

**Company Registration Number: 07975551 (England & Wales)**

**WIGSTON ACADEMIES TRUST**

**(A company limited by guarantee)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2019**

**WIGSTON ACADEMIES TRUST**  
**(A company limited by guarantee)**

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**WIGSTON ACADEMIES TRUST**  
**(A company limited by guarantee)**

**REFERENCE AND ADMINISTRATIVE DETAILS**

<b>Members</b>	E Abbott M Elton A Wright J Cooke
<b>Trustees</b>	P Munro, Chair <sup>1</sup> M Bryne <sup>1</sup> E Coates <sup>1</sup> C Gore <sup>1</sup> S Lamb G Swingler N Green (appointed 11 July 2019)  <sup>1</sup> Finance Committee
<b>Company registered number</b>	07975551
<b>Company name</b>	Wigston Academies Trust
<b>Registered office</b>	Station Road Wigston Magna Leicester LE18 2DU
<b>Principal operating office</b>	Station Road Wigston Magna Leicester LE18 2DU
<b>Company secretary</b>	C Reeds
<b>Senior management team</b>	M Mitchley, Executive Headteacher and Accounting Officer M Wilson, Headteacher C Reeds/M Astill, Chief Operating Officer
<b>Independent auditors</b>	Magma Audit LLP Chartered Accountants Unit 2, Charnwood Edge Business Park Syston Road Cossington Leicestershire LE7 4UZ
<b>Bankers</b>	Lloyds Bank Plc 7 High Street Leicester Leicestershire LE1 9FS

**WIGSTON ACADEMIES TRUST**  
**(A company limited by guarantee)**

**TRUSTEES' REPORT**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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The Trustees present their annual report together with the financial statements and auditors' report of the charitable company for the year 1 September 2018 to 31 August 2019. The annual report serves the purposes of both a Trustees' report and a directors' report under company law.

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

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

The two Academies that the academy trust operates for pupils aged 11 to 19 serving the catchment area of Wigston. Wigston Academy has a pupil capacity of 1,560 and had a roll of 1,375 in the school census on 5 October 2018. 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 of Association is the primary governing document 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 during the year, and to the date these accounts are approved are included in the reference and administrative details on page 1.

#### **• Members' liability**

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

**WIGSTON ACADEMIES TRUST**  
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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**Structure, governance and management (continued)**

● **Trustees' indemnities**

In accordance with normal practice the Academy Trust has purchased insurance to protect the Trustees and officers from claims arising from negligent acts, errors and omissions whilst on school business. The cover under the policy is £3,000,000 and in the period under review the sum of £1,308 inclusive of tax was paid (2018 - £1,370).

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

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

● **Organisational structure**

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

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

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

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, Principal and Accounting Officer and attends all meetings. The Chief Operating Officer attends the Trustee meetings and any other meetings as appropriate.

**WIGSTON ACADEMIES TRUST**  
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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**Structure, governance and management (continued)**

● **Arrangements for setting pay and remuneration of key management personnel**

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

● **Trade union facility time**

**Relevant union officials**

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

**Percentage of time spent on facility time**

<b>Percentage of time</b>	<b>Number of employees</b>
0%	<b>1</b>
1%-50%	<b>1</b>
51%-99%	-
100%	-

**Percentage of pay bill spent on facility time**

	<b>£</b>	
Total cost of facility time	<b>625</b>	
Total pay bill	<b>7,943,537</b>	
Percentage of total pay bill spent on facility time	-	%

**Paid trade union activities**

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

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

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.

**WIGSTON ACADEMIES TRUST**  
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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**Structure, governance and management (continued)**

**Objectives and activities**

• **Objects and aims**

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

• **Objectives, strategies and activities**

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

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

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

To achieve these aims, we strive to ensure that;

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

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

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

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

**Objectives and activities (continued)**

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 Nct I – 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.



**WIGSTON ACADEMIES TRUST**  
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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**Objectives and activities (continued)**

**Strategic report**

**Achievements and performance**

• **Key performance indicators**

**KS4 Overview Analysis**

**Wigston Academy – Results 2019 (Unvalidated)**

This is the first full year of 9 to 1 grading and there has been a marked increase in the grade boundaries of the subjects which were already 9 to 1, e.g. the sciences, the languages and humanities. This mirrored an increase in English and maths grade boundaries in their second year. There has been overall improvement in the schools' Progress 8 score which has gone from -0.62 to -0.45. This seems to be against the local trend and the school's ranking increased from 91st to 84th place.

**Headline Figures**

**KS4 Overview Analysis Wigston Academy – 2019 (UNVALIDATED)**

**General Information**

	<b>Cohort</b>	<b>Explanation</b>
<b>Overall</b>	<b>231</b>	<p>These are ALL the students that we have to include in our DFE final headline figures. (227 – current holding figure)</p> <p><b>Alternative Provision (AP) = 5</b>      A general definition is those students who, although still on roll, were educated elsewhere.</p> <p><b>Abington House (AB) = 9</b>      These are students who are still on roll but were not educated in the Academy.</p>

**Headline Figures (with comparison to previous results)**

	<b>2018 (252)</b>	<b>2018 National</b>	<b>2019 (227)</b>	<b>Comparison to 2018</b>
Average Point Score (APS)	3.57		3.72	+0.15
Progress 8	-0.62	-0.02	-0.45	+0.17
Attainment 8	35.5	46.5	35.96	+0.46
% EBacc Grade 5 (C+)	8.0	16.7	6.9	-1.1

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

**Strategic report (continued)**

**Achievements and performance (continued)**

**English and Maths**

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

	<b>2018 (252)</b>	<b>2018 National</b>	<b>2019 (231)</b>	<b>Comparison to 2018</b>
9-7	5.2		6.1	+0.9
9-5 (High Pass)	23.2	43.3	20.8	-2.4
9-4 (Standard Pass)	48.4	59.4	44.2	-4.2

**% of students gaining a qualification in English Language**

	<b>2018 (252)</b>	<b>2018 National</b>	<b>2019 (231)</b>	<b>Comparison to 2018</b>
9-7	7.4	14.0	10.8	+3.4
9-5 (High Pass)	36.9	44.6	32.5	-4.4
9-4 (Standard Pass)	51.5	62.0	51.1	-0.4

**% of students gaining a qualification in English Literature**

	<b>2018 (252)</b>	<b>2018 National</b>	<b>2019 (231)</b>	<b>Comparison to 2018</b>
9-7	3.7	19.5	9.5	+5.8
9-5 (High Pass)	34.4	55.5	34.2	-0.2
9-4 (Standard Pass)	57.7	72.9	54.1	-3.6

**% of students gaining a qualification in Maths**

	<b>2018 (252)</b>	<b>2018 National</b>	<b>2019 (231)</b>	<b>Comparison to 2018</b>
9-7	12.0	15.7	10.8	-1.2
9-5 (High Pass)	33.2	40.3	26.8	-6.4
9-4 (Standard Pass)	59.8	59.7	52.4	-7.4

**KS5 Overview Analysis Wigston College – 2019 (UNVALIDATED)**

**General Information**

**The Cohort**

	<b>Cohort</b>	<b>Explanation</b>
<b>Overall</b>	108	These are ALL the students that we have to include in our DFE final headline figures.
<b>The breakdown:</b>	95	Students that are on roll and in Year 13/14.
	13	Including 9 students who completed a Cambridge Technical qualification in Sport that is not approved for inclusion in our official DFE data. This will be rectified in 2020. Add back students are those who have completed AS/A Levels with us whose results have yet to be included in any of our headline figures (i.e. our students at some point in last 3 years).

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

**Strategic report (continued)**

**Achievements and performance (continued)**

**Headline Figures**

	<b>2018 (104)</b>	<b>Nat 2018</b>	<b>2019 (108)</b>	<b>Comparison to 2018</b>
<b>APS Per Entry</b>	22.48	33.33	27.60	+5.13
<b>Average Grade Per Entry</b>	D+	C+	C-	+ 1 sub level

**Valued Added – Progress**

	<b>2018</b>				<b>2019</b>			
	Cohort	VA	Comparison to 2017		Cohort	VA	Comparison to 2018	
<b>A-Level</b>	107	-0.20	-0.13	↓	99	<b>-0.23</b>	-0.03	↓
<b>Applied General</b>	6	0.07	0.74	↑	24	<b>-0.18</b>	-0.25	↓

**Other Measures**

	<b>2018 (81)</b>	<b>Nat 2018</b>	<b>2019 (71)</b>	<b>Comparison to 2018</b>
<b>A Level students achieving AAB+ in at least 2 “facilitating Subjects” %</b>	2.6	16.2	7.0	+4.4
<b>Average Points for best three A Level subjects</b>	23.9	33.59	28.22	+4.32
<b>Average Grade for best three A Level subjects</b>	D+	C+	C-	+ 1 sub level

● **Going concern**

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

As at 31 August 2019 the Academy Trust held deficit unrestricted reserves and unspent (non fixed asset) restricted funds of £213,326. The Executive Headteacher and Trustees are working on a financial recovery plan to restore the deficit by the year 2020/21. The Academy Trust is liaising with the ESFA in this process. Based on the recovery plan in place for the Academy Trust the financial statements have been prepared on a going concern basis.

**WIGSTON ACADEMIES TRUST**  
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**TRUSTEES' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**Strategic report (continued)**

**Achievements and performance (continued)**

**Financial review**

● **Financial review**

The Academy Trust had a net decrease in funds for the year ended 31 August 2019 of £650,259 including fixed asset movements but excluding pension reserve movements. As at 31 August 2019 the Academy Trust held £574,655 of unrestricted reserves less a deficit of £787,981 of unspent (non fixed asset) restricted funds. The Academy Trust therefore has a deficit of unrestricted and non fixed asset restricted funds, being its available reserves of £213,326.

The Academy Trust had a pension deficit on their Local Government Pension Scheme of £6,703,000 at 31 August 2019 and a fixed asset reserve of £27,315,572 (being the book value of past purchases £27,221,498 plus £94,074 of unspent capital grants).

Despite the deficit there are no significant factors going forward that are expected to impact on the normal continuing operation of the Academy Trust. The Executive Headteacher and Trustees are working towards a financial recovery plan to reduce the deficit of the Academy Trust. The principle financial management policies adopted in the period are included in the Academy Trust'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 Trust are the General Annual Grant (GAG) and other DfE Group grants, such as Pupil Premium. This funding has been used to support the key educational objectives of the Academy Trust, subject to any remaining reserves.

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

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

**Strategic report (continued)**

**Financial review (continued)**

• **Reserves policy**

The trustees have developed a reserves policy for the school which is reviewed at least annually. The Academy Trust 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 £751,000.

Actual free reserves plus unspent GAG as at 31 August 2019 were at a deficit of £455,558. Excluded from this figure are designated reserves of £175,000 towards the eventual replacement of the All Weather Pitch and other available restricted funds amounting to £67,232. The current level of free reserves is not considered appropriate for the Trust at this stage. The Academy Trust has liaised with the ESFA and is working on a Financial Recovery plan to reduce the deficit by the year 2020/21. Total available revenue reserves at 31 August 2019 were in deficit by £213,326. Cash at bank at 31 August 2019 was £532,247 higher than total available reserves due principally to £94,074 of unspent capital funds, £120,124 of income received in advance, £30,047 of unpaid trade creditors and £244,693 of unpaid PAYE and pension liabilities at the year end plus other accruals timing adjustments.

At 31 August 2019 the Academy Trust's fixed asset reserve of £27,315,572 represented £27,221,498 of funds which could only be realised if the assets were sold, plus £94,074 of unspent capital grants.

At the year end was a deficit the pension reserve (deficit of £6,703,000) 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.

• **Investment policy**

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

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

**Strategic report (continued)**

**Financial review (continued)**

● **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 Trust 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 Trust is exposed, in particular those related to the operations and finances of the Academy Trust, 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 Trust. Detailed consideration of risk are delegated to the Senior Leadership and Management Team of the Academy Trust. 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 Trust, 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 2019 the pension deficit on the Local Government Pension Scheme stood at £6,703,000 for the 2 schools (31 August 2018 - £4,380,000). The Academy Trust 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.

**Fundraising**

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

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

**Plans for future periods**

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

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

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

The Trust has been working closely with the ESFA on a recovery plan. It has exceeded targets for the end of the first year and the Trust has been congratulated by DfE staff working with us.

**Funds held as custodian on behalf of others**

The Academy Trust does not hold any such funds on behalf of organisations. Transactions and balances relating to the controlled charities referred to on page 4 and note 29 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, and
- that Trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are 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 reappointing the auditors at a meeting of the Trustees.

The Trustees' Report, incorporating a strategic report, was approved by order of the board of Trustees, as the company directors, on 9 December 2019 and signed on its behalf by:

**P Munro**  
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
P Munro, Chair	6	6
M Bryne	4	6
E Coates	6	6
C Gore	5	6
S Lamb	6	6
G Swingler	4	6
N Green	0	0
In attendance		
M Mitchley, Executive Headteacher	6	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 of Trustees regularly carries out skills audits of its members and has a good and broad skills base including financial and legal expertise and expertise in local government. New arrangements put in place by the Executive Headteacher have strengthened the Local Governing Body (LGB) accountability and in turn the accountability of staff to the LGB. The Board sends Trustee observers to each LGB and LGB committee meeting and the Executive Headteacher, attends every LGB meeting. Trustees scrutinise through LGB meetings reports from an external advisor who is a serving OFSTED Inspector and former Headteacher.

**Governance reviews:**

The Academy Trust conducts a self evaluation review or an external review annually. The next review is due in the year ended August 2020. The 2018 Academy Trust inspection rated governance '... a strength.'



**WIGSTON ACADEMIES TRUST**  
**(A company limited by guarantee)**

**GOVERNANCE STATEMENT (CONTINUED)**

**Governance (continued)**

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

Attendance during the year at meetings was as follows:

Trustee	Meetings attended	Out of a possible
P Munro, Chair	5	5
M Bryne	3	5
E Coates	5	5
C Gore	4	5
M Mitchley, Executive Headteacher	5	5

**Review of value for money**

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

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

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

**The purpose of the system of internal control**

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can, therefore, only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Academy Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Wigston Academies Trust for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements.

**Capacity to handle risk**

The Board of Trustees has reviewed the key risks to which the Academy Trust is exposed together with the operating, financial and compliance controls that have been implemented to mitigate those risks. The board of Trustees is of the view that there is a formal ongoing process for identifying, evaluating and managing the Academy Trust's significant risks that has been in place for the year 1 September 2018 to 31 August 2019 and up to the date of approval of the annual report and financial statements. This process is regularly reviewed by the Board of Trustees.

**WIGSTON ACADEMIES TRUST**  
**(A company limited by guarantee)**

**GOVERNANCE STATEMENT (CONTINUED)**

**The risk and control framework**

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

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

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

The internal auditor's role includes giving advice on financial matters and performing a range of checks on the Academy Trust'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 through the finance Committee on the operation of the systems of control and on the discharge of the Trustees' financial responsibilities.

The latest internal audit visit was in June 2019. 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 Trust who have responsibility for the development and maintenance of the internal control framework.

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

Approved by order of the members of the Board of Trustees on 9 December 2019 and signed on their behalf by:

**P Munro**  
Chair of Trustees

**M Mitchley**  
Accounting Officer

**WIGSTON ACADEMIES TRUST**  
**(A company limited by guarantee)**

**STATEMENT ON REGULARITY, PROPRIETY AND COMPLIANCE**

As Accounting Officer of Wigston Academies Trust I have considered my responsibility to notify the Academy Trust Board of Trustees and the Education & Skills Funding Agency (ESFA) of material irregularity, impropriety and non-compliance with terms and conditions of all funding received by the Academy Trust, under the funding agreement in place between the Academy Trust and the Secretary of State for Education. As part of my consideration I have had due regard to the requirements of the Academies Financial Handbook 2018.

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

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

**Financial Issues**

Under the requirements of the Academies Financial Handbook 2018, paragraph 2.3.1, the Board of Trustees must approve a balanced budget, and any significant changes to it, for the financial year to 31 August, which can draw on unspent funds brought forward from the previous years. During the year the Academy Trust has reported a carry forward deficit of unrestricted and non-fixed asset restricted funds of £213,326. The Academy Trust has informed the ESFA and we have been working closely together on a financial recovery plan. At the end of the first year the Academy Trust has exceeded its targets. The Academy Trust aims to recover from the deficit by 2020/21.

**M Mitchley**  
Accounting Officer  
Date: 9 December 2019

**WIGSTON ACADEMIES TRUST**  
**(A company limited by guarantee)**

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

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

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

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

Approved by order of the members of the board of Trustees on 9 December 2019 and signed on its behalf by:

**P Munro**  
Chair of Trustees

**WIGSTON ACADEMIES TRUST**  
**(A company limited by guarantee)**

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

**Opinion**

We have audited the financial statements of Wigston Academies Trust (the 'academy trust') for the year ended 31 August 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law, United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

In our opinion the financial statements:

- give a true and fair view of the state of the Academy Trust's affairs as at 31 August 2019 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities SORP 2015 and the Academies Accounts Direction 2018 to 2019 issued by the Education & Skills Funding Agency.

**Basis for opinion**

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

**Conclusions relating to going concern**

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

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

**WIGSTON ACADEMIES TRUST**  
**(A company limited by guarantee)**

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

**Other information**

The Trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Other information includes the Reference and Administrative Details, the Trustees' Report including the Strategic Report, and the Governance Statement. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

**Opinion on other matters prescribed by the Companies Act 2006**

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

- the information given in the Trustees' Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Trustees' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

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

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

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

**WIGSTON ACADEMIES TRUST**  
**(A company limited by guarantee)**

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

**Responsibilities of trustees**

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

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

**Auditors' responsibilities for the audit of the financial statements**

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' Report.

**Use of our report**

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

**Luke Turner ACA FCCA (Senior Statutory Auditor)**

for and on behalf of  
**Magma Audit LLP**

Chartered Accountants  
Statutory Auditors

Unit 2, Charnwood Edge Business Park

Syston Road

Cossington

Leicestershire

LE7 4UZ

11 December 2019

**WIGSTON ACADEMIES TRUST**  
**(A company limited by guarantee)**

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

In accordance with the terms of our engagement letter dated 22 August 2018 and further to the requirements of the Education & Skills Funding Agency (ESFA) as included in the Academies Accounts Direction 2018 to 2019, 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 2018 to 31 August 2019 have been applied to the purposes identified by Parliament and the financial transactions conform to the authorities which govern them.

This report is made solely to 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 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 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 2018, for ensuring that expenditure disbursed and income received is applied for the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

Our responsibilities for this engagement are established in the United Kingdom by our profession's ethical guidance and are to obtain limited assurance and report in accordance with our engagement letter and the requirements of the Academies Accounts Direction 2018 to 2019. We report to you whether anything has come to our attention in carrying out our work which suggests that in all material respects, expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 have not been applied to purposes intended by Parliament or that the financial transactions do not conform to the authorities which govern them.

**Approach**

We conducted our engagement in accordance with the Academies Accounts Direction 2018 to 2019 issued by ESFA. We performed a limited assurance engagement as defined in our engagement letter.

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

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

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

The work undertaken to draw our conclusion includes:

- On a sample basis testing transactions and balances.
- Making enquiries of the academy trust 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 ACCOUNTANT'S ASSURANCE REPORT ON REGULARITY TO WIGSTON  
ACADEMIES TRUST AND THE EDUCATION & SKILLS FUNDING AGENCY (CONTINUED)**

**Conclusion**

In the course of our work, except for the matters listed below nothing has come to our attention which suggest in all material respects the expenditure disbursed and income received during the year 1 September 2018 to 31 August 2019 has not been applied to purposes intended by Parliament and the financial transactions do not conform to the authorities which govern them.

**Financial Issues**

Under the requirements of the Academies Financial Handbook 2018, paragraph 2.3.1, the Board of Trustees must approve a balanced budget, and any significant changes to it, for the financial year to 31 August, which can draw on unspent funds brought forward from the previous years. During the year the Academy Trust has reported a carry forward deficit of unrestricted and non-fixed asset restricted funds of £213,326. The Academy Trust has informed the ESFA and they have been working closely together on a financial recovery plan. At the end of the first year the Academy Trust has exceeded its targets. The Academy Trust aims to recover from the deficit by 2020/21.

**Reporting Accountant**

**Magma Audit LLP**

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

Date: 11 December 2019

**WIGSTON ACADEMIES TRUST**  
(A company limited by guarantee)

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

	Note	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
<b>Income from:</b>						
Donations and capital grants	3	-	-	424,731	424,731	1,110,971
Charitable activities	4	-	8,730,277	-	8,730,277	8,831,726
Other trading activities	5	259,503	-	-	259,503	247,577
Investments	6	671	1,099	-	1,770	2,712
<b>Total income</b>		<b>260,174</b>	<b>8,731,376</b>	<b>424,731</b>	<b>9,416,281</b>	<b>10,192,986</b>
<b>Expenditure on:</b>						
Raising funds		186,740	-	-	186,740	221,263
Charitable activities		-	9,521,247	931,897	10,453,144	11,786,427
<b>Total expenditure</b>	7	<b>186,740</b>	<b>9,521,247</b>	<b>931,897</b>	<b>10,639,884</b>	<b>12,007,690</b>
Net gains on investments		-	2,344	-	2,344	3,335
<b>Net income/(expenditure)</b>		<b>73,434</b>	<b>(787,527)</b>	<b>(507,166)</b>	<b>(1,221,259)</b>	<b>(1,811,369)</b>
Transfers between funds	19	(33,907)	106,900	(72,993)	-	-
<b>Net movement in funds before other recognised gains/(losses)</b>		<b>39,527</b>	<b>(680,627)</b>	<b>(580,159)</b>	<b>(1,221,259)</b>	<b>(1,811,369)</b>
<b>Other recognised gains/(losses):</b>						
Actuarial (losses)/gains on defined benefit pension schemes	26	-	(1,752,000)	-	(1,752,000)	944,000
<b>Net movement in funds</b>		<b>39,527</b>	<b>(2,432,627)</b>	<b>(580,159)</b>	<b>(2,973,259)</b>	<b>(867,369)</b>
<b>Reconciliation of funds:</b>						
Total funds brought forward		535,128	(5,058,354)	27,895,731	23,372,505	24,239,874
Net movement in funds		39,527	(2,432,627)	(580,159)	(2,973,259)	(867,369)
<b>Total funds carried forward</b>		<b>574,655</b>	<b>(7,490,981)</b>	<b>27,315,572</b>	<b>20,399,246</b>	<b>23,372,505</b>

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

The notes on pages 28 to 57 form part of these financial statements.

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

**BALANCE SHEET**  
**AS AT 31 AUGUST 2019**

	Note	2019 £	2018 £
<b>Fixed assets</b>			
Tangible assets	14	27,221,498	27,840,495
Investments	15	46,880	44,536
		27,268,378	27,885,031
<b>Current assets</b>			
Debtors	16	258,185	264,753
Cash at bank and in hand		318,921	540,702
		577,106	805,455
Creditors: amounts falling due within one year	17	(730,417)	(899,518)
<b>Net current liabilities</b>		(153,311)	(94,063)
<b>Total assets less current liabilities</b>		27,115,067	27,790,968
Creditors: amounts falling due after more than one year	18	(12,821)	(38,463)
<b>Net assets excluding pension liability</b>		27,102,246	27,752,505
Defined benefit pension scheme liability	26	(6,703,000)	(4,380,000)
<b>Total net assets</b>		20,399,246	23,372,505
<b>Funds of the Academy Trust</b>			
<b>Restricted funds:</b>			
Fixed asset fund	19	27,315,572	27,895,731
Restricted income fund	19	(787,981)	(678,354)
		26,527,591	27,217,377
Restricted funds excluding pension liability	19	26,527,591	27,217,377
Pension reserve	19	(6,703,000)	(4,380,000)
<b>Total restricted funds</b>	19	19,824,591	22,837,377
<b>Unrestricted income funds</b>	19	574,655	535,128
<b>Total funds</b>		20,399,246	23,372,505

The financial statements on pages 24 to 57 were approved by the Trustees, and authorised for issue on 09 December 2019 and are signed on their behalf, by:

**WIGSTON ACADEMIES TRUST**  
**(A company limited by guarantee)**

**BALANCE SHEET (CONTINUED)**  
**AS AT 31 AUGUST 2019**

**P Munro**

The notes on pages 28 to 57 form part of these financial statements.

**WIGSTON ACADEMIES TRUST**  
(A company limited by guarantee)

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

	Note	2019 £	2018 £
<b>Cash flows from operating activities</b>			
Net cash used in operating activities	21	(309,740)	(1,782,414)
<b>Cash flows from investing activities</b>	23	113,601	(75,303)
<b>Cash flows from financing activities</b>	22	(25,642)	(25,642)
<b>Change in cash and cash equivalents in the year</b>		<b>(221,781)</b>	<b>(1,883,359)</b>
Cash and cash equivalents at the beginning of the year		540,702	2,424,061
<b>Cash and cash equivalents at the end of the year</b>	24	<b>318,921</b>	<b>540,702</b>

The notes on pages 28 to 57 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 2019**

**1. Accounting policies**

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

**1.1 Basis of preparation of financial statements**

The financial statements of the Academy Trust, which is a public benefit entity under FRS 102, have been prepared under the historic cost convention in accordance with the Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102), the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Charities SORP (FRS 102)), the Academies Accounts Direction 2018 to 2019 issued by ESFA, the Charities Act 2011 and the Companies Act 2006.

Wigston Academies Trust meets the definition of a public benefit entity under FRS 102.

**1.2 Going concern**

The Trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Academy Trust to continue as a going concern. The Trustees make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements 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.

As at 31 August 2019 the Academy Trust held deficit unrestricted reserves and unspent (non-fixed asset) restricted funds of £213,326. The Executive Headteacher and the Trustees have been working on a recovery plan to restore the deficit by 2020/21. The Academy Trust has been liaising with the ESFA who are supporting the school in this process. Based on the recovery plan in place for the Academy Trust the financial statements have been prepared on a going concern basis.

**WIGSTON ACADEMIES TRUST**  
**(A company limited by guarantee)**

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

**1. Accounting policies (continued)**

**1.3 Income**

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

• **Grants**

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

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

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

• **Donations**

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

• **Other income**

Other income, including the hire of facilities, is recognised in the year it is receivable and to the extent the Academy Trust has provided the goods or on completion of the service.

• **Transfer on conversion**

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

• **Donated fixed assets (excluding transfers on conversion or into the Academy Trust)**

Donated fixed asset are measured at fair value, unless it is impractical to measure this reliably, in which case the cost of the item to the donor should be used. The gain is recognised as 'Income from Donations and Capital Grants' 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.

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

**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**

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

• **Charitable activities**

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

All resources expended are inclusive of irrecoverable VAT.

**1.5 Interest receivable**

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

**1.6 Taxation**

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

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

**1.7 Tangible fixed assets**

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

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



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**NOTES TO THE FINANCIAL STATEMENTS**  
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**1. Accounting policies (continued)**

**1.7 Tangible fixed assets (continued)**

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

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

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

**1.8 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 the 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 presented as 'gains/(losses) on investments' in the Statement of Financial Activities.

**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**

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

**1.11 Provisions**

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.

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

**1. Accounting policies (continued)**

**1.12 Financial instruments**

The Academy Trust only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the Academy Trust and their measurement bases are as follows:

*Financial assets* - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost as detailed in note 16. Prepayments are not financial instruments. Amounts due to the Academy Trust's wholly owned subsidiary are held at face value less any impairment. Cash at bank is classified as a basic financial instrument and is measured at face value.

*Financial liabilities* - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost as detailed in notes 17 and 18. Taxation and social security are not included in the financial instruments disclosure definition. Deferred income is not deemed to be a financial liability, as the cash settlement has already taken place and there is an obligation to deliver services rather than cash or another financial instrument. Amounts due to the Academy Trust's wholly owned subsidiary are held at face value less any impairment.

**1.13 Pensions**

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

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

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

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

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

**1. Accounting policies (continued)**

**1.14 Fund accounting**

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

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

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

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

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 in the notes to the accounts for any transfers processed.

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

**2. Critical accounting estimates and areas of judgment**

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

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 or income for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 26, will impact the carrying amount of the pension liability. Furthermore a roll forward approach which projects results from the latest full actuarial valuation performed at 31 March 2016 has been used by the actuary in valuing the pensions liability at 31 August 2019. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

**Tangible assets**

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the 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 14 for the carrying amount of the property plant and equipment, and note 1.7 on the useful economic lives for each class of assets.

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**3. Income from donations and capital grants**

	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £	Total funds 2018 £
Donations	-	-	-	262
Capital grants	-	424,731	<b>424,731</b>	1,110,709
	<u>-</u>	<u>424,731</u>	<u><b>424,731</b></u>	<u>1,110,971</u>
Total 2018	<u>262</u>	<u>1,110,709</u>	<u>1,110,971</u>	

**4. Funding for the Academy Trust's educational operations**

	Restricted funds 2019 £	Total funds 2019 £	Total funds 2018 £
<b>DfE/ESFA grants</b>			
General Annual Grant (GAG)	7,579,323	<b>7,579,323</b>	7,713,264
Other DfE/EFA grants	425,249	<b>425,249</b>	368,602
	<u>8,004,572</u>	<u><b>8,004,572</b></u>	<u>8,081,866</u>
<b>Other government grants</b>			
Local Authority grants	411,183	<b>411,183</b>	418,869
	<u>411,183</u>	<u><b>411,183</b></u>	<u>418,869</u>
<b>Other funding</b>			
Other grants	15,323	<b>15,323</b>	34,913
Catering income	292,497	<b>292,497</b>	292,676
Apprenticeship levy	6,702	<b>6,702</b>	3,402
	<u>8,730,277</u>	<u><b>8,730,277</b></u>	<u>8,831,726</u>

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**NOTES TO THE FINANCIAL STATEMENTS  
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**5. Income from other trading activities**

	<b>Unrestricted funds 2019 £</b>	<b>Total funds 2019 £</b>	Total funds 2018 £
Hire of facilities	124,754	<b>124,754</b>	116,364
Other income	-	-	9,604
Headteacher consultancy fees	8,028	<b>8,028</b>	12,245
Tiger tots income	119,955	<b>119,955</b>	104,083
Bar income	6,766	<b>6,766</b>	5,281
	<u>259,503</u>	<u><b>259,503</b></u>	<u>247,577</u>

**6. Investment income**

	<b>Unrestricted funds 2019 £</b>	<b>Restricted funds 2019 £</b>	<b>Total funds 2019 £</b>	Total funds 2018 £
Dividends received	-	1,052	<b>1,052</b>	1,795
Bank interest received	671	47	<b>718</b>	917
	<u>671</u>	<u>1,099</u>	<u><b>1,770</b></u>	<u>2,712</u>
Total 2018	<u>884</u>	<u>1,828</u>	<u>2,712</u>	

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**NOTES TO THE FINANCIAL STATEMENTS  
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**7. Expenditure**

	<b>Staff Costs 2019 £</b>	<b>Premises 2019 £</b>	<b>Other 2019 £</b>	<b>Total 2019 £</b>	Total 2018 £
Expenditure on fundraising trading activities:					
Direct costs	8,028	-	-	<b>8,028</b>	12,245
Allocated support costs	155,335	-	23,377	<b>178,712</b>	209,018
Educational operations:					
Direct costs	6,851,420	698,923	511,800	<b>8,062,143</b>	8,964,596
Allocated support costs	1,237,423	530,213	623,365	<b>2,391,001</b>	2,821,831
	<u>8,252,206</u>	<u>1,229,136</u>	<u>1,158,542</u>	<u><b>10,639,884</b></u>	<u>12,007,690</u>
Total 2018	<u><u>9,348,814</u></u>	<u><u>1,334,958</u></u>	<u><u>1,323,918</u></u>	<u><u>12,007,690</u></u>	

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**NOTES TO THE FINANCIAL STATEMENTS  
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**8. Analysis of expenditure by activities**

	<b>Activities undertaken directly 2019 £</b>	<b>Support costs 2019 £</b>	<b>Total funds 2019 £</b>	<b>Total funds 2018 £</b>
Educational operations	8,062,143	2,391,001	<b>10,453,144</b>	11,786,427
Total 2018	<u>8,964,596</u>	<u>2,821,831</u>	<u>11,786,427</u>	

**Analysis of direct costs**

	<b>Total funds 2019 £</b>	<b>Total funds 2018 £</b>
LGPS pension interest cost (£324,000) less return on assets (£198,000)	<b>126,000</b>	125,000
Staff costs	<b>6,543,705</b>	7,165,848
Educational supplies	<b>162,997</b>	203,740
Examination fees	<b>101,647</b>	131,644
Staff development	<b>10,166</b>	12,731
Educational consultancy	<b>106,455</b>	132,264
Other direct costs	<b>247,505</b>	431,425
Staff restructuring costs	<b>61,195</b>	58,611
Depreciation	<b>698,923</b>	701,548
Technology costs	<b>3,550</b>	1,785
	<u><b>8,062,143</b></u>	<u>8,964,596</u>

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**NOTES TO THE FINANCIAL STATEMENTS  
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**8. Analysis of expenditure by activities (continued)**

**Analysis of support costs**

	<b>Total funds 2019 £</b>	<b>Total funds 2018 £</b>
Staff costs	<b>1,236,469</b>	1,502,570
Recruitment	<b>6,747</b>	4,767
Maintenance of premises and equipment	<b>92,396</b>	180,907
Cleaning	<b>32,095</b>	41,640
Rates	<b>126,007</b>	138,244
Insurance	<b>46,740</b>	38,768
Depreciation	<b>232,974</b>	233,849
Catering	<b>168,794</b>	183,396
Bank interest and charges	<b>5,878</b>	6,309
Staff restructuring costs	<b>954</b>	-
Other support costs	<b>132,216</b>	143,498
Security and transport	<b>37,956</b>	54,515
Technology costs	<b>29,107</b>	43,907
Energy costs	<b>222,135</b>	226,669
Governance	<b>20,533</b>	22,792
	<b><u>2,391,001</u></b>	<b><u>2,821,831</u></b>

**9. Net income/(expenditure)**

Net income/(expenditure) for the year includes:

	<b>2019 £</b>	<b>2018 £</b>
Depreciation of tangible fixed assets	<b>931,897</b>	935,397
Fees paid to auditors for:		
- audit	<b>14,650</b>	14,200
- other services	<b>1,400</b>	1,360
	<b><u>14,650</u></b>	<b><u>14,200</u></b>
	<b><u>1,400</u></b>	<b><u>1,360</u></b>



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

**10. Staff costs**

**a. Staff costs**

Staff costs during the year were as follows:

	<b>2019</b>	2018
	£	£
Wages and salaries	<b>5,887,820</b>	6,670,052
Social security costs	<b>545,209</b>	613,479
Pension costs	<b>1,510,508</b>	1,575,693
	<b>7,943,537</b>	8,859,224
Agency staff costs	<b>246,520</b>	430,979
Staff restructuring costs	<b>62,149</b>	58,611
	<b>8,252,206</b>	9,348,814

Staff restructuring costs comprise:

	<b>2019</b>	2018
	£	£
Redundancy payments	<b>62,149</b>	49,320
Severance payments	-	1,000
Other restructuring costs	-	8,291
	<b>62,149</b>	58,611

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

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

**c. Staff numbers**

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

	<b>2019</b>	2018
	No.	No.
Teachers	<b>102</b>	108
Administration and support	<b>162</b>	221
Management	<b>3</b>	3
	<b>267</b>	332

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**NOTES TO THE FINANCIAL STATEMENTS  
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**10. Staff costs (continued)**

**d. Higher paid staff**

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

	<b>2019</b>	2018
	<b>No.</b>	No.
In the band £60,001 - £70,000	4	4
In the band £70,001 - £80,000	-	1
In the band £80,001 - £90,000	-	1
In the band £90,001 - £100,000	1	-
In the band £110,001 - £120,000	1	1
	1	1

**e. Key management personnel**

The key management personnel of the academy trust comprise the Trustees and the senior management team as listed on page 1. The total amount of employee benefits (including employer pension contributions and employer national insurance contributions) received by key management personnel for their services to the academy trust was £338,752 (2018: - £335,172). These figures include salary costs of Trustees employed by the academy, even when they have no management role within their employment.

**11. Central services**

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

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

The Academy Trust charges for these services on the following basis:

5% of GAG funding

The actual amounts charged during the year were as follows:

	<b>2019</b>	2018
	<b>£</b>	£
Wigston Academy	326,062	316,411
Wigston College	45,226	61,421
<b>Total</b>	<b>371,288</b>	377,832

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**12. Trustees' and Executive Headteacher remuneration and expenses**

One or more Trustees and the Executive Headteacher has been paid remuneration or has received other benefits from an employment with the Academy Trust. The Executive Headteacher and other staff Trustees only receive remuneration in respect of services they provide undertaking the roles of Executive Headteacher and staff members under their contracts of employment.

The value of the Executive Headteacher and Trustees' remuneration and other benefits was as follows:

M Mitchley (Executive Headteacher)

Remuneration £110,000 - £115,000 (2018: £110,000 - £115,000)

Employer's pension contributions £15,000 - £20,000 (2018: £15,000 - £20,000)

During the year ended 31 August 2019, no Trustee expenses have been incurred (2018 - £NIL).

**13. Trustees' and Officers' insurance**

In accordance with normal commercial practice, the Academy Trust 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 2019 was £1,308 (2018 - £1,370). The cost of this insurance is included in the total insurance cost.

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**NOTES TO THE FINANCIAL STATEMENTS  
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**14. Tangible fixed assets**

	Freehold land and buildings £	Leasehold land and buildings £	Furniture, fittings and equipment £	Computer equipment £	Total £
<b>Cost or valuation</b>					
At 1 September 2018	20,649,819	9,729,842	578,979	286,202	31,244,842
Additions	-	294,259	18,641	-	312,900
At 31 August 2019	<u>20,649,819</u>	<u>10,024,101</u>	<u>597,620</u>	<u>286,202</u>	<u>31,557,742</u>
<b>Depreciation</b>					
At 1 September 2018	1,934,614	893,147	344,872	231,714	3,404,347
Charge for the year	478,393	346,539	68,606	38,359	931,897
At 31 August 2019	<u>2,413,007</u>	<u>1,239,686</u>	<u>413,478</u>	<u>270,073</u>	<u>4,336,244</u>
<b>Net book value</b>					
At 31 August 2019	<u><u>18,236,812</u></u>	<u><u>8,784,415</u></u>	<u><u>184,142</u></u>	<u><u>16,129</u></u>	<u><u>27,221,498</u></u>
At 31 August 2018	<u><u>18,715,205</u></u>	<u><u>8,836,695</u></u>	<u><u>234,107</u></u>	<u><u>54,488</u></u>	<u><u>27,840,495</u></u>

See note 1.3 regarding assets transferred on conversion.

**15. Fixed asset investments**

	Listed investments £
<b>Cost or valuation</b>	
At 1 September 2018	44,536
Revaluations	2,344
<b>At 31 August 2019</b>	<u><u>46,880</u></u>
<b>Net book value</b>	
<b>At 31 August 2019</b>	<u><u>46,880</u></u>
<i>At 31 August 2018</i>	<u><u>44,536</u></u>

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**NOTES TO THE FINANCIAL STATEMENTS  
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**16. Debtors**

	2019 £	2018 £
<b>Due within one year</b>		
Trade debtors	30,482	31,790
VAT recoverable	39,301	62,622
Prepayments and accrued income	188,402	170,341
	258,185	264,753
	258,185	264,753

**17. Creditors: Amounts falling due within one year**

	2019 £	2018 £
Other loans	67,791	67,791
Trade creditors	30,047	189,301
Taxation and social security	119,533	138,998
Other creditors	245,653	161,448
Accruals and deferred income	267,393	341,980
	730,417	899,518
	730,417	899,518
	2019 £	2018 £
Deferred income at 1 September 2018	92,698	684,824
Resources deferred during the year	120,125	92,698
Amounts released from previous periods	(92,698)	(684,824)
	120,125	92,698
	120,125	92,698

Included within deferred income are amounts received in advance for rates income received in advance for the year to 31 March 2020 of £45,158 (2018 - £NIL), trips which take place after the year end £49,805 (2018 - £46,025), Condition Improvement Fund (CIF) income towards roof replacement phase II which has been matched to work completed £NIL (2018 - £13,688), Tiger Tots income received in advance of the autumn term £23,749 (2018 - £26,280) and lettings invoiced in advance of £NIL (£2018 - £6,705) and income due to charities amounting to £1,413 (2018 - £NIL).

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**18. Creditors: Amounts falling due after more than one year**

	2019 £	2018 £
Other loans	<u>12,821</u>	<u>38,463</u>

Other loans consists of a Salix loan for lower energy boilers as approved by the Education and Skills Funding Agency. The loan is interest free and repayable over a period of 2 years up to 31 August 2021.

**19. Statement of funds**

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
<b>Unrestricted funds</b>						
<b>Designated funds</b>						
All Weather Pitch	<u>175,000</u>	-	-	-	-	<u>175,000</u>
<b>General funds</b>						
General funds	<u>360,128</u>	<u>260,174</u>	<u>(186,740)</u>	<u>(33,907)</u>	-	<u>399,655</u>
<b>Total Unrestricted funds</b>	<u><b>535,128</b></u>	<u><b>260,174</b></u>	<u><b>(186,740)</b></u>	<u><b>(33,907)</b></u>	-	<u><b>574,655</b></u>
<b>Restricted general funds</b>						
General Annual Grant (GAG)	(742,143)	7,579,323	(7,799,293)	106,900	-	(855,213)
Pupil Premium	-	313,559	(313,559)	-	-	-
Other DfE Group grants	-	111,690	(111,690)	-	-	-
Local Authority Grants	-	411,183	(411,183)	-	-	-
Other Grants	500	15,323	(15,323)	-	-	500
Abington High School Trust Fund	6,416	47	-	-	-	6,463
Guthlaxton College Foundation Fund	56,873	1,052	-	-	2,344	60,269
Catering income	-	292,497	(292,497)	-	-	-
Apprenticeship levy	-	6,702	(6,702)	-	-	-
Pension reserve	(4,380,000)	-	(571,000)	-	(1,752,000)	(6,703,000)
	<u>(5,058,354)</u>	<u>8,731,376</u>	<u>(9,521,247)</u>	<u>106,900</u>	<u>(1,749,656)</u>	<u>(7,490,981)</u>

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**19. Statement of funds (continued)**

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2019 £
<b>Restricted fixed asset funds</b>						
DfE Group capital grants	182,686	120,528	(48,690)	(24,683)	-	229,841
Transfer from Local Authority	21,869,735	-	(611,840)	-	-	21,257,895
Capital expenditure from GAG	846,785	-	(115,210)	(37,084)	-	694,491
Local Authority income	2,546,679	-	(77,032)	-	-	2,469,647
Local Authority donation	822,930	-	(17,866)	-	-	805,064
Condition Improvement Fund (CIF)	1,626,916	304,203	(61,259)	(11,226)	-	1,858,634
	<u>27,895,731</u>	<u>424,731</u>	<u>(931,897)</u>	<u>(72,993)</u>	<u>-</u>	<u>27,315,572</u>
<b>Total Restricted funds</b>	<u>22,837,377</u>	<u>9,156,107</u>	<u>(10,453,144)</u>	<u>33,907</u>	<u>(1,749,656)</u>	<u>19,824,591</u>
<b>Total funds</b>	<u><u>23,372,505</u></u>	<u><u>9,416,281</u></u>	<u><u>(10,639,884)</u></u>	<u><u>-</u></u>	<u><u>(1,749,656)</u></u>	<u><u>20,399,246</u></u>

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

**Designated Funds**

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

**Restricted Funds**

The General Grant (GAG) relates to the school's development and operational activities. The transfer to GAG relates to an amount transferred from unrestricted funds to equalise the GAG net of funding towards fixed asset additions in the year.

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

The other DfE Group restricted funds grants consists of Year 7 Catch Up funding and the Teachers Pay 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, Access to Work, The University of Leicester and Thomas Estley Learning Alliance (TELA). All these grants were fully spent in the year. The balance carried forward at 31 August 2019 is an unspent School

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**19. Statement of funds (continued)**

Council Grant of £500.

The Abington High School Trust and Guthlaxton College Foundation Fund (charity registration number 527854) are charities 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 £6,463 and £60,269 respectively relate to unspent funds.

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

Apprenticeship levy relates to notional income and expenditure recognised in relation to the training received by the Academy Trust as part of the scheme. All funds have been spent in full during the year.

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

**Restricted Fixed Asset Funds**

DfE Group capital grants relate to funding received from these sources to purchase fixed assets. The closing balance relates to the net book value of assets concerned plus unspent Devolved Formula Capital Income of £84,129.

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 transfer to restricted funds is the schools contribution to the windows and roof projects which was not required at the end of the project.

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 and the transfer of the lease of 121 years for Abington House, a building owned by the Local Authority which is on the school campus and used by the Tiger Tots Nursery. The closing balance relates to the net book value of these assets.

The Condition Improvement Fund (CIF) income in the year relates to funding received in relation to roof replacement works (phase II and phase III) at Wigston College. The transfer is in relation to unspent funds from the window project phase II and roof project phase I at Wigston Academy and the window project phase II at Wigston College. It has been agreed by the ESFA that these funds are not due to be returned. The closing balance relates to the net book value of the assets concerned plus an under spend of funds of £9,945 from the roof phase II project.

Under the funding agreement with the Secretary of State, the Academy Trust was not subject to a limit on the amount of GAG it could carry forward at 31 August 2019.



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

**Total funds analysis by academy**

Fund balances at 31 August 2019 were allocated as follows:

	<b>2019</b>	2018
	£	£
Wigston Academy	<b>992,274</b>	357,030
Wigston College	<b>(1,231,894)</b>	(510,270)
Central Services	<b>26,294</b>	10,014
	<hr/>	<hr/>
Total before fixed asset funds and pension reserve	<b>(213,326)</b>	(143,226)
Restricted fixed asset fund	<b>27,315,572</b>	27,895,731
Pension reserve	<b>(6,703,000)</b>	(4,380,000)
	<hr/>	<hr/>
<b>Total</b>	<b>20,399,246</b>	23,372,505
	<hr/> <hr/>	<hr/> <hr/>

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

	<b>Deficit</b>
	£
Wigston College	<b>1,231,894</b>
	<hr/> <hr/>

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

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

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

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

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

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
<b>Unrestricted funds</b>						
<b>Designated funds</b>						
All Weather Pitch	175,000	-	-	-	-	175,000
<b>General funds</b>						
General funds	659,436	248,461	(221,263)	(326,506)	-	360,128
<b>Total Unrestricted funds</b>	<b>834,436</b>	<b>248,461</b>	<b>(221,263)</b>	<b>(326,506)</b>	<b>-</b>	<b>535,128</b>
<b>Restricted general funds</b>						
General Annual Grant (GAG)	504,234	7,713,264	(9,153,756)	194,115	-	(742,143)
Pupil Premium	49,550	323,380	(372,930)	-	-	-
Other DfE Group grants	-	45,222	(45,222)	-	-	-
Local Authority Grants	-	418,869	(418,869)	-	-	-
Other Grants	500	34,913	(34,913)	-	-	500
Abington High School Trust Fund	6,386	30	-	-	-	6,416
Guthlaxton College Foundation Fund	51,740	1,798	-	-	3,335	56,873
Donations	-	262	(262)	-	-	-
Catering income	-	292,676	(292,676)	-	-	-
Apprenticeship levy	-	3,402	(3,402)	-	-	-
Pension reserve	(4,795,000)	-	(529,000)	-	944,000	(4,380,000)
	<b>(4,182,590)</b>	<b>8,833,816</b>	<b>(10,851,030)</b>	<b>194,115</b>	<b>947,335</b>	<b>(5,058,354)</b>

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**19. Statement of funds (continued)**

	Balance at 1 September 2017 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2018 £
<b>Restricted fixed asset funds</b>						
DfE Group capital grants	180,199	35,596	(33,109)	-	-	182,686
Transfer from Local Authority	22,500,442	-	(630,707)	-	-	21,869,735
Capital expenditure from GAG	842,585	-	(128,191)	132,391	-	846,785
Local Authority income	2,622,797	-	(76,118)	-	-	2,546,679
Local Authority donation	840,795	-	(17,865)	-	-	822,930
Condition Improvement Fund (CIF)	601,210	1,075,113	(49,407)	-	-	1,626,916
	<u>27,588,028</u>	<u>1,110,709</u>	<u>(935,397)</u>	<u>132,391</u>	<u>-</u>	<u>27,895,731</u>
<b>Total Restricted funds</b>	<u>23,405,438</u>	<u>9,944,525</u>	<u>(11,786,427)</u>	<u>326,506</u>	<u>947,335</u>	<u>22,837,377</u>
<b>Total funds</b>	<u><u>24,239,874</u></u>	<u><u>10,192,986</u></u>	<u><u>(12,007,690)</u></u>	<u><u>-</u></u>	<u><u>947,335</u></u>	<u><u>23,372,505</u></u>

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**20. Analysis of net assets between funds**

**Analysis of net assets between funds - current year**

	Unrestricted funds 2019 £	Restricted funds 2019 £	Restricted fixed asset funds 2019 £	Total funds 2019 £
Tangible fixed assets	-	-	27,221,498	<b>27,221,498</b>
Fixed asset investments	46,880	-	-	<b>46,880</b>
Current assets	527,775	(44,743)	94,074	<b>577,106</b>
Creditors due within one year	-	(730,417)	-	<b>(730,417)</b>
Creditors due in more than one year	-	(12,821)	-	<b>(12,821)</b>
Pension scheme liability	-	(6,703,000)	-	<b>(6,703,000)</b>
<b>Total</b>	<b>574,655</b>	<b>(7,490,981)</b>	<b>27,315,572</b>	<b>20,399,246</b>

**Analysis of net assets between funds - prior year**

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

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**NOTES TO THE FINANCIAL STATEMENTS  
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**21. Reconciliation of net expenditure to net cash flow from operating activities**

	2019 £	2018 £
Net expenditure for the year (as per Statement of Financial Activities)	<b>(1,221,259)</b>	(1,811,369)
<b>Adjustments for:</b>		
Depreciation	<b>931,897</b>	935,397
Capital grants from DfE and other capital income	<b>(424,731)</b>	(1,110,709)
Interest receivable	<b>(1,770)</b>	(2,712)
Defined benefit pension scheme cost less contributions payable	<b>445,000</b>	404,000
Defined benefit pension scheme finance cost	<b>126,000</b>	125,000
Decrease in debtors	<b>6,568</b>	70,788
Decrease in creditors	<b>(169,101)</b>	(389,474)
Gains on investments	<b>(2,344)</b>	(3,335)
<b>Net cash used in operating activities</b>	<b>(309,740)</b>	(1,782,414)

**22. Cash flows from financing activities**

	2019 £	2018 £
Repayments of borrowing	<b>(25,642)</b>	(25,642)
<b>Net cash used in financing activities</b>	<b>(25,642)</b>	(25,642)

**23. Cash flows from investing activities**

	2019 £	2018 £
Dividends, interest and rents from investments	<b>1,770</b>	2,712
Purchase of intangible assets	<b>(312,900)</b>	(1,188,724)
Capital grants from DfE Group	<b>424,731</b>	1,110,709
<b>Net cash provided by/(used in) investing activities</b>	<b>113,601</b>	(75,303)

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**24. Analysis of cash and cash equivalents**

	2019 £	2018 £
Cash in hand	318,921	540,702
<b>Total cash and cash equivalents</b>	<b>318,921</b>	<b>540,702</b>

**25. Capital commitments**

	2019 £	2018 £
<b>Contracted for but not provided in these financial statements</b>		
Acquisition of tangible fixed assets	141,586	192,676
	<b>141,586</b>	<b>192,676</b>

**26. Pension commitments**

The Academy Trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme for England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Leicestershire County Council. Both are multi-employer defined benefit 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 £122,150 were payable to the schemes at 31 August 2019 (2018 - £137,667) and are included within creditors.

**Teachers' Pension Scheme**

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed 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.

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**26. Pension commitments (continued)**

**Valuation of the Teachers' Pension Scheme**

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

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

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

The employer's pension costs paid to TPS in the year amounted to £619,295 (2018 - £695,557).

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

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

**Local Government Pension Scheme**

The LGPS is a funded defined benefit pension scheme, with the assets held in separate trustee-administered funds. The total contribution made for the year ended 31 August 2019 was £568,000 (2018 - £599,000), of which employer's contributions totalled £454,000 (2018 - £475,000) and employees' contributions totalled £114,000 (2018 - £124,000). The agreed contribution rates for future years are 24.4 - 25.4 per cent for employers and 5 - 12.5 per cent for employees.

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

**Principal actuarial assumptions**

	<b>2019</b>	2018
	%	%
Rate of increase in salaries	<b>3.3</b>	3.4
Rate of increase for pensions in payment/inflation	<b>2.3</b>	2.4
Discount rate for scheme liabilities	<b>1.8</b>	2.8
Inflation assumption (CPI)	<b>2.4</b>	2.4

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**NOTES TO THE FINANCIAL STATEMENTS  
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**26. Pension commitments (continued)**

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

	<b>2019</b>	2018
	<b>Years</b>	Years
<i>Retiring today</i>		
Males	<b>21.2</b>	22.1
Females	<b>23.4</b>	24.3
<i>Retiring in 20 years</i>		
Males	<b>22.2</b>	23.8
Females	<b>24.7</b>	26.2

**Sensitivity analysis**

	<b>2019</b>	2018
	<b>£000</b>	£000
Discount rate -0.5%	<b>1,764</b>	1,345
Salary increase rate +0.5%	<b>237</b>	204
Pension increase rate +0.5%	<b>1,491</b>	1,123

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

	<b>At 31</b>	At 31 August
	<b>August 2019</b>	2018
	<b>£</b>	£
Equities	<b>4,492,000</b>	4,251,000
Bonds	<b>2,401,000</b>	1,851,000
Property	<b>620,000</b>	617,000
Cash and other liquid assets	<b>232,000</b>	138,000
<b>Total market value of assets</b>	<b>7,745,000</b>	6,857,000

The actual return on scheme assets was £458,000 (2018 - £298,000).



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**NOTES TO THE FINANCIAL STATEMENTS  
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**26. Pension commitments (continued)**

Expected returns on assets are calculated as follows:-

The figures shown in the standard FRS 102 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 period (i.e. as at 1 September 2018 for the year to 31 August 2019, or date of joining the fund if later).

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

	<b>2019</b>	2018
	£	£
Current service cost	<b>728,000</b>	879,000
Past service cost	<b>171,000</b>	-
Interest income	<b>198,000</b>	158,000
Interest cost	<b>(324,000)</b>	(283,000)
<b>Total amount recognised in the Statement of Financial Activities</b>	<b>773,000</b>	754,000

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**NOTES TO THE FINANCIAL STATEMENTS  
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**26. Pension commitments (continued)**

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

	2019 £	2018 £
<b>At 1 September</b>	<b>11,237,000</b>	10,892,000
Current service cost	728,000	879,000
Interest cost	324,000	283,000
Employee contributions	114,000	124,000
Actuarial losses/(gains)	2,012,000	(804,000)
Benefits paid	(138,000)	(137,000)
Past service costs	171,000	-
<b>At 31 August</b>	<b>14,448,000</b>	11,237,000

Changes in the fair value of the Academy Trust's share of scheme assets were as follows:

	2019 £	2018 £
<b>At 1 September</b>	<b>6,857,000</b>	6,097,000
Interest income	198,000	158,000
Actuarial gains	260,000	140,000
Employer contributions	454,000	475,000
Employee contributions	114,000	124,000
Benefits paid	(138,000)	(137,000)
<b>At 31 August</b>	<b>7,745,000</b>	6,857,000

**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.

**WIGSTON ACADEMIES TRUST**  
**(A company limited by guarantee)**

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

**28. Related party transactions**

Owing to the nature of the Academy Trust's operations and the composition of the board of trustees being drawn from local public and private sector organisations, transactions may take place with organisations in which a trustee has an interest. All transactions involving such organisations are conducted at arm's length and in accordance with the Academy Trust's financial regulations and normal procurement procedures.

**Expenditure Related Party Transactions**

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

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

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

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

**29. Connected charities**

The activities of Abington High School and Guthlaxton College Foundation Fund are incorporated into the accounts (see note 19) by virtue of their control by the Trust.