

WIGSTON ACADEMIES TRUST
(A company limited by guarantee)

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

WIGSTON ACADEMIES TRUST
(A company limited by guarantee)

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REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31 AUGUST 2017

Members	E Abbott M Elton P Osgood (resigned 31 December 2016) J Rixon (resigned 31 December 2016) A Wright J Cooke (appointed 6 December 2016)
Trustees	G Hall, Chair M Byrne E Coates J Cooke (resigned 23 September 2016) C Gore (resigned 26 September 2016) S Lamb K Loydall (appointed 28 September 2016, resigned 6 March 2017) M Mitchley, Executive Headteacher S Morris P Munro (appointed 23 September 2016) G Swingler
Company registered number	07975551
Company name	Wigston Academies Trust
Registered office	Station Road Wigston Magna Leicester LE18 2DU
Principal operating office	Station Road Wigston Magna Leicester LE18 2DU
Company secretary	C Reeds
Senior management team	M Mitchley, Executive Headteacher A Miller, Head of School M Wilson, Head of College C Reeds, Chief Operating Officer
Independent auditors	Magma Audit LLP Chartered Accountants 340 Melton Road Leicester LE4 7SL
Bankers	Lloyds Bank Plc 7 High Street Leicester Leicestershire LE1 9FS

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TRUSTEES' REPORT
FOR THE YEAR ENDED 31 AUGUST 2017

The Trustees present their annual report together with the financial statements and auditor's report of the charitable company for the 1 September 2016 to 31 August 2017. The annual report serves the purposes of both a Trustees' report, and a directors' report under company law.

Wigston Academy was formed in April 2015 by merging two 10 to 14 high schools and expanding its age range to 11 to 16. Its first GCSE results will be in August 2018. It is part of Wigston Academies Trust and is joined in it by Wigston College which provides 16 to 19 education and is a school sponsored by the Trust.

The Trust has undergone considerable change in leadership since 2016 when a new Executive Headteacher was appointed. In September 2017 a full time substantive Headteacher was appointed to replace the interim Headteacher at the Academy. Both the Executive Headteacher and Headteacher are serving OFSTED Inspectors and both have a track record of school improvement. Under their leadership Wigston College went from special measures to an OFSTED rating of good and outcomes for students improved dramatically. The Executive Headteacher has considerable experience as a Headteacher in other settings.

The two Academies that the Trust operates for pupils aged 11 to 19 serving the catchment area of Wigston. Wigston Academy has a pupil capacity of 1,560 and had a roll of 1,376 in the school census on 6 October 2016.

Wigston College has a pupil capacity of 920 and had a number on roll of 209 at the same date.

STRUCTURE, GOVERNANCE AND MANAGEMENT

● Constitution

The Academy Trust is a charitable company limited by guarantee and an exempt charity. The charitable company's memorandum and articles of association are the primary governing documents of the academy trust.

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

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

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

Details of the Trustees who served throughout the year except as noted are listed on page 1.

● Members' liability

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

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

● **Trustees' indemnities**

In accordance with normal practice the Academy has purchased insurance to protect the Trustees and officers from claims arising from negligent acts, errors and omissions whilst on school business. The cover under the policy is £3,000,000 and in the period under review the sum of £867 inclusive of tax was paid (2016 - £1,183).

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

Trustees are appointed as follows

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

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

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

● **Organisational structure**

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

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

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

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

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

● **Pay policy for key management personnel**

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

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TRUSTEES' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

● **Connected organisations, including related party relationships**

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

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

OBJECTIVES AND ACTIVITIES

● **Objects and aims**

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

● **Objectives, strategies and activities**

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

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

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

To achieve these aims, we strive to ensure that;

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

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TRUSTEES' REPORT (continued)
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Wigston Academy is committed to serving the local community; within this partnership, we aim to provide high quality education in a safe, caring and happy environment, where everyone is valued.

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

Our Objectives for the period included:

1. Achievement and Standards.

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

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

“How do children learn?”

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

- Learning Reviews.
- Sharing best practice.
- Teacher assessment and the use of data – targeted intervention.
- Teacher and support staff roles remodelling.

2. Personal Development and wellbeing – extending participation, health education, PSHCE review, Review of trips and visits/home study, community engagement, attendance, School Council.

3. Quality of Provision – extend partnership working (LSL and NctI– wider community), Campus Reorganisation (transition, KS4 performance, teacher exchanges, curriculum/timetable revision). Primary Schools. LA – Enhanced Resource Provision – Teaching Schools.

4. Leadership and Management – Capital Works/resources, Sharing Best Practice, monitoring and evaluation procedures (CASEF), Performance Management. Campus Reorganisation, Sponsored Academies, Locality Partnerships.

5. Views of Stakeholders.

Transition KS3 to 4, School Council, Home School initiatives, Admissions. Reorganisation Consultation.

● **Public benefit**

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

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TRUSTEES' REPORT (continued)
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STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

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

New national accountability measures were put into place for 2017.

At GCSE these are:

- Progress 8.
- Attainment 8.
- The percentage of students achieving a grade 4 (Standard Pass) or above in English and Maths.
- The percentage of students achieving a grade 5 (High Pass) or above in English and Maths.
- The percentage of students achieving the EBacc

Former accountability measures such as 5A* C in E&M no longer exist.

Comparisons to previous years are therefore limited. Below are the un-validated preliminary results based on 2017 accountability measures;

Key Stage 4

Headline Figures

	2017	2016	Targets 2017
Progress 8	-0.103	+0.12	N/A
Average Total Points	40.49	377	41.47
Average Point Score (APS) per pupil	4.05 (Standard Pass or Grade C)	35 (Grade D)	4.15
Attainment 8 Difference Vs Target	-0.99	-1.65	N/A

Whilst our Progress 8 figure has fallen our 2017 figures show that on average, every student, in every subject was 0.1 of a grade away from their target. Whilst we aim to always have a positive progress figure, against a backdrop of increasingly challenging targets for all students, this figure still remains, comfortably above the floor limit set by Government of -0.5.

Although there have been changes to the value of grades for unreformed GCSEs and Vocational qualifications and the change to terminal examinations in Maths and English our Average Total Point Score increased and our APS per pupil increased which means on average our students leave with a standard pass (equivalent Grade C) in every subject.

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

	2017 (% of cohort)	2016 (% of cohort)
9-7 (A*-A)	9.6	14.2
9-5 (High Pass)	35.9	32.9
9-4 (A*-C)	56.9	49
9-1 (A*-G)	100	98.9

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As outlined above, this was the first year that English and Maths were graded as 9-1. There were many fears that this would lead to a massive dip in the results for both these subjects. This was not the case for the College results.

Key Stage 5

Headline Figures

	2017	2016	Targets 2017
APS Per Pupil	85.7	70.3	86.4
APS Per Entry	29.9	26.8	33.6
Average Grade Per Entry	C	C-	C+
% of students achieving at least 1 A*-B (or equivalent)	50.0%	38.5%	53.4%
% of students achieving at least 1 A*-C (or equivalent)	82.8%	64.7%	84.5%
% of students achieving at least 1 A*-E (or equivalent)	100%	95.6%	100%

We have improved in all areas of A2 performance when comparing to 2016. The 2016 cohort were a larger cohort of 104 (Vs 58 in 2017), but had a lower average GCSE score on entry and therefore there would have been an expectation that they would not have done as well overall as their 2017 counterparts.

However, when you compare the 2017 results against the targets (and as highlighted earlier these were challenging targets) students have excelled themselves and the College can now boast that the average student leaves with a C grade in every qualification taken. This demonstrates progress throughout the College and a raising of standards.

Key Achievements

- The holding of results at Key Stage 4 against massive educational change.
- Increase in the average grade achieved by Key Stage 5 students from a C- to a C.
- The performance in both KS4 and KS5 against challenging targets.

Implications for 2018

- Review of all qualifications to ensure they are appropriate for the cohort.
- Reduction in the gap between Pupil Premium and Non Pupil Premium students.
- Increased use of Pre Public Examinations in KS4 and KS5, including targeted revision sessions, to measure progress and highlight underachievement.
- SLT Quality assurance programme to evaluate the quality of provision for each subject/department.
- Increased use of intervention
- Performance Management to include (where appropriate) at least one observation of KS5 lessons.

• **Going concern**

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

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TRUSTEES' REPORT (continued)
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FINANCIAL REVIEW

● **Financial review**

The academy had a net increase in funds for the year ended 31 August 2017 of £3,260,010. As at 31 August 2017 the academy held £834,436 of unrestricted reserves plus £612,410 of unspent (non-fixed asset) restricted funds. The academy therefore held combined unrestricted and non-fixed asset restricted funds, being its available reserves of £1,446,846.

The academy trust had a pension deficit on their Local Government Pension Scheme of £4,795,000 at 31 August 2017 and a fixed asset reserve of £27,588,028 (being the book value of past purchases £27,587,168 plus £860 of unspent capital grants.)

There are no significant factors going forward that are expected to impact on the normal continuing operation of the academy. The principle financial management policies adopted in the period are included in the academy's internal financial policies and are typical for an academy trust of this size and type. There were no unusual significant events worthy of comment during the year.

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

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

● **Reserves policy**

The trustees have developed a reserves policy for the school which is reviewed at least annually. The academy needs to hold reserves to allow for contingencies such as unfunded building repairs, unexpected staffing costs and to allow for some uncertainty in future government funding. The trustees have determined that the appropriate level of free reserves, which it considers to be unrestricted funds plus unspent General Annual Grant (GAG), should be approximately one month's expenditure of the annual budget, being approximately £877,000.

Actual free reserves plus unspent GAG as at 31 August 2017 were £1,163,670 (excluded from this figure are designated reserves of £175,000 towards the eventual replacement of the All Weather Pitch). The current level of free reserves is considered appropriate for the Trust at this stage as excess reserves above target will be used as a buffer to reduce the financial impact of an expected overspend in the year to 31 August 2018. The academy also held other available restricted funds at the year end of the year of £108,176 plus designated funds of £175,000 with respect to the All Weather Pitch fund. Total available revenue reserves at 31 August 2017 were £1,446,846. Cash at bank at 31 August 2017 was £977,215 higher than total available reserves due principally to Condition Improvement Fund (CIF) income being received in advance of work completed at the year end and other accruals timing adjustments.

At 31 August 2017 the academy's fixed asset reserve of £27,588,028 represented £27,587,168 of funds which could only be realised if the assets were sold, plus £860 of unspent capital grants.

The only reserve in deficit at the year end was the pension reserve (deficit of £4,795,000) which will be addressed via contribution rates decided on from time to time by the pension scheme actuaries. This deficit has arisen, as with many other schemes of this type, mainly due to increased life expectancies and reduced investment returns.

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

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

● **Principal risks and uncertainties**

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

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

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

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

At 31 August 2017 the pension deficit on the Local Government Pension Scheme stood at £4,795,000 for the 2 Academies (31 August 2016 - £5,967,000). The Academy has mitigated its risk in relation to this pension scheme by taking out insurance against early retirement on the grounds of ill health. Changes in contribution rates as decided upon by the actuaries of the scheme are budgeted for as soon as they are known, when they are updated every three years.

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

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TRUSTEES' REPORT (continued)
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PLANS FOR FUTURE PERIODS

● **Future developments**

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

The Executive Headteacher and senior staff continue to review the curriculum to ensure that the educational qualifications remain appropriate for our students' development. Our future plans are financed from income direct from the DfE, related to student numbers and other lump sum factors. Trustees will ensure funding is invested appropriately for the next generation of students as they have done in the past for current students. Future plans also include partnership working both locally and nationally and expansion of the Trust.

We have a planned programme of maintenance and investment for the Trust site. Each year we invest heavily in computer equipment and infrastructure to ensure our students and staff have the best school environment we can provide.

The Trust has ambitious plans for growth and is expecting to see partner primaries join it in 2018/19. Plans for safeguarding the Sixth Form in terms of its future for the community are well advanced and there is an impressive increase in the number of external applications and projections show that this is likely to grow in the coming years. The Trust has also established a behaviour unit to meet the needs of its most vulnerable and hard to reach pupils using premises acquired on site during its academisation. There is an ultimate desire to turn this into a revenue generating and OFSTED recognised centre for behaviour modification commercially in the county. The Trust also has a nursery and is doubling its size in 2018/19 and this is also using premises acquired during academisation.

Funds held as custodian

The Academy does not hold any such funds on behalf of any organisations. Transactions and balances relating to the controlled charities referred to on page 4 and note 26 to the financial statements are incorporated in the financial statements.

Disclosure of information to auditors

Insofar as the Trustees are aware:

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

Auditors

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

The Trustees' Report, incorporating the Strategic Report, was approved by order of the Board of Trustees as the company directors, on 11 December 2017 and signed on the board's behalf by:

G Hall
Chair of Trustees

WIGSTON ACADEMIES TRUST
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GOVERNANCE STATEMENT

Scope of Responsibility

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

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

Governance

The information on governance included here supplements that described in the Trustees' report and in the statement of trustees' responsibilities. The Board of Trustees has formally met 6 times during the year. Attendance during the year at meetings of the Board of Trustees was as follows:

Trustee	Meetings attended	Out of a possible
G Hall, Chair	6	6
M Byrne	3	6
E Coates	5	6
J Cooke	0	1
C Gore	1	1
S Lamb	5	6
K Loydall	1	3
M Mitchley, Executive Headteacher	6	6
S Morris	5	6
P Munro	4	5
G Swingler	5	6

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

Governance reviews:

The academy conducts a self-evaluation review or an external review annually. The next review is due in the year ended August 2018.

Wigston Academies Trust was formed on 1 April 2015. At this time there were three schools (all academies) who were member schools. One of these schools, Wigston College formerly Guthlaxton Academy, was sponsored as part of this Trust formation at the request of the DFE. As a Trust a major reorganisation of Governance on the site took place with Members, Directors/Trustees and Local Governing Bodies being organised. All aspects of Trust organisation have been completed with a full scheme of delegation under constant review.

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GOVERNANCE STATEMENT (continued)

Review of Value for Money

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

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

- planning efficiently, effectively and economically the resources available to meet the needs of all the pupils achieving high quality outcomes.
- the trust's accommodation and site are maintained to a high standard.
- the views of the parents and pupils are sought and responded to in relation to the suitability and availability of resources. Resources and equipment are well cared for.
- staff development is well organised and CPD is planned to support the needs of staff and children.
- specific funding is identified and deployed appropriately e.g. SEND funding/pupil premium.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of academy policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Wigston Academies Trust for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements.

Capacity to Handle Risk

The Board of Trustees has reviewed the key risks to which the academy is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The Board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the academy's significant risks, that has been in place for the year 1 September 2016 to 31 August 2017 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

The Risk and Control Framework

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

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

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

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GOVERNANCE STATEMENT (continued)

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

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

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

The governing body has considered the need for a specific internal audit function and has decided to appoint an internal auditor. The latest internal audit visit was in August 2017. Reports to the governing body on the operation of the systems of control and on the discharge of the governing body's financial responsibilities are done via the finance committee on a termly basis. The responsible officers' role is undertaken by the Internal Auditors with the responsible officer function being fully delivered in line with the ESFA's requirements. There were no material control issues as a result of the Internal Auditors work during the year.

Review of Effectiveness

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

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

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

Approved by order of the members of the Board of Trustees on 11 December 2017 and signed on their behalf,
by:

G Hall
Chair of Trustees

M Mitchley
Accounting Officer

WIGSTON ACADEMIES TRUST
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STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE

As Accounting Officer of Wigston Academies Trust I have considered my responsibility to notify the academy trust board of trustees and the Education and Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with ESFA terms and conditions of funding, 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 2016.

I confirm that I and the academy trust board of trustees are able to identify any material irregular or improper use of funds by the academy trust, or material non-compliance with the terms and conditions of funding under the academy trust's funding agreement and the Academies Financial Handbook 2016.

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.

M Mitchley
Accounting Officer

Date: 11 December 2017

WIGSTON ACADEMIES TRUST
(A company limited by guarantee)

STATEMENT OF TRUSTEES' RESPONSIBILITIES
FOR THE YEAR ENDED 31 AUGUST 2017

The Trustees (who act as governors of Wigston Academies Trust and are also the directors of the charitable company for the purposes of company law) are responsible for preparing the Trustees' report and the financial statements in accordance with the Annual Accounts Direction issued by the Education and Skills Funding Agency, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2016 to 2017;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 11 December 2017 and signed on its behalf by:

G Hall
Chair of Trustees

WIGSTON ACADEMIES TRUST
(A company limited by guarantee)

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

Opinion

We have audited the financial statements of Wigston Academies Trust for the year ended 31 August 2017 which comprise the statement of financial activities incorporating income and expenditure account, the balance sheet, the statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', and the Academies Accounts Direction 2016 to 2017 issued by the Education and Skills Funding Agency.

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

In our opinion the financial statements:

- give a true and fair view of the state of the academy's affairs as at 31 August 2017 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 2016 to 2017 issued by the Education and Skills Funding Agency.

Basis of opinion

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

Conclusions relating to going concern

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

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

Other information

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

WIGSTON ACADEMIES TRUST
(A company limited by guarantee)

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the statement of trustees' responsibilities, the Trustees (who are also the directors of the academy for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

WIGSTON ACADEMIES TRUST
(A company limited by guarantee)

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

Auditor's responsibilities for the audit of the financial statements

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

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. The description forms part of our auditor's report.

Luke Turner ACA FCCA (senior statutory auditor)

for and on behalf of

Magma Audit LLP

Chartered Accountants
Statutory Auditors

340 Melton Road
Leicester
LE4 7SL
19 December 2017

WIGSTON ACADEMIES TRUST
(A company limited by guarantee)

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

In accordance with the terms of our engagement letter dated 28 September 2017 and further to the requirements of the Education and Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2016 to 2017, we have carried out an engagement to obtain limited assurance about whether the expenditure disbursed and income received by Wigston Academies Trust during the year 1 September 2016 to 31 August 2017 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

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

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

The Accounting Officer is responsible, under the requirements of Wigston Academies Trust's funding agreement with the Secretary of State for Education dated 1 April 2012, and the Academies Financial Handbook extant from 1 September 2016, 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 2016 to 2017. 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 2016 to 31 August 2017 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 2016 to 2017 issued by the ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw our conclusion includes:

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

WIGSTON ACADEMIES TRUST
(A company limited by guarantee)

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

Conclusion

In the course of our work, nothing has come to our attention which suggests that in all material respects the expenditure disbursed and income received during the year 1 September 2016 to 31 August 2017 have not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

Magma Audit LLP
340 Melton Road
Leicester
LE4 7SL

19 December 2017

WIGSTON ACADEMIES TRUST
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2017**

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
INCOME FROM:					
Donations and capital grants	2	-	-	2,623,695	2,623,695
Charitable activities	3	-	10,772,378	-	10,772,378
Other trading activities	4	177,655	-	-	177,655
Investments	5	1,939	1,008	-	2,947
TOTAL INCOME		179,594	10,773,386	2,623,695	13,576,675
EXPENDITURE ON:					
Raising funds		160,721	-	-	160,721
Charitable activities		-	10,932,098	862,488	11,794,586
TOTAL EXPENDITURE	6	160,721	10,932,098	862,488	11,955,307
NET INCOME / (EXPENDITURE) BEFORE INVESTMENT GAINS					
Net gains on investments	14	18,873	(158,712)	1,761,207	1,621,368
		-	3,642	-	3,642
NET INCOME / (EXPENDITURE) BEFORE TRANSFERS					
Transfers between funds	19	18,873	(155,070)	1,761,207	1,625,010
		(285,913)	(195,377)	481,290	-
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES					
Actuarial gains/(losses) on defined benefit pension schemes	24	(267,040)	(350,447)	2,242,497	1,625,010
		-	1,635,000	-	1,635,000
NET MOVEMENT IN FUNDS		(267,040)	1,284,553	2,242,497	3,260,010
RECONCILIATION OF FUNDS:					
Total funds brought forward		1,101,476	(5,467,143)	25,345,531	20,979,864
TOTAL FUNDS CARRIED FORWARD		834,436	(4,182,590)	27,588,028	24,239,874

The notes on pages 25 to 49 form part of these financial statements.

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

BALANCE SHEET
AS AT 31 AUGUST 2017

	Note	£	2017 £	£	2016 £
FIXED ASSETS					
Tangible assets	13		27,587,168		25,345,057
Investments	14		41,201		37,559
			27,628,369		25,382,616
CURRENT ASSETS					
Stocks	15	-		7,519	
Debtors	16	335,541		840,406	
Cash at bank and in hand		2,424,061		2,008,718	
			2,759,602	2,856,643	
CREDITORS: amounts falling due within one year	17	(1,288,990)		(1,202,647)	
NET CURRENT ASSETS			1,470,612		1,653,996
TOTAL ASSETS LESS CURRENT LIABILITIES			29,098,981		27,036,612
CREDITORS: amounts falling due after more than one year	18		(64,107)		(89,748)
NET ASSETS EXCLUDING PENSION SCHEME LIABILITIES			29,034,874		26,946,864
Defined benefit pension scheme liability	24		(4,795,000)		(5,967,000)
NET ASSETS INCLUDING PENSION SCHEME LIABILITIES			24,239,874		20,979,864
FUNDS OF THE ACADEMY					
Restricted funds:					
Restricted income funds	19	612,410		499,857	
Fixed asset funds	19	27,588,028		25,345,531	
Restricted funds excluding pension liability		28,200,438		25,845,388	
Pension reserve		(4,795,000)		(5,967,000)	
Total restricted funds			23,405,438		19,878,388
Unrestricted income funds	19		834,436		1,101,476
TOTAL FUNDS			24,239,874		20,979,864

WIGSTON ACADEMIES TRUST
(A company limited by guarantee)

BALANCE SHEET (continued)
AS AT 31 AUGUST 2017

The financial statements on pages 21 to 49 were approved by the Trustees, and authorised for issue, on 11 December 2017 and are signed on their behalf, by:

G Hall, Chair
Chair of Trustees

The notes on pages 25 to 49 form part of these financial statements.

WIGSTON ACADEMIES TRUST
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2017

	Note	2017 £	2016 £
Cash flows from operating activities			
Net cash provided by/(used in) operating activities	21	855,344	(256,735)
Cash flows from investing activities:			
Dividends and interest received		2,947	5,735
Purchase of tangible fixed assets		(2,370,545)	(1,287,810)
Capital grants from DfE/ESFA and other capital income		1,953,239	1,463,003
Net cash (used in)/provided by investing activities		(414,359)	180,928
Cash flows from financing activities:			
Repayments of Salix loan		(25,642)	(25,642)
Net cash used in financing activities		(25,642)	(25,642)
Change in cash and cash equivalents in the year		415,343	(101,449)
Cash and cash equivalents at 1 September 2016		2,008,718	2,110,167
Cash and cash equivalents at 31 August 2017	22	2,424,061	2,008,718

The notes on pages 25 to 49 form part of these financial statements.

WIGSTON ACADEMIES TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES

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

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the academy trust, which is a public benefit entity under FRS 102, have been prepared under the historical cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2016 to 2017 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

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

1.2 FUND ACCOUNTING

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

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

Restricted fixed asset funds are resources which are to be applied to specific capital purposes imposed by the Department for Education 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 and include grants from the Education and Skills Funding Agency.

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

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

WIGSTON ACADEMIES TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES (continued)

1.3 INCOME

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

Grants are included in the statement of financial activities incorporating income and expenditure account on a receivable basis. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of entitlement of receipt, its recognition is deferred and included in creditors as deferred income. Where entitlement occurs before income is received, the income is accrued.

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

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

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

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

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

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

WIGSTON ACADEMIES TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES (continued)

1.4 EXPENDITURE

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

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

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

All expenditure is inclusive of irrecoverable VAT.

1.5 GOING CONCERN

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

1.6 TANGIBLE FIXED ASSETS AND DEPRECIATION

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

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

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

WIGSTON ACADEMIES TRUST
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES (continued)

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

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

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

1.7 INVESTMENTS

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

1.8 STOCKS

Classroom consumables, unsold uniforms and catering stocks are valued at the lower of cost or net realisable value.

1.9 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.

1.10 LIABILITIES AND PROVISIONS

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

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

WIGSTON ACADEMIES TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

1. ACCOUNTING POLICIES (continued)

1.11 FINANCIAL INSTRUMENTS

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

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

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

1.12 TAXATION

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

1.13 PENSIONS

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

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 24, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

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

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

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

1. ACCOUNTING POLICIES (continued)

1.14 CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

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

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

Defined benefit pension scheme

The present value of the Local Government Pension Scheme defined benefit liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 24, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2017. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Tangible assets

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

2. INCOME FROM DONATIONS AND CAPITAL GRANTS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Restricted fixed asset funds 2017 £	Total funds 2017 £	Total funds 2016 £
Capital donations	-	-	670,456	670,456	201,171
Government grants	-	-	1,953,239	1,953,239	1,261,832
	-	-	2,623,695	2,623,695	1,463,003
<i>Total 2016</i>	-	-	1,463,003	1,463,003	

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FOR THE YEAR ENDED 31 AUGUST 2017**

3. FUNDING FOR ACADEMY'S EDUCATIONAL OPERATIONS

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
DfE/ESFA grants				
General Annual Grant (GAG)	-	9,619,419	9,619,419	9,935,330
Other DfE/ESFA grants	-	449,066	449,066	512,862
	<u>-</u>	<u>10,068,485</u>	<u>10,068,485</u>	<u>10,448,192</u>
Other government grants				
Local Authority grants	-	391,231	391,231	381,354
	<u>-</u>	<u>391,231</u>	<u>391,231</u>	<u>381,354</u>
Other funding				
Other grants	-	2,394	2,394	24,559
Catering income	-	310,268	310,268	392,363
	<u>-</u>	<u>312,662</u>	<u>312,662</u>	<u>416,922</u>
	<u>-</u>	<u>10,772,378</u>	<u>10,772,378</u>	<u>11,246,468</u>
<i>Total 2016</i>	<u>-</u>	<u>11,246,468</u>	<u>11,246,468</u>	

4. OTHER TRADING ACTIVITIES

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Hire of facilities	95,713	-	95,713	108,260
Other income	2,327	-	2,327	1,038
Tiger tots income	76,033	-	76,033	79,707
Bar income	3,582	-	3,582	8,069
	<u>177,655</u>	<u>-</u>	<u>177,655</u>	<u>197,074</u>
<i>Total 2016</i>	<u>197,074</u>	<u>-</u>	<u>197,074</u>	

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

5. INVESTMENT INCOME

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Dividends received	-	970	970	1,302
Bank interest received	1,939	38	1,977	4,433
	<u>1,939</u>	<u>1,008</u>	<u>2,947</u>	<u>5,735</u>
<i>Total 2016</i>	<u>4,365</u>	<u>1,370</u>	<u>5,735</u>	

6. EXPENDITURE

	Staff costs 2017 £	Premises 2017 £	Other costs 2017 £	Total 2017 £	Total 2016 £
Expenditure on raising funds	136,409	-	24,312	160,721	174,561
Educational Operations:					
Direct costs	7,563,581	630,281	673,835	8,867,697	9,483,206
Support costs	1,511,804	658,633	756,452	2,926,889	3,932,117
	<u>9,211,794</u>	<u>1,288,914</u>	<u>1,454,599</u>	<u>11,955,307</u>	<u>13,589,884</u>
<i>Total 2016</i>	<u>9,916,083</u>	<u>2,029,516</u>	<u>1,644,285</u>	<u>13,589,884</u>	

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

7. CHARITABLE ACTIVITIES

	Total funds 2017 £	Total funds 2016 £
DIRECT COSTS - EDUCATIONAL OPERATIONS		
Teaching and educational support staff costs - salaries	5,417,316	6,190,965
Teaching and educational support staff costs - NI	520,802	507,478
Teaching and educational support staff costs - pensions	1,261,831	1,164,869
LGPS pension interest cost (£229,000) less return on assets (£107,000)	122,000	161,000
Educational supplies	285,263	304,899
Examination fees	113,347	141,781
Staff development	24,457	34,812
Educational consultancy	107,171	57,938
Other direct costs	363,631	286,749
Staff restructuring costs	-	70,891
Depreciation	646,867	560,567
Technology costs	5,012	1,257
	8,867,697	9,483,206
SUPPORT COSTS - EDUCATIONAL OPERATIONS		
Support staff costs - salaries	1,198,011	1,282,550
Support staff costs - NI	78,613	67,207
Support staff costs - pensions	227,196	229,247
Staff restructuring costs	-	7,673
Recruitment	8,674	-
Maintenance of premises and equipment	175,472	184,119
Cleaning	43,840	35,249
Rates	120,600	116,160
Insurance	108,628	138,194
Depreciation	215,621	186,856
Catering	231,892	268,760
Bank interest and charges	5,305	6,462
Loss on disposal of fixed assets - on demolition	-	800,678
Other support costs	216,981	279,274
Security and transport	35,137	33,438
Technology costs	58,121	55,890
Energy costs	184,816	218,280
Governance	17,982	22,080
	2,926,889	3,932,117
	11,794,586	13,415,323

WIGSTON ACADEMIES TRUST
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

8. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2017	2016
	£	£
Depreciation of tangible fixed assets:		
- capitalised by the charity	862,488	747,423
Auditors' remuneration - audit	13,770	14,768
Auditors' remuneration - other services	1,324	1,200
	<u> </u>	<u> </u>

WIGSTON ACADEMIES TRUST
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

9. STAFF COSTS

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries	6,740,808	7,586,648
Social security costs	603,623	579,637
Operating costs of defined benefit pension schemes	1,495,748	1,412,589
	<u>8,840,179</u>	<u>9,578,874</u>
Apprenticeship levy	7,984	-
Supply teacher costs	363,631	258,645
Staff restructuring costs	-	78,564
	<u><u>9,211,794</u></u>	<u><u>9,916,083</u></u>

Staff restructuring costs comprise:

	2017 £	2016 £
Redundancy payments	-	78,565
	<u><u>-</u></u>	<u><u>78,565</u></u>

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

	2017 No.	2016 No.
Teachers	110	138
Administration and support	267	241
Management	4	6
	<u>381</u>	<u>385</u>

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

	2017 No.	2016 No.
In the band £60,001 - £70,000	0	3
In the band £70,001 - £80,000	3	0
In the band £90,001 - £100,000	0	1
In the band £100,001 - £110,000	1	0
In the band £110,001 - £120,000	0	1

The above employees participated in the Teachers' Pension Scheme. During the year ended 31 August 2017, pension contributions for these staff members amounted to £55,089 (2016 - £69,287).

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) received by key management personnel for their services to the academy trust was £375,544 (2016: £552,687). These figures include salary costs of all Trustees employed by the academy, even where they have no management role within their employment.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

10. CENTRAL SERVICES

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

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

The academy charges for these services on the following basis:

5% of GAG funding

The actual amounts charged during the year were as follows:

	2017	2016
	£	£
Wigston Academy	302,149	280,253
Wigston College	168,250	212,582
Total	<u>470,399</u>	<u>492,835</u>

11. TRUSTEES' REMUNERATION AND EXPENSES

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

The value of Trustees' remuneration was as follows:

M Mitchley (Executive Headteacher and Trustee)

Remuneration £105,000 - £110,000 (2016: (£5,000 - £10,000 for a 1 month period)

Employer's pension contributions £15,000 - £20,000 (2016: £0,000 - £5,000 for a 1 month period)

During the year, no Trustees received any benefits in kind (2016 - £NIL).

During the year ended 31 August 2017, no Trustees received any reimbursement of expenses (2016 - £NIL).

12. TRUSTEES' AND OFFICERS' INSURANCE

In accordance with normal commercial practice the academy has purchased insurance to protect trustees and officers from claims arising from negligent acts, errors or omissions occurring whilst on academy business. The insurance provides cover up to £3,000,000 on any one claim and the cost for the year ended 31 August 2017 was £867 (2016 - £1,183).

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

13. TANGIBLE FIXED ASSETS

	Freehold land and buildings £	Leasehold land and buildings £	Assets under construction £	Fixtures, fittings and equipment £	Computer equipment £
COST					
At 1 September 2016	17,092,737	7,979,712	1,117,128	515,854	246,088
Additions	2,043,181	961,132	-	61,505	38,781
Transfer between classes	1,117,128	-	(1,117,128)	-	-
At 31 August 2017	<u>20,253,046</u>	<u>8,940,844</u>	<u>-</u>	<u>577,359</u>	<u>284,869</u>
DEPRECIATION					
At 1 September 2016	1,027,226	265,677	-	191,191	122,368
Charge for the year	430,571	299,826	-	77,023	55,068
At 31 August 2017	<u>1,457,797</u>	<u>565,503</u>	<u>-</u>	<u>268,214</u>	<u>177,436</u>
NET BOOK VALUE					
At 31 August 2017	<u>18,795,249</u>	<u>8,375,341</u>	<u>-</u>	<u>309,145</u>	<u>107,433</u>
At 31 August 2016	<u>16,065,511</u>	<u>7,714,035</u>	<u>1,117,128</u>	<u>324,663</u>	<u>123,720</u>
					Total £
COST					
At 1 September 2016					26,951,519
Additions					3,104,599
Transfer between classes					-
At 31 August 2017					<u>30,056,118</u>
DEPRECIATION					
At 1 September 2016					1,606,462
Charge for the year					862,488
At 31 August 2017					<u>2,468,950</u>
NET BOOK VALUE					
At 31 August 2017					<u>27,587,168</u>
At 31 August 2016					<u>25,345,057</u>

See note 1.3 regarding assets transferred on conversion.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

14. FIXED ASSET INVESTMENTS

	Listed securities £
MARKET VALUE	
At 1 September 2016	37,559
Revaluations	3,642
	41,201
At 31 August 2017	41,201
HISTORICAL COST	36,378

15. STOCKS

	2017 £	2016 £
Classroom and other materials	-	7,519
	-	7,519

16. DEBTORS

	2017 £	2016 £
DUE WITHIN ONE YEAR		
Trade debtors	35,589	18,169
VAT recoverable	116,003	210,119
Prepayments and accrued income	183,949	612,118
	335,541	840,406
	335,541	840,406

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 £	2016 £
Other loans	67,789	67,789
Trade creditors	14,879	34,060
Other taxation and social security	147,431	178,154
Other creditors	181,176	180,622
Accruals and deferred income	877,715	742,022
	1,288,990	1,202,647
	1,288,990	1,202,647

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FOR THE YEAR ENDED 31 AUGUST 2017

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

	2017 £	2016 £
DEFERRED INCOME		
Deferred income at 1 September 2016	204,861	63,037
Resources deferred during the year	684,824	204,861
Amounts released from previous years	(204,861)	(63,037)
	684,824	204,861
	684,824	204,861

Included within deferred income are amounts received in advance for trips which take place after the year end £29,815 (2016 - £26,900), Condition Improvement Fund (CIF) income towards new windows phase II and roof replacement which has been matched to work completed £633,640 (2016 - £177,961), and Tiger Tots income received in advance of the autumn term £21,369 (2016 - £NIL).

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

	2017 £	2016 £
Other loans	64,107	89,748
	64,107	89,748

Included within the above are amounts falling due as follows:

	2017 £	2016 £
BETWEEN ONE AND TWO YEARS		
Other loans	25,642	25,642
	25,642	25,642
BETWEEN TWO AND FIVE YEARS		
Other loans	38,465	64,106
	38,465	64,106

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

19. STATEMENT OF FUNDS

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
DESIGNATED FUNDS						
School's capital works programme	97,621	-	-	(97,621)	-	-
All weather pitch	150,000	-	-	25,000	-	175,000
	<u>247,621</u>	<u>-</u>	<u>-</u>	<u>(72,621)</u>	<u>-</u>	<u>175,000</u>
UNRESTRICTED FUNDS						
General Funds	853,855	179,594	(160,721)	(213,292)	-	659,436
Total Unrestricted funds	<u>1,101,476</u>	<u>179,594</u>	<u>(160,721)</u>	<u>(285,913)</u>	<u>-</u>	<u>834,436</u>
RESTRICTED GENERAL FUNDS						
	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
General Annual Grant (GAG)	313,278	9,619,419	(9,233,086)	(195,377)	-	504,234
Pupil Premium	110,735	390,616	(451,801)	-	-	49,550
Other DfE/ESFA grants	2,468	58,450	(60,918)	-	-	-
Local Authority grants	-	391,231	(391,231)	-	-	-
Other grants	19,900	2,394	(21,794)	-	-	500
Abington High School Trust Fund	6,348	38	-	-	-	6,386
Guthlaxton College Foundation Fund	47,128	970	-	-	3,642	51,740
Other income	-	310,268	(310,268)	-	-	-
Pension reserve	(5,967,000)	-	(463,000)	-	1,635,000	(4,795,000)
	<u>(5,467,143)</u>	<u>10,773,386</u>	<u>(10,932,098)</u>	<u>(195,377)</u>	<u>1,638,642</u>	<u>(4,182,590)</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

19. STATEMENT OF FUNDS (continued)

RESTRICTED FIXED ASSET FUNDS

	Balance at 1 September 2016 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2017 £
DfE/ESFA capital grants	168,709	40,057	(28,567)	-	-	180,199
Transfer from Local Authority	23,129,973	-	(629,531)	-	-	22,500,442
Capital expenditure from GAG	474,991	-	(113,696)	481,290	-	842,585
Local Authority income	1,265,672	1,400,362	(43,237)	-	-	2,622,797
Local Authority donation	200,500	670,456	(30,161)	-	-	840,795
Condition Improvement Fund (CIF)	105,686	512,820	(17,296)	-	-	601,210
	<u>25,345,531</u>	<u>2,623,695</u>	<u>(862,488)</u>	<u>481,290</u>	<u>-</u>	<u>27,588,028</u>
Total restricted funds	<u>19,878,388</u>	<u>13,397,081</u>	<u>(11,794,586)</u>	<u>285,913</u>	<u>1,638,642</u>	<u>23,405,438</u>
Total of funds	<u>20,979,864</u>	<u>13,576,675</u>	<u>(11,955,307)</u>	<u>-</u>	<u>1,638,642</u>	<u>24,239,874</u>

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

Designated Funds

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

The All Weather Pitch designated funds represents the historic annual funds retained specifically for the future replacement of the pitch surface. The transfer figure above consists of £25,000 transferred from general funds.

Restricted Funds

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

Pupil Premium relates to additional funding received to raise the attainment of disadvantaged pupils of all abilities and to close the gaps between them and their peers. Targets have been set by the Trust to ensure that funds are spent in the coming year.

The other DfE/ESFA restricted funds grants consists of Year 7 Catch Up funding and PE Teacher grant. All funds were fully spent in the year.

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

Other grants include grants received from other organisations and includes various small grants from Thomas Estley Learning Alliance (TELA) grant, Leicestershire Schools Behaviour Partnership and Access to Work. Included in income this year is the reversal of a grant received last year from the Cadet Association which was still unspent at 31 August 2017 amounting to £19,400. All these grants were fully spent in the year. The balance carried forward at 31 August 2017 is an unspent School Council Grant of £500.

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

The Abington High School Trust and Guthlaxton College Foundation Fund (charity registration number 527854) are charities that were established to raise funds to enable disadvantaged children to have the same opportunities as their peers, e.g. to take part in visits and to provide suitable help towards uniforms and clothing as necessary. The closing balances of £6,386 and £51,740 respectively relate to unspent funds.

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

Restricted Fixed Asset Funds

DfE/ESFA capital grants relate to funding received from these sources to purchase fixed assets. The closing balance relates to the net book value of assets concerned plus unspent Devolved Formula Capital Income of £860.

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

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

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

The Local Authority donation relates to refurbishment works carried out in classrooms at the Wigston College, with income during the year of £200,000. Further income includes the transfer of the lease of 121 years for Abington House, a building owned by the Local Authority which is on the school campus and used by the Tiger Tots Nursery. The Abington House lease was transferred for nil consideration but has been attributed a value for the lease donation of £470,456 from the LA. The closing balance relates to the net book value of these assets.

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

ANALYSIS OF ACADEMIES BY FUND BALANCE

Fund balances at 31 August 2017 were allocated as follows:

	Total 2017 £	Total 2016 £
Wigston Academy	1,147,587	1,125,314
Wigston College	299,308	475,921
Central Services	(49)	98
Total before fixed asset fund and pension reserve	1,446,846	1,601,333
Restricted fixed asset fund	27,588,028	25,345,531
Pension reserve	(4,795,000)	(5,967,000)
Total	24,239,874	20,979,864

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

ANALYSIS OF ACADEMIES BY COST

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

	Teaching and educational support staff costs £	Other support staff costs £	Educational supplies £	Other costs excluding depreciation £	Total 2017 £	Total 2016 £
Wigston Academy	4,482,513	790,811	158,466	781,372	6,213,162	6,441,894
Wigston College	2,511,266	663,771	126,797	644,375	3,946,209	5,107,153
Central Services	228,802	193,631	-	48,015	470,448	492,736
	<u>7,222,581</u>	<u>1,648,213</u>	<u>285,263</u>	<u>1,473,762</u>	<u>10,629,819</u>	<u>12,041,783</u>

20. ANALYSIS OF NET ASSETS BETWEEN FUNDS

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

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

	2017 £	2016 £
Net income/(expenditure) for the year (as per Statement of Financial Activities)	1,625,010	(674,282)
Depreciation charges		
Depreciation charges	862,488	747,423
Dividends and interest receivable	(2,947)	(5,735)
Loss on the disposal of fixed assets	-	800,678
Decrease in stocks	7,519	11,586
Decrease/(increase) in debtors	504,865	(332,795)
Increase in creditors	22,746	559,886
Capital grants from DfE and other capital income	(1,953,239)	(1,463,003)
Defined benefit pension scheme cost less contributions payable	341,000	143,000
Defined benefit pension scheme finance cost	122,000	161,000
Donated fixed assets	(670,456)	(201,171)
Gains/(losses) on investments	(3,642)	(3,322)
	855,344	(256,735)
Net cash provided by/(used in) operating activities	855,344	(256,735)

22. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2017 £	2016 £
Cash in hand	2,424,061	2,008,718
Total	2,424,061	2,008,718

23. CAPITAL COMMITMENTS

At 31 August 2017 the academy had capital commitments as follows:

	2017 £	2016 £
Contracted for but not provided in these financial statements	812,453	2,287,033

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24. PENSION COMMITMENTS

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

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

Contributions amounting to £143,209 were payable to the schemes at 31 August 2017 (2016 - 161,902) and are included within creditors.

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

Valuation of the Teachers' Pension Scheme

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

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

During the previous year the employer contribution rate was 16.48%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £721,431 (2016 - £856,187).

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

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24. PENSION COMMITMENTS (continued)

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

Local Government Pension Scheme

The LGPS is a funded defined benefit scheme, with assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2017 was £644,000 (2016 - £528,000), of which employer's contributions totalled £528,000 (2016 - £411,000) and employees' contributions totalled £116,000 (2016 - £117,000). The agreed contribution rates for future years are 22.4 - 23.4% for employers and 5.5 - 12.5% for employees.

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

Principal actuarial assumptions:

	2017	2016
Discount rate for scheme liabilities	2.50 %	2.00 %
Rate of increase in salaries	3.40 %	3.10 %
Rate of increase for pensions in payment / inflation	2.40 %	2.10 %
Inflation assumption (CPI)	2.40 %	2.10 %
Commutation of pensions to lump sums	50.00 %	50.00 %

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

	2017	2016
Retiring today		
Males	22.1	22.2
Females	24.3	24.3
Retiring in 20 years		
Males	23.8	24.2
Females	26.2	26.6

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FOR THE YEAR ENDED 31 AUGUST 2017**

24. PENSION COMMITMENTS (continued)

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

	Fair value at 31 August 2017 £	Fair value at 31 August 2016 £
Equities	4,085,000	3,667,000
Bonds	1,219,000	917,000
Property	488,000	458,000
Cash	305,000	51,000
	<hr/>	<hr/>
Total market value of assets	<u>6,097,000</u>	<u>5,093,000</u>

The actual return on scheme assets was £107,000 (2016 - £149,000).

Expected returns on assets are calculated as follows:-

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

Asset model

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

Key subjective assumptions are:

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

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

The expected return on assets is based on the long-term future expected investment return for each asset class as at the beginning of the year (i.e. as at 1 September 2015 for the year to 31 August 2016, or date of joining the fund if later).

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

24. PENSION COMMITMENTS (continued)

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

	2017 £	2016 £
Current service cost	(771,000)	(554,000)
Past service cost	(98,000)	-
Interest income	107,000	149,000
Interest cost	(229,000)	(310,000)
	<u>(991,000)</u>	<u>(715,000)</u>

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

	2017 £	2016 £
At 1 September	11,060,000	8,119,000
Current service cost	771,000	554,000
Interest cost	229,000	310,000
Employee contributions	116,000	117,000
Actuarial (gains)/losses	(1,222,000)	2,094,000
Benefits paid	(160,000)	(134,000)
Past service costs	98,000	-
	<u>10,892,000</u>	<u>11,060,000</u>

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

	2017 £	2016 £
At 1 September	5,093,000	3,837,000
Interest income	107,000	149,000
Actuarial gains	413,000	713,000
Employer contributions	528,000	411,000
Employee contributions	116,000	117,000
Benefits paid	(160,000)	(134,000)
	<u>6,097,000</u>	<u>5,093,000</u>

Sensitivity analysis

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

Change in assumptions as at 31 August 2017:	Approximate % increase to Employer Liability	Approximate monetary amount £
0.5% decrease in Real Discount Rate	12%	1,285,000
0.5% increase in the Salary Increase Rate	2%	215,000
0.5% increase in the Pension Increase Rate	10%	1,048,000

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25. RELATED PARTY TRANSACTIONS

Owing to the nature of the academy'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 the trust has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the academy's financial regulations and normal procurement procedures.

The wife of M Elton, a member of the Trust, is employed by Wigston Academy as a technician. The wife of A Jones, a school governor at Wigston College, is employed by Wigston College as a cleaner. The partner of M Rogers a member of the local governing body of the college is employed by the school as an administrator. The roles of these members of staff employed by the Trust are all paid at the standard level for their role.

No other related party transactions took place in either the current or prior period.

26. CONNECTED CHARITIES

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

27. MEMBERS' LIABILITY

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