Smith, is also a Trustee. Amounts outstanding at the year end amounted to £250 (2018: £nil) These services relate to memberships 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 had been provided "at no more than cost" and Taverham High School has provided a statement of assurance confirming this.

There were no other related party transactions which took place during the financial year.

30. Agency arrangements

The Academy Trust distributes 16-19 bursary funds to students as an agent for ESFA. In the accounting period ending 31 August 2019 the Trust received £27,671 (2018: £13,845) and disbursed £16,864 (2018: £5,739) from the fund. An amount of £54,229 (2018: £44,804) is included in other creditors relating to undistributed funds that may be repayable to ESFA.